

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**

**A RESOLUTION OF THE  
HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
AUTHORIZING CALLING UPON CERTAIN PERFORMANCE SECURITY  
ASSOCIATED WITH THE CRYSTAL SPRINGS DEVELOPMENTS IN  
COLLABORATION WITH HARDYSTON TOWNSHIP**

**WHEREAS**, the Hardyston Township Municipal Utilities Authority (the “Authority”) owns and operates a water supply system and a wastewater conveyance system servicing the residents of Hardyston Township (collectively the “Systems”); and

**WHEREAS**, several development known as HighGrove at Crystal Springs, Phase I; Ferndown at Crystal Springs, Phase I; and Cloverdale West at Crystal Springs, Phase 2A were constructed in Hardyston Township (the “Township”) over the course of several years (collectively referred to herein as the “Developments”) by a developer known as Shotland Bauer, LLC, (the “Developer”); and

**WHEREAS**, as a condition of approvals received from the Township and the Authority the Developer was required to post certain performance security to ensure that the construction of the developments would be completed in accordance with Township and Authority approvals and that the water and sewer facilities associated with the Developments (the “Facilities”) would be properly transferred to the Authority; and

**WHEREAS**, the Developer provided Letters of Credit (“LOC”) from Boiling Springs Savings Bank, specifically LOCs #200, 201 and 203 in fulfillment of its obligation to provide performance security; and

**WHEREAS**, the Authority received notification from Boiling Springs Savings Bank, dated November 3, 2015, that the LOCs will expire on December 17, 2015, February 24, 2016 and December 15, 2015, respectively; and

**WHEREAS**, the Developer will not be providing replacement security to take the place of the LOCs prior to their expiration; and

**WHEREAS**, the Developer’s obligations with respect to the Developments remain incomplete; and

**WHEREAS**, the Authority desires to call the LOCs and, if necessary, undertake the work required to complete the Developer’s uncompleted obligations with respect to the Facilities (the “Work”); and

**WHEREAS**, completing the Work is necessary to ensure the health, safety and welfare of the residents of Indian Fields, as well as the smooth and efficient operation of the Systems; and

**WHEREAS,** the Authority desires to, in conjunction with the Township, call upon the LOCs in order to address the costs of the Work; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of the Hardyston Township Municipal Utilities Authority as follows:

1. That the Authority's engineer is hereby authorized and directed to develop a complete scope of activities that must be completed in order to properly address the Developer's uncompleted obligations to the Authority.

2. That Authority's engineer and legal counsel are hereby authorized and directed to work with the Township to call the LOCs prior to their expiration.

	YES	NO	ABSTAIN	ABSENT
Chairman Cicerale	X			
Vice Chairman Kula	X			
Secretary Marples	X			
Treasurer Albanese				X
Roof	X			
Kaminski	X			
O'Grady				X

Certified to be a true copy of the Resolution adopted by the HTMUA at a meeting held on December 7, 2015

---

Gail C. Hensal, Recording Secretary