



RECORD OF PROCEEDING

SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF CHESTERFIELD AT 690 CHESTERFIELD PARKWAY WEST

FEBRUARY 19, 2020

The meeting was called to order at 5:31 p.m.

A roll call was taken with the following results:

PRESENT

ABSENT

Mayor Bob Nation
Councilmember Mary Monachella
Councilmember Barbara McGuinness
Councilmember Ben Keathley
Councilmember Mary Ann Mastorakos
Councilmember Dan Hurt
Councilmember Michael Moore
Councilmember Tom DeCampi
Councilmember Michelle Ohley

APPEAL HEARING

Mayor Nation announced that the purpose of this meeting is to consider an appeal of City Code Sections 31-02-12.A.5 and A.6 by Travelers Casualty and Surety Company of America (Travelers).

Councilmember Hurt made a motion, seconded by Councilmember Ohley, to authorize City Attorney Chris Graville to serve as Hearing Officer for this special appeal. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

City Attorney Graville outlined the procedure to this special City Council meeting as follows:

- City Staff shall have ten minutes for presentation of evidence.
- Any member of City Staff shall be sworn in by the City Attorney prior to speaking.
- At the conclusion of the City's presentation, Travelers shall have the opportunity to ask questions of any City presenters or witnesses.
- Mayor and Council shall then have the opportunity to ask questions of City presenters.
- There are no time limits for questions. If necessary, the hearing will be continued to an additional date if it exceeds the allotted time of one hour.
- Travelers shall then have ten minutes for presentation of evidence and argument.
- Any member of the Travelers team shall be sworn in by the City Attorney prior to speaking.
- At the conclusion of the Travelers presentation, City Staff shall have the opportunity to ask questions.
- Mayor and Council shall then have the opportunity to ask questions of the Travelers presenters.
- There are no time limits for questions. If necessary, the hearing will be continued to an additional date if it exceeds the allotted time of one hour.
- Upon conclusion of questioning by Travelers, the City Attorney will call for anyone in the audience wishing to speak, and they will be sworn in.
- Travelers will have the opportunity to ask questions of each speaker, followed by City Staff and then Mayor and Council.
- Travelers shall then have three minutes to present any rebuttal evidence or argument.
- City Staff, and then Mayor and Council, shall have the opportunity to ask questions related exclusively to Travelers' rebuttal evidence or argument. There are no time limits for questions under this section.
- Once the Mayor declares the hearing closed, no further information shall be received except for specific questions directed by City Staff or by the Mayor.
- Any questions by the Mayor and City Council shall be provided to Travelers concurrently, except that if any response to any such questions require the introduction of additional evidence, all parties shall be afforded the opportunity to offer rebuttal evidence.
- Council may deliberate tonight or they may delay deliberations by closing the record and continuing the hearing in Executive Session for a date and time in the future.
- Council may affirm, modify or reverse the decision of City Staff in applying the City's Code to Travelers Casualty and Surety Company of America.
- After deliberations, the City will issue findings of facts and conclusions of law. Travelers may submit proposed findings of facts and conclusions of law for consideration by the Council.

Councilmember Ohley made a motion, seconded by Councilmember Moore, to adopt the procedures for the special meeting stated by City Attorney Graville. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

STAFF PRESENTATION AND QUESTIONS

Director of Planning Justin Wyse was sworn in by City Attorney Graville. Mr. Wyse distributed an Exhibit List with back up documentation (Exhibit 1 attached). Travelers representatives reviewed the Exhibit List and had no objection to it being part of the record.

Mr. Wyse presented the case of City Staff and summarized the documentation provided in Exhibit 1. He explained that Ordinance No. 2924 was adopted December 5, 2016 and it modified the requirements and standards for the section of Code relating to improvements installed or guaranteed. Specifically, section 31-02-12.A.5 was added to the City Code which states: "The City shall not permit or accept the posting of any bond issued or proposed to be issued by a surety or an affiliate of a surety which has, in the preceding ten (10) years, refused to pay upon formal demand all or part of a claim of the City on any other surety bond."

Mr. Wyse described two relevant projects: Brunhaven (formerly known as Chesterfield Hollow) and The Reserve at Chesterfield Village – Plat 1. The bonds in question include a Lake Protection Bond for Brunhaven and a Landscape Installation Bond for The Reserve at Chesterfield Village – Plat 1. Mr. Wyse explained that under the referenced section of Code, the City shall not accept any bonds from Travelers until July 28, 2026 (Brunhaven) and May 28, 2024 (The Reserve at Chesterfield Village – Plat 1).

Mr. Wyse summarized the appeal process described in this section of City Code. "The City Council may consider whether the refusal to pay resulted in litigation, mediation or arbitration of the claim, whether the claim was wholly or partially determined in favor of the City, whether the prior refusal to pay was settled between the City and surety or any other hardship evidence presented by the individual, corporation or property owner."

Mr. Justin Arnold, on behalf of the Travelers Companies, asked the earliest date the City would accept bonds from the Travelers Companies and Mr. Wyse responded that date would be July 28, 2026.

Members of Council asked Mr. Wyse questions for clarification.

TRAVELERS PRESENTATION AND QUESTIONS

Mr. Justin Arnold, Second Vice President of Government Relations for the Travelers Companies, was sworn in by City Attorney Graville. Mr. Arnold distributed a list of Top 100 Writers of Surety Bonds and a printout of the language in section 31-02-12.A.5 and

A.6 (Exhibit 2 attached). Mr. Wyse reviewed the information provided and had no objection to it being part of the record.

