

Agreement No.: _____
Agreement Name: _____
Bond Amount: _____

WARRANTY CASH BOND

KNOW ALL MEN BY THESE PRESENTS, that this Warranty Cash Bond (hereinafter “Warranty Bond”) in the penal sum of _____ Dollars (\$_____) is given by _____ (DEVELOPER), of _____ (hereinafter “Principal”), to **The Sussex Conservation District**, a governmental subdivision of the State of Delaware (hereinafter the “District”).

WHEREAS, the Principal has, by written Agreement (Agreement No. _____) dated _____ (hereinafter “Agreement”), and through plans and specifications as approved by the District, agreed to provide materials, labor, construction administration and construction inspection necessary for drainage construction, erosion and sedimentation control facilities, and/or other improvements deemed necessary by the District. Said Agreement is incorporated herein by reference.

WHEREAS, Principal is required pursuant to the terms of said Agreement to furnish warrant security for the work performed pursuant to said Agreement, in the amount of Ten Percent (10%) of the original performance bond posted pursuant to said Agreement, or Twenty-Five Thousand Dollars (\$25,000.00), whichever is greater;

NOW THEREFORE, the Principal is held and firmly bound unto the District in the penal sum of _____ Dollars (\$_____) lawful money of the United States, said amount to be paid upon execution hereof in guaranteed funds to the District and to be held by the District in a non-interest bearing account, for the payment of which the Principal hereby binds itself and its successors and assigns. This Warranty Bond shall be subject to the following terms and conditions:

1. The condition of this obligation is such that if the materials and labor performed pursuant to the Agreement remain free from defects in materials and workmanship and shall continue to effectively function and endure without the need for repair or replacement for a period of Two (2) years from the completion and approval thereof, or until One Hundred Percent (100%) of the site is at the point of final stabilization, as defined by the Delaware Sediment and Stormwater Regulations (7 Del. Admin. Code § 5101), which ever should occur first (hereinafter the “Warranty Period”), then the obligations created hereunder shall be void, but otherwise this obligation shall remain in full force and effect.

2. If during the Warranty Period hereunder the Principal fails, after being provided written notice from the District, to promptly make full, complete and satisfactory repair and/or replacement, as required by the District, of any and all materials and workmanship performed pursuant to the Agreement, or fails to indemnify and save harmless the District from any loss or

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damages arising from Principal's failure to have provided materials and workmanship free from defect for the entire Warranty Period, then, upon written notice to the Principal at its last known address, the District may declare the Principal to be in default, and claim payment under this Bond for the cost of repairing and/or replacing the defective improvements called for under the Agreement, along with any and all costs and expenses incurred in doing so, including, but not limited to, reasonable attorney's fees.

3. This Bond shall not be subject to cancellation by the Principal for any reason until such time as the Warranty Period has expired, and all defects and claims for which the District provided notice to the Principal during the Warranty Period have been corrected to the satisfaction of the District. Provided the Warranty Period has expired, there are no known and uncorrected defects to the materials and workmanship subject hereto, and the Principal is not otherwise in breach of this Warranty Bond or the underlying Agreement, then this Bond shall be released.

4. The District reserves the right, in its sole discretion, to accept a substitute bond in the place hereof, at which point this Bond shall then be released.

5. There shall be no partial release from this Bond.

6. Principal shall indemnify and save harmless the District as well as its officers, employees, agents and representatives thereof, from all costs, damages, and expenses growing out of or by reason of the improvements and completion of the Agreement, and shall well and truly pay all and every person furnishing material or performing labor in and about said Agreement, all and every sum or sums of money due him, them or any of them, for all such labor and materials.

7. The obligations hereunder shall survive foreclosure, sale, assignment, conveyance or transfer of the real property or the Agreement, or both, which is the subject of this Bond. In the event of such foreclosure, sale, assignment, conveyance or transfer, this Bond shall be released by the District only upon the submission of replacement security satisfactory, in the sole discretion of the District, or in the event the Agreement is complete and all conditions of this Bond have been fulfilled.

[SIGNATURE PAGE TO FOLLOW]

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Sealed with our Seals and dated this ____ day of _____, in the year of our Lord
20_____.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

PRINCIPAL
Corporate Seal

ATTEST: _____ (Signature of Principal): _____ (SEAL)
Print Name: _____
Title: _____