



**IRREVOCABLE ASSIGNMENT OF
LOAN PROCEEDS AND SECURITY AGREEMENT FOR
CONSTRUCTION - INSTALLATION OF IMPROVEMENTS**

Project Name: _____

Landuse Permit No: _____

Building Permit No: _____

The undersigned Developer, _____, hereinafter "the Developer", hereby authorizes and directs _____, hereinafter "the Lender", to hold from the proceeds of development Loan No. _____, the sum of _____ (\$_____), hereinafter referred to as "the security", as security for completion of the following improvements which are required by the City of Redmond, hereinafter "the City" pursuant to approvals granted by, or to be granted by the City:

(Check appropriate items)

Public Utilities

Streets

Sidewalks

Drainage

Landscaping

Fencing

Other (specify): _____

The nature and extent of said improvements is defined by the approved plans and permit conditions contained in the City files for the project and by applicable City ordinances and standards governing such improvements.

The Developer hereby irrevocably assigns all of its right and interest in the security to the City of Redmond for the purpose of guaranteeing completion of the improvements specified above. In the event the Developer fails to complete any or all of said improvements, the Lender is hereby authorized and directed to pay to the City of Redmond such sums, within the limits of the security, as determined by _____, hereinafter "the Director", as are necessary to construct and/or finish construction of said improvements, including provision for guarantee of fulfillment of any warranty requirements applicable thereto.

In the event of any failure to fully complete said improvements, the City of Redmond shall have first claim and priority upon the security which is paramount to all parties, including the Developer. The security shall be held available to satisfy any claim by the City pursuant to this Agreement notwithstanding default on the loan by the Developer or termination of the loan by the Lender.

In the event the required improvements are constructed in accordance with all applicable City ordinance's standards, the approved plans and permit conditions, the City shall advise the Lender in writing that the improvements have been accepted and that the Lender is authorized to release the security, or the remainder thereof in the event of use of any of said security by the City pursuant to this Agreement, to the Developer.

Upon completion and acceptance of the improvements by the City, the Developer agrees to furnish to the City such security for fulfillment of warranty obligations in the case such security is required by state statute, City ordinance or applicable City regulations or permit conditions, whereupon the City agrees to advise the Lender in writing that the security, or the remainder thereof, may be released to the Developer.

In the event litigation is initiated for the purpose of pursuing any right arising out of this Agreement, each prevailing party shall be entitled to an award of its costs and attorneys fees.

DEVELOPER:

LENDER:

BY: _____

BY: _____

DATE: _____

DATE: _____

Accepted By: CITY OF REDMOND

Contact information for release:

Project Contact: _____

Contact's e-mail address: _____

Contact's phone: _____

Date: _____

To request release of this security instrument:

Please e-mail your request to release this security instrument to the project contact listed above after the specified work has been completed and after the expiration date of the effective period. In your e-mail, please include a reference to the project name, file number, name of City Contact assigned to the project, instrument type (bond, letter of credit, assignment of account, etc.), dollar amount of security, instrument number together with the name, address and phone number of the person to which the release information should be sent.