Mr. Arnold stated that the Travelers Companies have a reputation of credibility and reliability, and their expertise has made them a leader in personal business and specialty products. He continued by explaining that surety bonds are not a pay on demand type of paper like an insurance policy. There is an obligation to investigate any claim that is made against a surety bond by performing an independent evaluation. The disputes which led to the referenced claims (Brunhaven and The Reserve at Chesterfield Village – Plat 1) were complex and required substantial analysis. These claims were ultimately resolved and settled in good faith, and Travelers had no reason to believe that they would be prohibited from participating in future projects within the City of Chesterfield as a result. Mr. Arnold stated that the two bonds in question are among 210 surety bonds issued (listing the City of Chesterfield as the obligee) between December 1998 and September 2018, and requested Council overturn the prohibition on appeal, and allow Travelers to provide these products.

Director of Planning Justin Wyse asked Mr. Arnold if the investigations are truly independent when a developer moves out of the picture, since the Travelers Companies have a direct financial stake in the outcome. Mr. Arnold responded that Travelers has a relationship with the contractor and an obligation on the bond to the City.

Mr. Tom Tedesco, Managing Account Executive for Travelers' St. Louis office, was sworn in by City Attorney Graville and assisted Mr. Arnold with answering questions from members of Council. When asked if Travelers has ever elected to complete improvement in lieu of negotiating reduced payment of a bond, Mr. Tedesco responded that Travelers generally pursues the pay option rather than actually performing the work to complete a project. In reference to the Brunhaven claim, which took three years to settle, the question was asked "What is Travelers' expectation of how long it should take to perform an investigation?" Mr. Arnold responded that the length of an investigation depends on each individual case. Mr. Tedesco stated that Travelers has no expectation of an acceptable timeframe, they vary widely based on the circumstances of each case. When asked if they were able to cite an instance in either of these cases, where Travelers hired an engineer, surveyor, or landscape professional to visit the site and make independent assessments rather than relying on documents and claims submitted by others, Mr. Tedesco responded that Travelers has access to engineers and other resources during investigations in order to determine appropriate responses; although he was not able to specifically address these cases.

City Attorney Graville called for any interested party in the audience wishing to speak. Hearing none, Mr. Graville stated there would be no rebuttal evidence, closed the evidence for consideration by City Council and turned the special meeting back over to Mayor Nation.

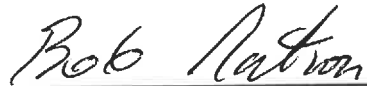
HEARING CLOSED

Mayor Nation declared the hearing closed and stated that no further information would be received by City Council, except that specific questions by City Council may be directed to City Staff in writing. Any questions submitted by City Staff shall be transmitted to Travelers' representatives concurrently. In the event that any response to such questions requires the introduction of additional evidence, the hearing will be re-opened and all parties shall be afforded the opportunity for rebuttal. After deliberation the Council will issue findings of facts and conclusions of law.

Councilmember Ohley made a motion, seconded by Councilmember Monachella, to take Travelers' appeal under advisement. A voice vote was taken with a unanimous affirmative result and the motion was declared passed.

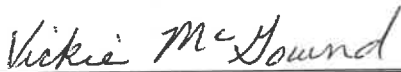
ADJOURNMENT

Mayor Nation adjourned the meeting at 6:31 p.m.



Mayor Bob Nation

ATTEST:



Vickie McGownd, City Clerk

APPROVED BY CITY COUNCIL: 3/2/2020

Exhibit List

Appeal by Travelers Casualty and Surety Company of America Regarding Section 31-02-12.A.5 and A.6

Development	Exhibit #	Date	Document	Starting Page #
	1	11/21/2016	City of Chesterfield Ordinance 2924	2 of 98
	2	10/11/2019	Appeal from Travelers Casualty and Surety Company of America	15 of 98
Brunhaven	3	11/21/2002	Lake Protection Bond	17 of 98
Brunhaven	4	5/24/2013	Chesterfield Letter - Acknowledging Concerns	28 of 98
Brunhaven	5	5/24/2013	Chesterfield Letter - Acknowledging Concerns	29 of 98
Brunhaven	6	6/20/2013	Chesterfield Letter - Demand of Bond	30 of 98
Brunhaven	7	6/27/2013	Travelers Letter - Acknowledging Letter and Request for Information	31 of 98
Brunhaven	8	10/25/2013	Chesterfield Letter - Document Need to Repair Lake (to developer)	33 of 98
Brunhaven	9	11/8/2013	Travelers Letter - Decline to Take Action	35 of 98
Brunhaven	10	5/15/2014	Chesterfield Letter - Demand of Bond	37 of 98
Brunhaven	11	6/4/2014	Travelers Letter - Acknowledging Letter and Request for Information	39 of 98
Brunhaven	12	6/23/2014	Chesterfield Letter - Response and Final Claim and Demand	40 of 98
Brunhaven	13	7/31/2014	Travelers Letter - Decline of Demand	45 of 98
Brunhaven	14	3/10/2015	Chesterfield Letter - Estimate of Costs	47 of 98
Brunhaven	15	8/1/2016	Chesterfield Letter - Final Settlement Agreement	51 of 98
Reserve at CV, Plat 1	16	12/18/2006	Landscaping Installation Bond	57 of 98
Reserve at CV, Plat 1	17	4/11/2011	Travelers Letter - Surety Cancellation Notice	68 of 98
Reserve at CV, Plat 1	18	4/20/2011	Chesterfield Letter - Response to Cancellation Notice	69 of 98
Reserve at CV, Plat 1	19	5/26/2011	Chesterfield Letter - Bond Reduction	70 of 98
Reserve at CV, Plat 1	20	5/22/2012	Chesterfield Letter - Notice of Expiration of Bond	71 of 98
Reserve at CV, Plat 1	21	8/1/2012	Chesterfield Inspection Report	72 of 98
Reserve at CV, Plat 1	22	8/8/2012	Chesterfield Letter - Request for Abatement Schedule	73 of 98
Reserve at CV, Plat 1	23	8/21/2012	Chesterfield Letter - Intent to Collect Bond	74 of 98
Reserve at CV, Plat 1	24	8/27/2012	Travelers Letter - Acknowledgement	75 of 98
Reserve at CV, Plat 1	25	8/31/2012	Chesterfield Letter - Notice to Travelers of Intent to Collect	77 of 98
Reserve at CV, Plat 1	26	9/6/2012	Travelers Letter - Acknowledgement	79 of 98
Reserve at CV, Plat 1	27	9/26/2012	Chesterfield Inspection Report	81 of 98
Reserve at CV, Plat 1	28	10/1/2012	Chesterfield Cost Estimate	83 of 98
Reserve at CV, Plat 1	29	2/13/2013	Travelers Letter - Acknowledging Demand and Request for Information	84 of 98
Reserve at CV, Plat 1	30	3/15/2013	Chesterfield Letter - Providing Documentation Requested	86 of 98
Reserve at CV, Plat 1	31	4/8/2013	Travelers Letter - Dispute Claim	88 of 98
Reserve at CV, Plat 1	32	4/17/2013	Chesterfield Letter - Documenting Deficiencies and Demand	90 of 98
Reserve at CV, Plat 1	33	1/2/2014	Chesterfield Letter - Response	92 of 98
Reserve at CV, Plat 1	34	1/8/2014	Travelers Letter - Response	94 of 98
Reserve at CV, Plat 1	35	5/28/2014	Bond Release	96 of 98

