

REQUIREMENTS FOR USE OF CERTIFICATES OF DEPOSIT AS SECURITY FOR DEVELOPMENT PERMIT, CONTRACT OR LEASE OBLIGATION

Obligor:	Obligation (e.g. Grading Permit, Lease, Contract):
Address:	Description (JO No., Contract No., etc):
	Date:
Amount of Security Required: \$	Performance Date:

The City of Redding requires contractors and developers (Obligor) and may require lessees and other contracting parties to provide security for complete and satisfactory performance of their obligations. One form of security acceptable to the City is a security deposit in a federally insured account of a bank, savings and loan, or other qualified institution. The account, commonly referred to as a Certificate of Deposit, must comply with the following:

- A. The account must be payable to the City of Redding with no right of setoff.
- B. The account must be safeguarded from being released to the depositor, bankruptcy trustee, other government agency, or any other person without an endorsement or letter from the City. The City will not release the account without issuing an endorsement and/or letter which relinquishes the City's interest in the funds. Your paper and electronic records should be noted so that a transfer cannot be performed. You are liable for funds which have been erroneously transferred or released.

OBLIGOR'S ACKNOWLEDGMENT

Obligor acknowledges that funds must remain on deposit with the financial institution until released by the City of Redding.

<i>Signature of Obligor</i>	<i>Date</i>
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FINANCIAL INSTITUTION ACKNOWLEDGMENT

_____ acknowledges that funds transferred or released from account or certificate number _____ without a City of Redding release endorsement and/or letter remain payable to the City of Redding.

<i>Signature of Authorized Representative:</i>	<i>Date:</i>
<i>Print Name and Title:</i>	