

FORM NO. 24A

MAINTENANCE SURETY BOND

Block(s) _____ Lot(s) _____

MAINTENANCE 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 municipality of _____ in the county of _____, 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 approval by the _____ (approving authority) of the _____ of _____ for _____ (include reference to specific job and resolution of approval).

This bond shall become effective upon approval or acceptance of the improvements by the governing body, as certified by the resolution of the governing body, which is, or shall be, attached hereto and made a part hereof. The improvements subject to this bond are as follows: _____. The certification of the cost of such improvements by the municipal engineer is attached hereto and made a part hereof.

Pursuant to municipal ordinance, adopted under authority of the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the principal, as a condition of approval or acceptance of improvements, hereby furnishes this maintenance bond in the amount of \$ _____ (not to exceed 15 percent of the cost of the improvements as certified by the municipal engineer), written by _____, a surety licensed in the State of New Jersey, guarantying full and faithful compliance with all terms and conditions of the approval. The bond shall continue in effect for a period of _____ (not to exceed two years) from the date of approval or acceptance of the said improvements.

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 the end of the period for which it is required to be maintained.

2. The aggregate liability of the surety under this bond shall not exceed the sum set forth above.

3. In the event that the improvements subject to this bond exhibit any defects in functioning, materials or quality of work, the municipal governing body may, at its option, and upon at least 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 perform the necessary corrective work, claim payment under this bond for the cost of any work required for the proper correction of any such defects in the said improvements. 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 municipality by personal delivery or by registered or certified mail or courier at the same time.

4. The surety shall have the right to repair any defects in functioning, materials or quality of work and, to that end, to do such corrective work as may be necessary 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 as an alternative to performing such maintenance or corrective work it may, in its sole discretion, make a monetary settlement with the municipality.

5. This bond shall inure to the benefit of the municipality only and no other party shall acquire any rights hereunder.

Date: _____
_____, Principal

Witness/Attest:

_____, Surety

Witness/Attest:
