

## PROPOSED LOCAL LAW D – 2017

### Amend 85-15 Bond or deposit.

- A. Definition. A surety bond is defined as a three-party agreement that legally binds together a principal who needs the bond (property owner or contractor), an obligee who requires the bond (Village) and a surety company that sells the bond. If the principal fails to perform the agreement by not completing all work that would result in a certificate of occupancy, the bond will cover the cost of full completion by the Village or surety company.
- B. A surety bond or deposit (may also be known as a performance bond, construction bond, site improvement bond, contract bond or by some other name), in the sum set forth in Chapter **A243**, “Fees, Charges, and Deposits”, shall be posted by an applicant who is required to do so, in order to guarantee completion by the surety company or reimbursement to the Village for any costs incurred by the non-completion of a project to the point where a certificate of occupancy would be issued.
- C. The bond or deposit amount shall be established by resolution of the Board of Trustees and may be changed from time to time as the Board deems necessary.
- D. For the purposes of this section, the completion of construction and issuance of a certificate of occupancy shall be a reimbursable event.