

Date August 24, 2009

RESOLUTION APPROVING AGREEMENT WITH MERCHANTS BONDING COMPANY AND VALLEY BANK FOR GRADING AND SEEDING IN STERLING TRACE PLATS 1 AND 2.

WHEREAS, Sterling Trace Development, L.C. ("Sterling Trace"), a subsidiary of Regency Homes, was the proprietor and developer of Sterling Trace Plats 1 and 2 in the City of Des Moines and to that end undertook to grade and stabilize the site in conformance with a grading plan approved by the City; and,

WHEREAS, the obligation of Sterling Trace to stabilize the site was backed by Performance Bond No. IAC 34835 from Merchants as surety, in the original amount of \$189,969, and with an outstanding balance (prior to this action) of \$47,492; and,

WHEREAS, Sterling Trace has defaulted on its obligation to stabilize portions of the property within Sterling Trace Plats 1 and 2; and,

WHEREAS, Sterling Trace is no longer in business, is believed to have no remaining assets, and has transferred ownership of its property in Sterling Trace Plats 1 and 2 to Valley Bank; and,

WHEREAS, Valley Bank has obtained a bid from Gator Excavating (the "Contractor") to perform the minimum work now believed to be necessary to stabilize the site in consideration of the sum of \$19,097.00 (the "Contract Amount"); and,

WHEREAS, the City staff have negotiated an agreement with Merchants and Valley Bank whereby:

- Valley Bank hires the Contractor to grade and seed the affected portions of the vacant lots within Sterling Trace Plats 1 and 2;
- Merchants Bonding reimburses Valley Bank for the Contract Amount; and,
- The City reduces the balance of the outstanding Performance Bond by the Contract Amount.

NOW THEREFORE, be it resolved by the City Council of the City of Des Moines as follows:

1. The proposed Agreement with Merchants and Valley Bank as described above is hereby approved.

(continued)

★ Roll Call Number
09-1539

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2. The Mayor is hereby authorized and directed to sign the proposed Agreement on behalf of the City of Des Moines.

MOVED by Kiernan to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown

Assistant City Attorney

C:\Rog\Plats\Pending\Sterling Trace\RC 09-08-24 Approve Agr.doc

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
HENSLEY	✓			
KIERNAN	✓			
MAHAFFEY	✓			
MEYER	✓			
VLASSIS	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T. M. Franklin
Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Diane Fauh City Clerk