



MACOMB TOWNSHIP

PLANNING DEPARTMENT

54111 BROUGHTON RD
MACOMB TOWNSHIP
MICHIGAN 48042

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Bond Requirement Guide/Process

To guarantee satisfactory completion of development, which meets ordinance standards of Macomb Township, all site improvements are bonded prior to the start of construction. The developer/owner must estimate the amount of money it will take to complete all the site improvements for the project (site improvements are defined as all required improvements, including sewer & water lines, but not including the building). This estimate is reviewed by the Township during Engineering Plan Review, and once approved, the developer is required to submit a bond for 10% of the approved amount.

Two Forms of Bonds are accepted:

1. Cash Deposit with the Township Treasurer
2. Irrevocable Bank Letter of Credit

Upon satisfactory completion of the development, the bond will be released.

Process:

As part of the Engineering Plan Review process, the design engineer provides a tabulation of quantities with a related reasonable estimate of construction costs for all proposed site work. The Township Engineer or their consultant reviews and approves the reasonable estimate. This estimate becomes the basis for the bond amount.

1. The bond submittal process must be completed prior to any permitting activity for the site.
2. Bonds are submitted to the Planning Department by the Developer/owner in an amount equal to 10% of the approved estimate.
3. Upon bond submittal:
 - a. Cash bonds are immediately approved once the amount is verified by the Township Engineer.
 - b. Bank Letters of Credit are reviewed by the Township Engineer and the Township Attorney as it relates to the amount, language of the bond for redeeming the bond (if necessary), qualifications of the bonding company/financial institution, the validity of the entity submitting the bond and the authority of the person signing the bond. If approved, the developer/owner is notified by email and the bonds are transmitted to the Finance Department where they are held until a release is approved by the Township Engineer.

Bank Letter of Credit Submittal Requirements:

- The Bond (A Sample of an "Irrevocable Bank Letter of Credit" is attached as Exhibit B).
- A recent print out from the State of Michigan website showing that they entity is in good standing with the State of Michigan.
- Provide proof documenting the authority of signatories to sign on behalf of the organization. (Samples below)

Signatories on behalf of Entitles (i.e., corporations or LLC's) submitting a financial guarantee are required to provide proof that they are authorized to sign such documents. Proof of this Authority comes from the following documentation:

Limited Liability Company:

- An appropriate provision of the operating agreement, indicating that the specific person who will sign the presented document has the authority on behalf of the LLC to sign.

- A resolution by the members of the LLC, if the LLC is managed by members, identifying the specific person who will sign the presented document. (Sample attached in Exhibit A)
- A resolution by the members and manager of the LLC, if the LLC is managed by a manager, identifying the manager and that s/he has the authority to sign the presented document. (Sample attached in Exhibit A)

Corporation:

- An appropriate provision of the corporation bylaws, indicating that the specific person who will sign the presented document has the authority on behalf of the corporation to sign.
- Minutes of special meeting of Board of Directors or Shareholders (as determined by corporate bylaws), identifying the specific person who will sign the presented document. (Sample attached in Exhibit A)
- Consent in lieu of a special meeting of Board of Directors or Shareholders (as determined by corporate bylaws), identifying the specific person who will sign the presented document. (Same attached in Exhibit A)

EXHIBIT A

**CONSENT RESOLUTION
OF MEMBERS OF _____**

We are currently all of the Members of _____, a Michigan limited liability company (the "Company"), and desire that the action expressed in the resolution below be taken by the Company:

Resolved, that _____, as Member of the Company, acting alone, is authorized, empowered and directed, for and on behalf of the Company, to make, execute, deliver and file with Macomb Township all instruments, certificates, contracts, papers and documents as required by Macomb Township and, as the Member in its sole discretion, deems necessary, advisable and in the best interest of the Company.

This consent is dated as of _____; this consent, or a facsimile, may be executed in counterparts, each of which, taken together, constitutes one original.

**MINUTES OF THE SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF**

The Special Meeting of the Board of Directors of _____, (the "Corporation") was held on the _____ day of _____ October, 20__ at _____ 10:30 a.m./ p.m at _____, _____, Michigan.

Present: _____

being Directors of the Corporation.

_____ was chosen to act as Chairman of the meeting and _____ was chosen to act as Secretary of the meeting.

The Secretary presented and read the Notice of Special Meeting which had been presented to all Directors as well as the Minutes of the Special Meeting of Shareholders authorizing such acts and acknowledged the approval to proceed and take such action by all of the Directors.

The Chairman then pointed out that the certain actions were to take place with regard to Macomb Township.

Upon motion duly made, seconded and unanimously carried, it was:

"RESOLVED, that the appropriate officers of the Corporation, including, without limitation, _____ and any person authorized to act by any such officer of the Corporation, are hereby severally authorized to execute and deliver _____ and other instruments and communications as any of them may deem necessary, related to the _____.

There being no further business to come before the meeting, the meeting was, upon motion made and carried, duly adjourned.

Dated: _____

Attest:

_____, Chairman

_____, Secretary

**CONSENT RESOLUTION
OF MEMBERS AND MANAGERS OF _____**

We are currently the Managers and all of the Members of _____, a Michigan limited liability company (the "Company"), and desire that the action expressed in the resolution below be taken by the Company:

Resolved, that _____, as Member/Manager of the Company, acting alone, is authorized, empowered and directed, for and on behalf of the Company, to make, execute, deliver and file with with Macomb Township all instruments, certificates, contracts, papers and documents as required by Macomb Township and, as the Member/Manager in its sole discretion, deems necessary, advisable and in the best interest of the Company.

This consent is dated as of _____; this consent, or a facsimile, may be executed in counterparts, each of which, taken together, constitutes one original.