BILL NO. 3123ORDINANCE NO. 2924

AN ORDINANCE AMENDING ARTICLE 2 SECTION 02-12 OF THE UNIFIED DEVELOPMENT CODE (ARTICLE 2-12 INSTALLATION OR GUARANTEE OF REQUIRED IMPROVEMENTS).

WHEREAS, the City of Chesterfield Unified Development Code contains regulations and requirements pertaining to the development of land within the City; and,

WHEREAS, the Unified Development Code serves to promote the public health, safety, and general welfare of the citizens of the City of Chesterfield; and,

WHEREAS, the City of Chesterfield seeks to update regulations and requirements pertaining to the Installation or Guarantee of Required Improvements; and,

WHEREAS, the Planning and Public Works Committee, having considered said amendments, recommended approval; and,

WHEREAS, the City Council, having considered said amendments, voted to approve the updates to Article 2 of the Unified Development Code pertaining to the Installation or Guarantee of Required Improvements.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHESTERFIELD, ST. LOUIS COUNTY, MISSOURI, AS FOLLOWS:

Section 1. The City of Chesterfield hereby repeals Article 2 Section 12 of the Unified Development Code and replaces it with a new Section as set out in Attachment "A" which is attached hereto and made part thereof.

Section 2. If any section, paragraph, subsection, clause or provision of this Ordinance shall be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of this Ordinance as whole, or any part thereof.

Section 3. The provisions of the Ordinance may be amended in the future by the City Council of the City of Chesterfield.

Section 4. Where this Ordinance differs or conflicts with other laws, rules and regulations, unless the right to do so is preempted or prohibited by

the County, State, or Federal government, the more restrictive or protective of the City and the public shall apply.

Section 5. This Ordinance shall be codified within the Municipal Code of the City of Chesterfield.

Section 6. This Ordinance shall be in full force and effect from and after its passage and approval.

Passed and approved this 5th day of December, 2016.

Bob Nation
PRESIDING OFFICER

Bob Nation
Bob Nation, MAYOR

ATTEST:

Vickie Hass
Vickie Hass, CITY CLERK

FIRST READING HELD: 11/21/2016

ATTACHMENT A**UNIFIED DEVELOPMENT CODE AMENDMENTS****Sec. 02-12. IMPROVEMENTS INSTALLED OR GUARANTEED.****A. Completion Guarantee by Developer.**

After the improvement plans have been substantially complete and all inspection fees and review fees paid, but before approval of the record subdivision plat, the developer shall guarantee the completion of required improvements. The developer shall either:

1. Complete the improvements in accordance with the approved improvement plans under the observation and inspection of the appropriate inspection agency; or
2. Deposit cash under an escrow agreement or post a land subdivision bond or provide the appropriate surety as set forth in this UDC to guarantee the construction, completion, and installation of the improvements shown on the approved improvement plans within the improvement completion period approved by the Planning and Development Services Director, which shall not exceed two (2) years. The land subdivision bond or escrow agreement or other required surety shall be prepared and executed on forms furnished by the Department and shall be submitted to the City Council for approval or disapproval after review and approval by the Planning and Development Services Director and the City Attorney.
3. For plats approved after the effective date of this UDC, any guarantee or deposit required by the City for sanitary and storm sewers within the jurisdiction of MSD may be reduced proportionally, by the amount of any guarantee or escrow collected and held by MSD if MSD confirms that its requirement for assurance of completion is satisfied. This provision shall not affect the intent or enforcement of any existing guarantee, escrow, or renewal, extension or replacement thereof.
4. The Planning and Development Services Director may require any specific improvement to be installed prior to approval of the record plat where failure to install such improvement prior to further development could result in damage to the site or surrounding properties.
5. The City shall not permit or accept the posting of any bond issued or proposed to be issued by a surety or an affiliate of a surety which has, in the preceding ten (10) years, refused to pay upon formal demand all or part of a claim of the City on any other surety bond. Any individual, corporation or property owner aggrieved by this section may appeal to the

City Council to request the City to accept the posting of such bond. The City Council may consider whether the refusal to pay resulted in litigation, mediation or arbitration of the claim, whether the claim was wholly or partially determined in favor of the City, whether the prior refusal to pay was settled between the City and surety or any other hardship evidence presented by the individual, corporation or property owner. In no instance shall a bond be accepted from a surety while in litigation, mediation or arbitration with the City.

