

CONTRACTOR DEPOSIT AGREEMENT

This agreement is made and entered into as of the _____ day of _____, 20__ by and between _____, *circle one* (individual) (corporation) (partnership) hereinafter referred to as CONTRACTOR, _____ *circle one* (individual) (corporation) (partnership) hereinafter referred to as the BUILDING OWNER, and Smithfield City, a body corporate and politic of the State of Utah, hereinafter referred to as CITY.

WHEREAS, the CITY is the compliance agency responsible for the enforcement provisions of the building codes as defined in Title 15 of the Smithfield Municipal Code; and

WHEREAS, before a building can be constructed, required permits must be obtained from the CITY for the type of work to be done; and

WHEREAS, a building can only be occupied upon the issuance of a certificate of occupancy by the building official of the CITY following an inspection of the building or structure in which no violations of the provisions of the adopted codes have been noted; and

WHEREAS, the building official is authorized to issue a Temporary Certificate of Occupancy before the entire work covered by the permit is completed provided that such portion or portions shall be occupied safely and a set time period for completion is set; and

WHEREAS, The CITY may have certain public improvements which the CITY desires to be maintained and protected such as curb, gutter, sidewalk, street pavement, and other utilities, etc. on or in close proximity to the site where a permit for building has been issued; and

WHEREAS, The city council of Smithfield City has passed and adopted Resolution No. 15-10 requiring the mandatory deposit of \$2,500 upon the issuance of a building permit for the construction of dwellings, or commercial or manufacturing buildings as security, in addition to any other security which may be required by the City, against damage to the public improvements, as well as, security to insure the completion of building improvements.

NOW THEREFORE, in consideration of the mutual covenants and undertakings hereinafter stated to which each party hereby binds and commits itself, it is agreed as follows:

1. DEPOSIT OF \$2,500.00 As a condition to receiving a building permit to construct a residential dwelling, or commercial or manufacturing building located at _____, a deposit in the amount of \$2,500 is hereby deposited with the treasurer of the Smithfield City. The deposit shall be held by the CITY in an identified and dedicated fund as an additional means of security, in some cases, for the completion of all improvements required by the building codes adopted by the CITY and the State of Utah, and as security against any damage to the public improvements which may occur as a result of construction activities for which the permit was issued.

2. FORFEITURE OF DEPOSIT FOR REPAIR OF PUBLIC IMPROVEMENTS The CITY is hereby authorized to withdraw an amount necessary to repair any damage to the public improvements which have not been repaired or made whole by the CONTRACTOR or BUILDING OWNER to whom the building permit was issued. In the event that damages exceed the amount of the deposit, the undersigned hereby promises and covenants to compensate the CITY the difference.

3. **WITHHOLDING OF DEPOSIT** The CITY shall withhold all or a portion of the deposit as the CITY deems appropriate until all improvements as required by the building codes have been satisfactorily completed and a Permanent Certificate of Occupancy has been issued by the Building Official or his designated representative. Withholding of the deposit shall not relieve the CONTRACTOR or BUILDING OWNER from completing the requirements established by the building code prior to occupying the building.

4. **RELEASE OF DEPOSIT** Upon request by the CONTRACTOR or BUILDING OWNER, the CITY shall release and return any unused portion of the deposit to the (CONTRACTOR) (BUILDING OWNER), provided all required work has been completed and accepted by the city. Failure to request release of the deposit within twelve (12) months from the date of the Permanent Certificate of Occupancy will be deemed as an abandonment of the deposit and it shall become the property of Smithfield City.

5. **ASSIGNMENT** The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and permitted successors and assigns; provided, however, that this Agreement cannot be assigned, transferred or conveyed by either party, without the express written consent of the other party.

6. **ENTIRE AGREEMENT** This writing constitutes the entire agreement between and among BUILDING OWNER, CONTRACTOR, and CITY. The parties acknowledge that there are no underlying agreements, oral or written, pertaining to the terms of this agreement.

FAX AND ELECTRONIC TRANSMISSIONS AND COUNTERPARTS Facsimile (fax) and electronic (e-mail) transmissions of a signed copy of this Contract (or Agreement), any addenda and exhibits and the retransmission of any signed fax or e-mail shall be the same as delivery of an original. This Contract (or Agreement), any addenda and exhibits may be executed in counterparts.

Building Owner

Witness

Contractor

Witness