

prearranged and agreed to by the City, at no time shall any of the activities cause any service to other properties not involved in the Project to be interrupted for more than 12 hours. In the event service is interrupted for more than 12 hours or more than as otherwise agreed to, the City may, in its reasonable discretion, take the necessary steps to return service to the affected properties and charge the Performance Bond for the reasonable costs.

- e) **Permits and Performance Bonds.** Prior to commencement of construction of the public Infrastructure Improvements or issuance of a building permit for any of the buildings, the Developer shall provide to the City a performance bond by an AM Best Rated company with a rating of at least A-VII reasonably acceptable to the City or an irrevocable letter of credit in a form reasonably acceptable to the City (the “Performance Bond”) in an amount not less than 125% of the costs of the public Infrastructure Improvements and construction of the Building B2 Parking Structure, to guarantee their full completion by the Developer under this Agreement and pursuant to **Exhibits C-3 and C-4**, or a return of Lot #1 to its current state if Buildings A1 and A2 are not constructed, plus an additional bond (the “Demolition and Site Restoration Guarantee”) to guarantee demolition of existing or future (as constructed by the Developer) buildings, removal of demolition debris, and site restoration (by backfilling any excavation with typical granular fill to grade) in the event any buildings, required to be constructed by the Developer under this Agreement, are not completed due to work stoppage that is not the result of an Enforced Delay (as defined below). The amount of the Demolition and Site Restoration Guarantee shall be 125% of the demolition bid(s) for the full cost of demolition, as selected by Developer for the demolition portion of the

Project through a contractor or contractors that are reasonably acceptable to the City.

The applicable Performance Bond amounts shall remain in full force and effect throughout the construction process to insure site restoration in the event of Developer's failure to complete the Project. Upon completion, the public Infrastructure Improvements and appropriate easements as approved by the City Engineering Department and City Attorney shall be dedicated to the City. City may use the Performance Bond to either complete the Infrastructure Improvements and Building B2, demolish the existing buildings on Project property, or restore the sites if buildings are left partially constructed. Developer shall have forty five (45) business days to cure any default after written notice of the same.

- f) **Material Testing.** The Developer shall be responsible for scheduling inspection and testing, including pipe, structure backfill, road base, concrete work and bituminous pavement in accordance with City standards. The testing shall be completed by a qualified construction materials testing and inspection consultant approved by City. All testing shall be in accordance with Michigan Department of Transportation (MDOT) and City standards at Developer's sole cost and expense. Material testing for Building B2, including compacted fill materials, poured concrete foundations, cast in place concrete, welds, connectors and other commonly tested components are to be scheduled and coordinated by the Developer as reasonably directed by the City's engineer or parking consultant. All testing for Building B2 shall be in accordance with City standards at the Developer's sole reasonable cost and expense.