6. The City shall not accept the posting of any bond issued or proposed by any surety or an affiliate who has refused to pay upon formal demand of the City or been involved in any litigation pertaining to said failure to pay within the past ten (10) years as of the effective date of this section of the UDC.

B. Deposit Options.

Deposits required by this Article shall be in conjunction with a deposit agreement and may be in the form of cash or letter of credit as follows:

1. **Deposit Agreements.** Deposit agreements shall provide that there shall be deposited with the City of Chesterfield a cash amount by escrow or surety not less than the Department estimate of the cost of the construction, completion, certifications and installation of the required improvements indicated on approved improvement plans.
2. Cash deposited with the City Director of Finance to be held in an interest-bearing account dedicated for that purpose, with all interest accruing to the City to offset administrative and other costs of maintaining the cash deposits;
3. An Irrevocable letter of credit drawn on a local financial institution acceptable to and in a form approved by the City Attorney and the Director of Planning and Development Services. The instrument may not be drawn on any financial institution with whom the developer or a related entity has any ownership interest or with whom there is any joint financial connection that creates any actual or potential lack of independence between the institution and the developer. The letter of credit shall be with a local banking institution in the Greater St. Louis Metropolitan Area of Missouri and not Illinois. The letter of credit shall provide that the issuing institution will pay on demand to the City such amounts as the City may require to fulfill the obligations herein and may be reduced from time to time by a writing of the Director of Public Services (the Director) or their designee. The letter of credit shall be irrevocable for at least two (2) years and shall state that any balance remaining at the expiration, if not renewed, shall automatically be deposited in cash with the Director of Finance, unless a new letter of credit is issued and agreed to by the City or the City issues to the institution a written release of the obligations for which the letter of credit was deposited. The developer shall pay a non-refundable fee of

\$200.00 to the City with submission of a letter of credit and \$100.00 for any amendment or extension thereto, to partially reimburse the City's administration and review costs in accepting and maintaining such letter of credit.

4. Certificates of deposit, treasury bill, or other readily negotiable instruments, the type of which has been approved by the Department, endorsed to the City and the cash value of which shall be in an amount not less than the amount specified by the Department in its estimate of the cost of the improvements and/or maintenance as reflected by the approved improvements plan.

C. Amount of Deposit.

The amount of the deposit required by this Article shall be calculated as follows:

1. Construction deposit. The deposit required of a developer establishing a deposit agreement pursuant to this Section shall be, in addition to the separate maintenance deposit sum, in the amount of 110% of the Department estimate of the cost of the construction, completion and installation of the required improvements. The Planning and Development Services Director shall adopt, to the extent practical, schedules reflecting current cost estimates of typically required improvements.
2. Maintenance deposit. The deposit required of a developer pursuant to this Section for maintenance obligations shall be in the amount of ten percent (10%) of the Department estimate of the cost of the construction, completion and installation of all required improvements. The maintenance deposit shall be established by cash sum or submission of a separate letter of credit.
3. Where certain improvements are installed and approved by the City prior to approval of the record plat pursuant to subsection A.1., the gross amount for the construction deposits shall be reduced by the estimated cost of such improvements.
4. Other sureties as established in this UDC. The deposit required of a developer for any and all other required sureties pursuant to this Section shall be as set forth in the applicable Section of this UDC.

D. Deposit Agreement – Releases.

The deposit agreement shall be entered into with the City of Chesterfield, and shall require the developer to agree to fulfill the obligations imposed by this Article, and shall have such other terms as the City Attorney may require consistent with this Article. The agreement shall authorize the Director (or designee) to release the cash or reduce the obligation secured under the letter of credit as permitted herein. Such releases or reductions may occur upon completion, inspection and approval by the Director of all required improvements within a category of improvements,

or may occur from time to time, as work on specific improvements is completed, inspected and approved, provided however, that:

1. Releases – General. The Director shall release the cash or release the letter of credit as to all or any part of its obligation only after construction, completion and installation of some phase of work on the improvements indicated on the approved improvement plans, receipt of requisite written notification from the appropriate inspecting public authority, and approval by the Department; and only in the amounts permitted herein.
2. Extension of completion period. If, at the end of the improvement completion period, all the improvements shown on the approved improvement plans have not been completed, the developer may request and the Director may grant an extension to the improvement completion period for a period of up to one (1) year if after review by the Department such longer period is deemed necessary to facilitate adequate and coordinated provisions for transportation, water, sewerage, schools, parks, playgrounds, or other required improvements, facilities or requirements so long as all guarantees are extended and approved by the City Attorney; provided, that the Director may require as a condition of the extension completion of certain items, execution of a new agreement, recalculation of deposit amounts, satisfaction of new code requirements or other reasonable conditions as may be needed to ensure that the extended agreement fully complies with the terms of Section 02-12 of this Article.
3. Construction deposit releases. After an inspection of any specific improvements, the Director may at their discretion release no more than 95% of the original sum deposited for the construction of such specific required improvements. Irrespective of any discretionary prior releases that may be authorized by the Director after completion of any component of the guaranteed improvements (i.e. less than all of the improvements in a given category), the remaining amount held for any category of improvements for the entire subdivision shall be released within 30 days of completion of all of the improvements in such category of improvement, minus a retention of five percent (5%) which shall be released only upon completion of all improvements for the subdivision. The Director shall establish the improvement categories, which may consist of improvement components or line items, to be utilized for calculation of deposit amounts, but such categories, components, and line items shall in no way modify or reduce the developer's guarantee as to all required improvements, irrespective of any release or completion of any category, or underlying component or line item. All improvements in a category shall be deemed complete only when:
 - a.) Each and every component and line item within a category for the entire subdivision has been constructed and completed as required,

