

TOWNSHIP OF FRANKLIN

R-63-18

RESOLUTION APPROVING SETTLEMENT

WHEREAS, the Township of Franklin filed a lawsuit in the Superior Court of New Jersey, Law Division, Gloucester County captioned Township of Franklin v. Signature Homes, Inc., et. al., and bearing Docket No. GLO-L-1252-15 (the "Bond Call Litigation"), which was an action to enforce the obligations and responsibilities set forth in a certain performance bond issued by First Indemnity of America Insurance Company ("FIA") as surety for Signature Homes at Franklin, LLC ("Developer"), to secure Developer's performance of the construction of certain bonded improvements associated with the residential development known as "Dear Meadows at Franklin";

WHEREAS, the Developer and one of the members of said limited liability company filed bankruptcy, after which certain approved but undeveloped lots were sold to Deer Meadow at Franklin, Inc. (the "Lot Purchaser") at a sheriff's sale;

WHEREAS, FIA filed a third-party complaint against Ronald Biglin, Jr., who was the other member of the Developer and who had personally guaranteed the bond but did not file for bankruptcy protection ("Biglin");

WHEREAS, Biglin filed a separate lawsuit against the Lot Purchaser in the Superior Court of New Jersey, Law Division, Gloucester County captioned Ronald Biglin, Jr. v. Deer Meadow at Franklin, Inc., a New Jersey Corporation and Does 1-10, inclusive, and bearing Docket No. GLO-L-1485-15 (the "Biglin Litigation");

WHEREAS, the Bond Call Litigation and the Biglin Litigation were subsequently consolidated into one action (the "Consolidated Litigation");

WHEREAS, on June 5, 2017, all of the parties in the Consolidated Litigation participated in an in-court settlement conference;

WHEREAS, as a result of said settlement conference, all controversies between the Township, FIA, Biglin and the Lot Purchaser were resolved;

WHEREAS, a Subdivision Takeover Agreement was prepared and approved by all parties to the Bond Call Litigation, including FIA and Biglin, with respect to the unfinished bonded improvements within the Dear Meadows at Franklin residential subdivision;

WHEREAS, a Final Completion and Settlement Agreement was prepared and approved by all parties to the Biglin Litigation, including Biglin and the Lot Purchaser, with respect to the unfinished non-bonded improvements within the Dear Meadows at Franklin residential subdivision;

WHEREAS, pursuant to the terms of the in-court settlement, the Township has certain rights and responsibilities which are set forth in both of the above-referenced settlement documents;

WHEREAS, the Governing Body has had an opportunity to review the said settlement documents and is of the opinion that the settlement of the Bond Call Litigation as set forth therein is in the best interests of the Township.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Franklin, County of Gloucester and State of New Jersey, for the reasons set forth above, that the settlement terms reached at the in-court settlement conference, as same are set forth in the settlement documents reviewed by the Township, copies of which are on file with the Township Clerk, be and hereby are ratified and approved; and

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to implement this Resolution and execute any documents necessary in connection therewith, including but not limited to the said settlement agreements.

ADOPTED at a regular meeting of the Township Committee of the Township of Franklin on April 24, 2018.

ATTEST:

TOWNSHIP OF FRANKLIN

Barbara Freijomil, Clerk

Leah Vassallo, Mayor

CERTIFICATION

I, Barbara Freijomil, Clerk of the Township of Franklin, do hereby certify that the foregoing Resolution was presented and duly adopted by the Township Committee at a regular meeting held on April 24, 2018.

Barbara Freijomil, Municipal Clerk