

BOROUGH OF RED BANK

COUNTY OF MONMOUTH

RESOLUTION NO. 08-175

**RESOLUTION ACCEPTING MAINTENANCE GUARANTEES AND
RELEASING PERFORMANCE GUARANTEES POSTED BY
K. HOVNANIAN PROPERTIES OF RED BANK, INC.,
K. HOVNANIAN CORPORATE CENTER,
RIVERSIDE AND MAPLE AVENUES, BLOCK 7, LOT 17.02**

Mr. DuPont offered the following resolution and moved its adoption:

WHEREAS, on August 26, 2003, under Resolution No. 03-173, the Borough of Red Bank accepted certain Performance Guarantees from K. Hovnanian Properties of Red Bank, Inc. ("the Developer") for a development project located at Riverside and Maple Avenues (a/k/a "the K. Hovnanian Corporate Center"), Block 7, Lot 17.02; and

WHEREAS, the Developer posted the following in accordance with the Borough's Development Ordinances:

- a. Ten Percent (10%) of the performance guarantee in the form of cash in the amount of \$22,325.10;
- b. The remaining Ninety Percent (90%) of the performance guarantee in the form of Bond No. 104752672 issued by Travelers Casualty & Surety Co. of America in the amount of \$201,168.90; and
- c. An inspection fee in the amount of \$18,985.26; and

WHEREAS, the Developer has requested that the Borough release the aforementioned performance guarantees; and

WHEREAS, the Developer has further requested that the Borough accept as a Two-Year Maintenance Guarantee, Maintenance Bond No. SU5024777, issued by the Arch Insurance Company, in the sum of \$27,940.00, together with the General Purpose Rider rider thereto, dated August 5, 2008; and

WHEREAS, the posting of a maintenance bond in that sum and the release of the aforementioned performance guarantees is in accordance with the Borough Engineer's report and recommendations concerning this project, dated March 19, 2008; and

NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Red Bank as follows:

- a. The Borough hereby accepts Maintenance Bond No. SU5024777, issued by the Arch Insurance Company, in the sum of \$27,940.00, together with the General Purpose Rider thereto, dated August 5, 2008 as a Two-Year Maintenance Guarantee; and

- b. Acceptance of that Maintenance Bond is conditioned upon the developer's posting the sum of \$1,000.00 in cash for inspection fees related to the eventual release of that maintenance bond.
- c. Upon receipt of that Maintenance Guarantee and inspection escrow, the Borough shall release the following:
 - 1. The previously posted sum of \$22,325.10 in cash, which was equivalent to ten percent (10%) of the Performance Guarantee; and
 - 2. The previously posted Performance Guarantee in the form of Bond No. SU5002135 issued by Arch Insurance Company in the amount of \$201,168.90.

BE IT FURTHER RESOLVED that the Chief Financial Officer and the Director of Planning and Zoning are authorized and requested to take appropriate steps to implement this resolution; and

BE IT FURTHER RESOLVED that the Borough Clerk shall forward certified true copies of this resolution to the Borough Engineer, the Director of Planning and Zoning, the Chief Financial Officer and to Martin A. McGann, Esq., 125 Highway 35, Red Bank, New Jersey 07102.

Seconded by Ms. Cangemi and adopted on roll call by the following vote:

	Yes	No	Abstain	Absent
Ms. Cangemi	(x)	()	()	()
Mr. Giannell	(x)	()	()	()
Mr. DuPont	(x)	()	()	()
Ms. Horgan	(x)	()	()	()
Ms. Lee	(x)	()	()	()
Mr. Murphy	(x)	()	()	()

Dated: August 25, 2008