- b.) The developer has notified the Director in writing of the completion of all components of the category, provided all necessary or requested documentation, and requests an inspection,
 - c.) The developer is not in default or in breach of any obligation to the City under this Article including, but not limited to, the Director's demand for maintenance or for deposit of additional sums for the subdivision,
 - d.) The inspection has been completed and the results of the inspection have been approved in writing by the Director,
 - e.) The developer has paid any sums due related to the project. Releases of the maintenance deposit amounts shall be as provided elsewhere in this Article for maintenance deposits.
4. Releases of other sureties as established in this UDC. The release procedure for any and all other sureties required of a developer pursuant to this Section shall be as set forth in the applicable Section of this UDC.
5. Effect of release – Continuing obligations. The developer shall continue to be responsible for defects, deficiencies and damage to streets and other required improvements during development of the subdivision. No inspection approval or release of funds from the construction deposit as to any component or category shall be deemed to be City approval of improvement or otherwise release the developer of its obligation relating to the completion of the improvements until the final subdivision release on all improvements and maintenance is issued declaring that all improvements have in fact been constructed as required. Inspection and approval of any or all required improvements shall not constitute acceptance of the improvement by the City as a public improvement for which the City shall bear any responsibility.
6. Deficient improvements. No approval of required improvements shall be granted for improvements that fail to meet the specifications established herein or otherwise adopted by the Department or City Council.
7. Final construction deposit release. Upon final inspection and approval of all required improvements, the remaining amount of the construction deposit shall be released; provided, that no such funds shall be released on a final inspection until the development of the subdivision is complete, as determined by the Director. Completion is when the particular item has had all documentation and certification filed in a complete and acceptable form, the specific items have been inspected, all identified deficiencies have been corrected and the work has been approved by the City.
8. Appeals. If the developer believes that a release or certificate of completion has been improperly denied, including, but not limited to, under this Section, an appeal shall be filed pursuant to the City's Public Works

Board of Variance, and no such denial shall be deemed final until such appeal procedure has been exhausted.

E. Maintenance Guarantee.

1. Scope and duration. Upon commencement of installation of the required improvements within the subject subdivision, the developer shall be responsible for the maintenance of the improvements, including, but not limited to: undeveloped lots, streets, sidewalks, trees, common areas, erosion and siltation control, and storm and drainage facilities, until (1) expiration of 12 months after occupancy permits have been issued on 80% of all of the lots in the subdivision plat(s), or (2) 12 months after completion of the subdivision and acceptance/approval of all required improvements by the City, whichever is longer, subject to the deposit agreement. Maintenance shall include repair or replacement of all defects, deficiencies and damage to the improvements that may exist or arise, abatement of nuisances caused by such improvements, removal of mud and debris from construction, erosion control, grass cutting, removal of construction materials (except materials to be used for construction on the lot or as permitted by site plan), and snow removal. All repairs and replacement shall comply with City specifications and standards. Any maintenance on improvements accepted by the City for public dedication shall be completed under the supervision of and with the prior written approval of the Director. The maintenance obligation for required improvements to existing public roads or other existing public infra-structure already maintained by a public governmental entity shall terminate on and after the date such improvements have been inspected, deposit released, and accepted by the City or appropriate agency for dedication. Irrespective of other continuing obligations, the developer's snow removal obligations shall terminate on the date a street is accepted by the City for public maintenance. The maintenance requirements and procedures for improvements guaranteed by any and all other sureties required of a developer pursuant to this Section shall be as set forth in this UDC.
2. Maintenance deposit – Amount – Use:
 - a.) The maintenance deposit shall be retained by the City to guarantee maintenance of the required improvements and, in addition to being subject to the remedies of subsection G. and other remedies of this UDC, shall be subject to the immediate order of the Director to defray or reimburse any cost to the City of maintenance or repair of improvements related to the subdivision which the developer fails or refuses to perform. Except in emergency circumstances or where action is otherwise required before written notice can be provided, the Director shall provide the developer with a written demand and opportunity to perform the maintenance before having such maintenance performed by the City, or its agents. Where the amount of maintenance deposit remaining is determined to be insufficient or where the maintenance deposit was drawn upon by

the City for maintenance, the Director shall have the authority to require the maintenance deposit to be replaced or replenished by the developer in any form permitted for an original deposit.

- b.) In determining the amount of maintenance deposit that shall continue to be held, portions of the deposit amount that were attributable to improvements that have been accepted by any third-party governmental entity or utility legally responsible for the maintenance of the improvement may be released upon such acceptance of the improvement by the entity. The Director may approve such further releases if it is determined in his or her discretion, after inspection of the improvements, that the total maintenance amount retained is clearly in excess of the amount necessary for completion of the maintenance obligation, after all reasonable contingencies are considered.