**CONSENT IN LIEU OF
SPECIAL MEETING
OF SHAREHOLDERS OF**

THE UNDERSIGNED constitute the Shareholders of _____, ____, a Michigan corporation (the "Corporation"). By executing this Consent, each of the undersigned consents to and authorizes the actions of the Corporation set forth below. This Consent is in lieu of a formal special meeting of the Shareholders pursuant to MCLA 450.1407. Any recitals and resolutions adopted by this Consent shall have the same force and effect that such recitals and resolutions would have if adopted at such a meeting. This Consent may be executed in counterparts.

1. The Shareholders hereby consent to and adopt the following resolution regarding the dealings with Macomb Township:

"RESOLVED, that the appropriate officers of the Corporation, including, without limitation, _____ and any person authorized to act by any such officer of the Corporation, are hereby severally authorized to execute and deliver _____ and other instruments and communications as any of them may deem necessary, related to the _____.

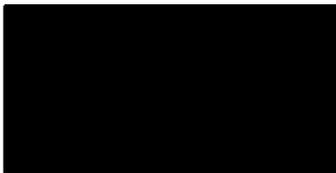
Dated: _____

_____, President

_____, Shareholder

_____, Shareholder

EXHIBIT B



Irrevocable Standby Letter of Credit

Beneficiary: Macomb Township
54111 Broughton Road
Macomb, MI 48042

Applicant: [Redacted]

Issue Date: 08/29/17
Expiration Date: 08/16/18
Amount: USD [Redacted]
Our Reference: [Redacted]

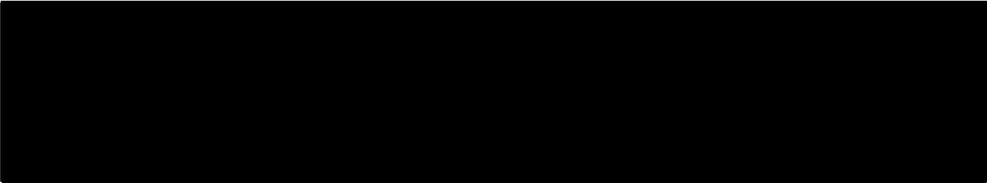
We hereby establish our Irrevocable Standby Letter of Credit No. [Redacted] in your favor for the account of [Redacted] MACOMB, MI 48044 up to an aggregate amount of USD [Redacted] Thousand Eight Hundred Ninety and 70/100 United States Dollars) available by your sight draft(s) drawn on [Redacted] marked "Drawn under The [Redacted] Standby Letter of Credit No. [Redacted] dated 08/29/17" accompanied by the following document(s):

1. Beneficiary's statement signed by one purporting to be an authorized signer of the Beneficiary stating "BCLR 22 LLC has failed to complete the site improvements, utilities, landscaping, lighting, roadwork or other improvements relating to the development of the site located at [Redacted] subdivision Phase 2, in accordance with the requirements of the Township of Macomb."

2. Original Letter of Credit and any amendments.

Partial drawing and multiple presentations are permitted.

The expiration date of this Irrevocable Standby Letter of Credit shall be automatically extended without amendment for successive one year periods from the present and each future expiration date, unless we notify you by registered mail, or other receipted means of delivery sent to your above-stated address 30 (thirty) or more days before the then current expiration date that we elect not to extend the expiration date. The expiration date is not subject to automatic extension beyond 08/16/2019 and any pending automatic one-year extension shall be ineffective beyond that date. Said notice will be sent to the address indicated above, unless you notify the Issuing Bank of a change of your address. Beneficiary's notice of such change of address must be in writing referencing this Letter of Credit Number and must be sent by registered mail, certified mail or courier service to the Issuing Bank's address set forth hereinbelow. Any notice to us will be deemed effective only upon actual receipt by the Issuing Bank.



We hereby agree with you that drafts drawn under and in strict compliance with the terms of this credit will be duly honored by us upon presentation at The [REDACTED], on or before our close of business on 08/16/18 or any automatically extended expiry date.

This Letter of Credit is subject to the International Standby Practices of the International Chamber of Commerce, ''ISP98''. This Letter of Credit shall be deemed to be a contract made under the laws of the State of Michigan and shall, as to matters not governed by ISP98, be governed by and construed in accordance with the laws of the State of Michigan, other than its conflict of laws rules, which would result in the application of the law of any jurisdiction other than the laws of Michigan.

Sincerely,

[REDACTED]

Authorized Signature

[REDACTED]

Name/Title

SAMPLE



APR 24, 2017

OUR L/C NO. : [REDACTED]

EXHIBIT A

TO
LETTER OF CREDIT NO. [REDACTED]

DATE: _____

TO: [REDACTED]

ATTN: STANDBY LETTER OF CREDIT UNIT

LETTER OF CREDIT NUMBER: [REDACTED]
IN THE ORIGINAL AMOUNT OF USD29,994.80 (TWENTY NINE THOUSAND NINE HUNDRED NINETY FOUR AND 80/100 U.S. DOLLARS)

LADIES AND GENTLEMEN:

THIS CERTIFICATE AUTHORIZED REDUCTION IN THE AMOUNT OF U.S. \$_____ OF THE ABOVE-REFERENCED LETTER OF CREDIT. WE ACKNOWLEDGE THAT THE REMAINING MAXIMUM AVAILABLE AMOUNT FOR THIS LETTER OF CREDIT IS U.S. \$_____ (AMOUNT OF REMAINING LETTER OF CREDIT AFTER REDUCTION).

MACOMB TOWNSHIP

BY: _____

NAME: _____

ITS: TOWNSHIP SUPERVISOR

