

LAND DEVELOPMENT

30 Attachment 2

Township of Chatham

Appendix B, Article 6

Subdivision Improvement Performance Bond *

KNOW ALL MEN BY THESE PRESENTS that we,

a corporation organized and existing under the laws of the State of New Jersey, having its principal office at _____, in the _____ of County of _____ and State of New Jersey, as Principal (hereinafter referred to as Principal), and as Surety (hereinafter referred to as Surety), are held and firmly bound unto the TOWNSHIP OF CHATHAM IN THE COUNTY OF MORRIS, a municipal corporation of the State of New Jersey, having its Township Hall at 24 Southern Boulevard, Township of Chatham, New Jersey (hereinafter referred to as Township), for its exclusive benefit, as obligee, in the sum of (\$ _____) lawful money of the United States of America, for the payment of which sum the Principal and Surety hereby bind themselves, their successors and assigns, jointly and severally, firmly by these presents. Signed, sealed and dated this _____ day of _____, 19

WHEREAS, _____ submitted to the Planning Board of the Township an application to subdivide a certain tract of land in said Township known as

WHEREAS, by Resolution adopted on _____ the Planning Board of the Township granted preliminary or tentative subdivision approval of such subdivision upon the terms and conditions set forth in said Resolution;

WHEREAS, the Principal has now made application to the Planning Board of the Township for final subdivision approval of [the entire subdivision tract] [Section _____ of the subdivision tract], in accordance with the following maps and drawings:

[List final subdivision plat and the title of each and every sheet of the accompanying plans and profiles of all improvements]

WHEREAS, the following improvements are required to be installed by the Principal in accordance with the aforementioned plans and specifications for the development of the [entire subdivision tract] [Section _____ of the subdivision tract]:

[List the categories of improvements required, such as excavation, curbing, pavement, etc. - do not recite quantities or prices]

WHEREAS, the Land Subdivision Ordinance of the Township provides that final subdivision approval shall not be granted to an application for subdivision until the completion of all required improvements has been certified by the Township Engineer, unless there shall have

*When site plan improvements are the subject of the performance and maintenance guarantee, appropriate modifications must be made in this form.

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been filed with the Township a performance guarantee sufficient in amount to cover the cost of all such improvements as estimated by the Township Engineer all assuring the installation of any uncompleted improvements on or before an agreed date and the maintenance of all improvements for a period of 2 years following their acceptance by the Township;

WHEREAS, the Principal has entered into a Developer's Agreement with the Township dated _____ which, among other things, provides for the furnishing of this performance bond.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if said Principal shall complete all of the improvements hereinabove mentioned on or before and if said Principal shall repair and maintain said improvements during a period of 2 years from the date said completed improvements have been accepted by the Township, and if said Principal shall comply with all of the terms and conditions of subdivision approval and all applicable State laws, rules and regulations and with all Township ordinances, permits and approvals respecting the subdivision and development of land, and if said Principal shall comply with all of the provisions of the aforesaid Developer's Agreement dated _____, then this obligation shall be null and void, otherwise to remain in full force and effect, provided that

In the event that any improvement or improvements required to be made by the Principal shall not be completed on or before _____, or shall not be completed on or before such subsequent date as may be mutually agreed upon by said Township, the Principal and the Surety, then the Surety binds itself and agrees that upon notification by said Township of such failure the Surety shall promptly pay to the Township the reasonable costs, not exceeding the face amount of this bond, of the completion of said improvement or improvements.

In the event that any improvement required to be maintained by the Principal shall not be maintained for a period of 2 years following the acceptance of such improvement by the Township, the Surety binds itself and agrees that upon notification by said Township of such failure the Surety shall promptly pay to the Township the reasonable costs, not exceeding 15 percent of the face amount of this bond, of the performance of such maintenance work.

In the event that during the course of the installation of improvements or thereafter the Principal shall fail to comply with any term or condition of final subdivision approval or shall fail to comply with any provision of the aforementioned Developer's Agreement dated _____, then the Surety binds itself and agrees that upon notification of the Township of such failure the Surety shall pay to the Township the reasonable costs, not exceeding the face amount of this bond, of the performance of the aforesaid obligations of the Principal or any of them, and it is understood and agreed that the Township shall be entitled to receive such reasonable costs without waiting for the date set for the completion of the improvements whenever a failure of the Principal to comply with any term or condition of final subdivision approval or any provision of the aforementioned Developer's Agreement dated _____ has a current adverse effect upon any persons or property designed to be protected during the course of the installation of subdivision improvements by said terms and conditions or by the provisions of said Developer's Agreement.

This obligation shall remain in full force and effect until released by Resolution of the governing body of the Township, which release shall be given upon satisfactory completion and maintenance of said improvements in accordance with the terms set forth above.

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The governing body of the Township shall, upon application of the Principal, reduce the amount of this obligation to 15 percent of the amount hereinabove stated upon the acceptance by the Township of all improvements for [the subdivision tract] [Section _____ of the subdivision tract].

In the event of any default on the part of the Principal which may become the basis of a demand upon or a claim against the Surety, the Township shall notify the Surety as soon as practicable after such default comes to the notice of the governing body of the Township, provided, however, that no claim shall be made after the expiration of 3 years from the date the improvements required have been accepted by the Township.

It is understood that the Principal has made a cash deposit with the Township in the amount of (\$____) in accordance with the terms of a Developer's Agreement dated _____ between the Principal and the Township. It is further understood that in the event of a failure by the Principal to complete any of the improvements enumerated above, the Township shall not make any demand upon or claim against the Surety in accordance with the provisions of this bond unless the amount of such cash deposit is insufficient to cover the cost of correcting the default by the Principal.

Inasmuch as it is the purpose of this obligation to assure the completion and maintenance of the aforesaid subdivision improvements, to assure compliance with all of the provisions of the aforesaid Developer's Agreement as well as compliance with all the terms and conditions of subdivision approval, applicable State laws, rules and regulations and Township ordinances, permits and approvals respecting the subdivision and development of land, all without expense to the Township, it is agreed that in the event that the Township institutes a suit against the Principal and/or Surety under this bond, then any judgment which the Township recovers against the Principal and/or Surety shall include amounts to reimburse the Township for the reasonable cost of attorneys fees in connection with said suit, for the reasonable cost of the services of the Township Engineer in connection with said suit and for the reasonable cost of any other experts necessarily engaged by the Township for purposes of said suit.

_____, Principal

[Corporate Seal]

By _____

_____, Surety

[Corporate Seal]

By _____

(Ord. No. 2-79 App. B)