- 3. Final maintenance deposit release. Upon expiration of the maintenance obligations established herein, the Director shall cause a final inspection to be made of the required improvements. Funds shall then be released if there are no defects or deficiencies found and all other obligations, including payment of all sums due, are shown to be satisfied on inspection thereof, or at such time thereafter as any defects or deficiencies are cured with the permission of, and within the time allowed by, the Director. This release shall in no way be construed to indemnify or release any person from any civil liability that may exist for defects or damages caused by any construction, improvement or development for which any deposit has been released.

F. Acceptance and Final Approval.

Before the developer's obligation to the City of Chesterfield is terminated, all required improvements shall be constructed under the observation and inspection of the inspecting agency and accepted for maintenance or given final approval by the City of Chesterfield.

G. Failure to Complete Improvements.

The obligation of the developer to construct, complete, install and maintain the improvements indicated on the approved improvement plans and provide for street maintenance shall not cease until the developer shall be finally released by the Director, nor shall any deposit agreements or obligations hereunder be assignable by developer. If, after the initial improvement completion period, or after a later period as extended pursuant to this Section, the improvements indicated on the approved improvement plans are not constructed, completed, installed, accepted and maintained as required, or if the developer shall violate any provision of the deposit agreement, the Director may notify the developer to show cause within not less than ten (10) days why the developer should not be declared in default. Unless good cause is shown, no building or other permit shall be issued to the developer in the subdivision during any period in which the developer is in violation

of the deposit agreement or Subdivision Code relating to the subdivision. If the developer fails to cure any default or present compelling reason why no default should be declared, the Director shall declare the developer in default and may take any one (1) or more of the following acts:

1. Require the developer to submit an additional cash sum sufficient to guarantee the completion or maintenance of the improvements indicated on the approved improvement plans after recalculation in order to allow for any inflated or increased costs of constructing, maintaining, or redesign of the improvements.
2. Deem the balance under the deposit agreement not theretofore released as forfeited to the City to be then placed in an appropriate trust and agency account subject to the order of the Director for such purposes as letting contracts to bring about the completion or maintenance of the improvements indicated on the approved improvement plans or other appropriate purposes in the interest of the public safety, health and welfare; or
3. Require the developer or surety to pay to the City the balance of the deposit not theretofore released.

The failure of a developer to complete the improvement obligations within the time provided by the agreement (or any extension granted by the City), including the payment of funds to the City due to such failure, or an expiration of a letter of credit, shall be deemed an automatic act of default entitling the City to all remedies provided in this Section without further or prior notice. It shall be the sole responsibility of the developer to timely request an extension of any deposit agreement if the improvements are not completed in the original time period provided by the deposit agreement, or extension granted by the City. No right to any extension shall exist or be assumed.

H. Other Remedies for Default.

If the developer or surety fails to comply with the Director's requirements for payment as described above, fails to complete the improvements as required or otherwise violates the deposit agreement provisions, the Director may in addition or alternatively to other remedies:

1. Suspend the right of anyone to build or construct in the subdivision by issuance of a stop work order (SWO). Issuance of a SWO shall result in a suspension of all construction activity on the site, until the cause is resolved to the City's satisfaction. The SWO shall also suspend the right of the permittee, applicant, owner, contractor, developer or any related entity to build or construct any structure or public improvement on any portion of the site. The Director of Public Services and the Planning and Development Services Director, upon the issuance of a SWO, are authorized to suspend the issuance of building permits and occupancy permits for structures on any portion of the site, and to suspend all inspections and plan review

related to any work on the site, until such time as the cause is resolved to the City's satisfaction. SWO's shall specifically state the provisions of this Article being violated. Any person, who shall continue any work in or about the site after a SWO has been posted, except such work related to remediation of the violation, shall be subject to penalties specified in this UDC. The Director shall give the developer ten (10) days' written notice of an order under this subsection, with copies to all known sureties, as appropriate, who have outstanding obligations for any undeveloped portion of the subdivision, and shall record an affidavit of such notice with the Recorder of Deeds. If, within the ten (10) day period after notice is given, the Director is not convinced by compelling evidence that completion of the improvements is adequately assured and maintenance of streets assured as provided herein, the Director shall order construction suspended on the undeveloped portion of the subdivision. The order shall be served upon the developer, with a copy to the issuer/holder of the surety as appropriate, and a copy recorded with the Recorder of Deeds. Public notice of said order shall be conspicuously and prominently posted by the Director at the subdivision. The notice shall contain the following minimum language, which may be supplemented at the discretion of the Director:

THIS SUBDIVISION, (name of subdivision), HAS BEEN DECLARED IN DEFAULT BY THE CITY OF CHESTERFIELD DIRECTOR OF PUBLIC SERVICES. NO DEVELOPMENT, CONSTRUCTION, BUILDING OR DEMOLITION IN ANY MANNER SHALL TAKE PLACE WITHIN THE LIMITS OF THIS SUBDIVISION UNTIL SUCH TIME AS THE CITY OF CHESTERFIELD DIRECTOR OF PUBLIC SERVICES REMOVES THIS PROHIBITION. ANY DEVELOPMENT, CONSTRUCTION, BUILDING OR DEMOLITION IN ANY MANNER WHILE THIS PROHIBITION IS IN EFFECT IS ILLEGAL AND SHALL BE ENFORCED PURSUANT TO ARTICLE 02 OF THE UNIFIED DEVELOPMENT CODE OF THE CITY OF CHESTERFIELD.

