

PERFORMANCE SURETY BOND

We, _____, having offices at _____, _____, as principal, and _____, having offices at _____, _____, a corporation duly licensed to transact a surety business in the State of New Jersey, as surety, are indebted to the County of Monmouth, obligee, in the sum of \$ _____, for which payment we bind ourselves and our respective heirs, legal representatives, successors, and assigns, jointly and severally.

On _____ (date) principal was granted conditional approval by the Monmouth County Development Review Committee for _____ (include reference to specific job). The estimate by the county engineer of the cost of this work is attached hereto and made a part hereof.

Pursuant to the Monmouth County Development Regulations, adopted under authority of the County Enabling Act (N.J.S.A. 40:27-6.2 et seq. & N.J.S.A. 40:27-6.6 et seq.) the principal hereby furnishes a performance surety bond in the amount of \$ _____ (not to exceed 110% of the estimated cost of the improvements, as certified by the county engineer), written by _____, a surety licensed in the State of New Jersey, guaranteeing full and faithful completion of improvements approved by the approving authority, in lieu of completing the required improvements prior to the granting of final approval.

This bond shall remain in full force and effect until such time as all improvements covered by the bond have been approved or accepted by resolution of the county governing body. This bond shall remain in full force and effect until released by resolution of the county governing body.

This bond is issued subject to the following expressed conditions:

1. This bond shall not be subject to cancellation either by the principal or by the surety for any reason until such time as all improvements subject to the bond have been accepted by the county by resolution of the Board of Chosen Freeholders.
2. This bond shall be deemed to be continuous in form, and shall remain in full force and effect until the improvements are accepted by the county and the bond is released, or until default is declared, or until the bond is replaced by another performance guarantee acceptable to the county and meeting applicable legal requirements. Upon approval or acceptance of all improvements by the county, or upon replacement of this bond by another performance guarantee, liability under this bond shall cease.
3. The aggregate liability of the surety shall not exceed the sum set forth above.

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4. In the event that the improvements subject to this bond are not completed within the time allowed under the conditions of the final approval issued if so established, including such extensions as may be allowed by the Monmouth County Development Review Committee (the committee), the committee or the committee's representative upon advice of the county engineer, and upon at least at least thirty (30) days prior written notice to the principal and to the surety by personal delivery or by certified or registered mail or courier, declare the principal to be in default and, in the event that the surety fails or refuses to complete the work in accordance with the terms and conditions of the original approval, claim payment under this bond for the cost of completion of the work. In the event that any action is brought against the principal under this bond, written notice of such action shall be given to the surety by the county by personal delivery or by certified or registered mail or courier at the same time.
5. The surety shall have the right to complete the work in accordance with the terms and conditions of the original approval, either with its own employees or in conjunction with the principal or another contractor; provided, however, that the surety may make a monetary settlement with the county, at the county's discretion, as an alternative to completing the work.
6. In the event that the principal and the approving authority agree to changes in the scope of work, the obligations of the surety under this bond shall not be affected so long as the cost of the work does not exceed 110 percent of the county engineer's estimate, attached hereto and made a part hereof, which 110 percent of the estimate shall be the limit of the surety's obligation under this bond in any case. If the cost of the work exceeds 110 percent of the estimate, either by agreed the upon changes in scope or as a result of increases in the cost of construction, the principal shall secure a rider from a surety for the additional amount; provided, however, that this provision shall not be construed as requiring this surety to provide additional coverage.
7. This bond shall inure to the benefit of the county only and no other party shall acquire any rights hereunder.
8. In the event that this bond shall for any reason cease to be effective prior to the approval or acceptance of all improvements, a cease and desist order may be issued by the county, in which case all work shall stop until such time as a replacement guarantee acceptable to the county becomes effective.