The Director of Public Services (the Director) and the Planning and Development Services Director shall not thereafter authorize construction to take place contrary to the Director's order. The suspension shall be rescinded in whole or in part only when the Director is convinced that completion of the improvements is adequately assured in all or an appropriate part of the subdivision and a guarantee of public street maintenance provided; or

2. Suspend the rights of the developer, or any related entity, to construct structures in any development platted after the effective date of such suspension throughout the City of Chesterfield. The Director shall give the developer ten (10) days' written notice of an order under this clause, with a copy to sureties known to the Director to have obligations outstanding on behalf of the developer or related entities and shall record an affidavit of such notice with the Recorder of Deeds. If, within the ten (10) day period after notice is given, the Director is not convinced by compelling evidence

that completion of the improvements is adequately assured and maintenance of streets assured as provided herein, the Director shall order construction suspended. The order shall be served upon the developer, with a copy to the surety as appropriate, and a copy recorded with the Recorder of Deeds. The Director of Public Services (the Director) and the Planning and Development Services Director shall not thereafter authorize construction to take place contrary to the Director's order. The suspension shall be rescinded only when the Director is convinced that completion of the improvements is adequately assured and public street maintenance is assured.

I. Suspension of Development Rights.

From and after the effective date of this Section if a developer, or any related entity, has a subdivision development improvement guarantee that is in default, as determined by the Director, including any escrow, fees, or bond under any prior version of this Section:

1. The Director shall be authorized, but not be limited, to thereafter pursue the remedies of subsection H. of this Section; and
2. The rights of the developer, or any related entity, to receive development approval, which approval shall include, but not be limited to, approval of any plat or deposit agreement for new or further development in the City, shall be suspended. The suspension shall be rescinded only when the Director is convinced that completion and maintenance of the improvements is adequately assured.

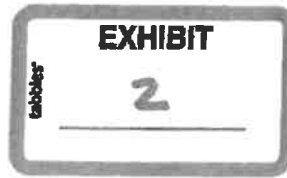
J. Additional Remedies.

If any party or related entity fails to comply with any obligation of this Section, the Director may recommend that the City Attorney take appropriate legal action and may also withhold any building or occupancy permits to this developer or related entities until such compliance is cured. The City shall also have the right to partially or wholly remedy a developer's deficiencies or breached obligations under this UDC by set-off of any funds or assets otherwise held by the City of the developer to the maximum extent permitted by law. Such set-off shall occur upon written notice of such event by the Director of Public Services or the Planning and Development Services Director to the developer after the developer has failed to timely cure the deficiencies. It shall be deemed a provision of every deposit agreement authorized under this Article that the developer shall pay the City's costs, including reasonable attorney's fees, of enforcing such agreement in the event that the developer is judicially determined to have violated any provision herein or in such agreement. The developer may appeal any decision taken pursuant to this Section by filing an appeal under the City's administrative review procedure.

K. Related Entities.

For purposes of this Section, "related entity" has the following meaning: a developer is a "related entity" of another person:

1. If either has a principal or controlling interest in the other, or
2. If any person, firm, corporation, association, partnership, or other entity with a controlling interest in one has a principal or controlling interest in the other. The identification of related entities shall be supported by documentation from the Secretary of State's Office, Jefferson City, Missouri.



Jeremy Sauer
Counsel
Bond & Specialty Insurance
One Tower Square, S207A
Hartford, CT 06183
860.277.0015 TEL
800.905.1829 FAX

October 11, 2019

Justin Wyse
Director of Planning & Development Services
City of Chesterfield, MO
690 Chesterfield Parkway West
Chesterfield, MO 63017

Re: Travelers Casualty and Surety Company of America

Dear Mr. Wyse,

As a preliminary matter, I would like to thank you and City Attorney Graville for sharing your time during our call earlier this year. I know that I speak for my colleagues when I say that our conversation was both informative and productive. As we communicated in our conversation, the City of Chesterfield's ("City") decision to decline surety bonds written by Travelers Casualty and Surety Company of America (together with its subsidiaries and affiliates, "Travelers") came as a surprise. It was, and continues to be, our sincere belief that Travelers' business dealings with the City have been conducted in good faith and in a manner consistent with the best practices of the surety industry. In the time since our conversation, our Underwriting, Legal, and Government Relations teams have revisited the various contracts that Travelers has bonded over the years for the benefit of the City. I trust that this letter will provide clarity as to Travelers' position and prove useful in connection with our efforts to formally appeal to the City Council to be reinstated as a surety option in accordance with § 31-02-12(A)(5) of the City's Unified Development Code ("UDC").

By way of background, in September 2018, Blake Messer, Account Executive Officer with Travelers' Construction Services group in St. Louis, was notified that the City would no longer accept surety bonds written by Travelers. When Mr. Messer inquired as to the City's reason for this abrupt change, he was notified that Travelers had allegedly violated UDC § 31-02-12(A)(5) and (6) as a result of Travelers refusing to pay a surety bond claim upon the City's formal demand. Two surety bonds (Bond No. 051-SB-SV6997 and Bond No. 104706125, hereinafter, the "Bonds") were identified as the root cause of the issue.

In an effort to better understand the City's position, Travelers reviewed the circumstances that led to the City filing claims under the Bonds. After conducting this review, we determined that Travelers' denials of the City's claims were reasonable under the circumstances because, in each instance, there was a bona fide dispute between the principal on the Bond and the City, as obligee. Where such a dispute arises, Travelers, as a highly-regulated entity, has an obligation to investigate the validity of each party's position. Unlike certain types of banking products, performance bonds are not "pay on demand" instruments. The disputes that led to the claims were complex and required substantial analysis on the part of Travelers. Although the investigation process may

not have been as expedient as the City may have anticipated, these claims were ultimately resolved in good faith and in a manner that gave Travelers no reason to believe that it would be hindered – much less prohibited – from servicing its contractor partners who may be involved in City projects in the future.

Through our communications with your office, we understand that Travelers must formally appeal to the City Council in accordance with UDC § 31-02-12(A)(5) to request that the City accept the posting of Travelers' bonds. We plan to do so. During our conversation earlier this year, you and City Attorney Graville suggested that it would be beneficial if Travelers identified successful City contracts in which Travelers served as surety. To that end, our Underwriting and Claims professionals conducted a thorough examination of our surety files. In doing so, they determined that between December 1998 and September 2018, Travelers issued two hundred ten (210) surety bonds listing the City as obligee. Two hundred ten surety bonds is a substantial number, and one that serves to demonstrate Travelers' stability and commitment to its contractor partners and to the City.

Numbers aside, the more salient point here is that, with the exception of the Bonds that were the root cause of this issue, we have only been able to identify one additional instance where the City had a dispute with Travelers. This dispute involved two bonds that listed Frederick Construction, Inc. as contractor and bond principal and Travelers as surety. In this instance, the City made a claim against both bonds that led to arbitration and, eventually, litigation where Travelers' position in relation to the bonds was ultimately deemed meritorious. In fact, Travelers was even awarded attorneys' fees from the City relating to the claims.¹

For more than 100 years, Travelers has been an established leader in the surety industry. As you know, bonding plays an important role in protecting tax payer dollars, and, as demonstrated by the two hundred ten City contracts that listed Travelers as surety, Travelers has been a critical component of the fabric of your City projects for the better part of three decades. As an independent third party, Travelers helps public owners, developers, and lenders determine which contractor has the ability to perform the contract and meet its payment obligations to its subcontractors and suppliers. If something goes awry and the contractor defaults, Travelers provides the funds necessary to complete the contract and pay the claims of subcontractors and suppliers on the job. In essence, surety bonds significantly increase the likelihood that a public works contract will be completed and that the subcontractors, suppliers, and workers on the project will be paid.

Travelers has a long history, both inside and outside of the City, as a stable presence in surety industry. We truly hope that we can continue to build on what has historically been a strong relationship between Travelers and the City for years to come. Should you have any further questions regarding this matter, please do not hesitate to contact me directly. In the meantime, please accept this letter as a formal petition to the City Council so that we can initiate our appeal in accordance with UDC § 31-02-12(A)(5).

Sincerely,

Jeremy Sauer

¹ *City of Chesterfield v. Frederick Construction Inc.*, 476 S.W.3d 708 (Mo. Ct. App. 2015)

Bond No. SV6997

SITE COMPLETION/PERFORMANCE BOND

EXHIBIT

3

KNOW ALL MEN BY THESE PRESENTS, THAT WE, THM II, LLC
St. Paul Fire and Marine
as Principal, and Insurance Company as Surety are held and firmly bound unto the

City of Chesterfield; 690 Chesterfield Parkway W., Chesterfield, MO 63017-0760

In the penal sum of One Hundred Thousand and NO/100
(\$100,000.00) Dollars lawful money of the United States, for payment of which, well and truly be made,
we bind ourselves, our heirs, executors and administrators, jointly and severally, firmly by these presents.

WHEREAS, the Principal has agreed to Lake to be restored to Preconstruction
Conditions - Chesterfield Hollow

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall perform
the obligations imposed on him/her, then this obligation to be void; otherwise to remain in full force and effect.

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed this instrument this

21st day of November, 2002

THM II, LLC

(Seal)

By:

Clarence J. Furley
Clarence J. Furley/Member

St. Paul Fire and Marine Insurance Company (Seal)

By:

Justine P. Weber
Justine P. Weber

Attorney-in-Fact

Address:

Phone:

385 Washington Street
St. Paul, MN 55102
(651) 310-7911

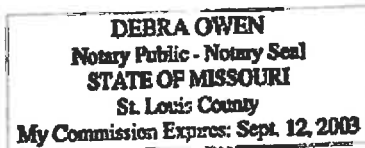
State of Missouri
County of St. Louis

On 11/21/02 before me, a Notary Public in and for said County and State, residing therein,
duly commissioned and sworn, personally appeared Justine P. Weber known to me to be
Attorney-in-Fact of

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

the corporation described in and that executed the within and foregoing instrument, and known to me to
be the person who executed the said instrument in behalf of said corporation, and he duly acknowledged
to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year
stated in this certificate above.



My Commission Expires _____



Debra Owen, Notary Public

POWER OF ATTORNEY

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 22495

Certificate No. 1507850

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (*herein collectively called the "Companies"*), and that the Companies do hereby make, constitute and appoint

Andrew P. Thome, Margaret L. Veith, Dana A. Dragoy, Justine P. Weber and Debra A. Owen

of the City of Chesterfield, State Missouri, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and sealed this 1st day of October, 2002

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.



State of Maryland
City of Baltimore

PETER W. CARMAN, Vice President

THOMAS E. HUIBREGTSE, Assistant Secretary

On this 1st day of October, 2002, before me, the undersigned officer, personally appeared Peter W. Carman and Thomas E. Huibregtse, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 1st day of July, 2006.



Rebecca Easley-Onokala

REBECCA EASLEY-ONOKALA, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. on September 2, 1998, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by persons or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) of Attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman, or the President, or any Vice President, or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and subject to any limitations set forth therein, any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company, and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is validly attached; and

RESOLVED FURTHER, that Attorney(s)-in-Fact shall have the power and authority, and, in any case, subject to the terms and limitations of the Power of Attorney issued them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, Thomas E. Huibregtse, Assistant Secretary of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I hereunto set my hand this 21st day of November, 2002



Thomas E. Huibregtse
Thomas E. Huibregtse, Assistant Secretary

To verify the authenticity of this Power of Attorney, call 1-866-421-3888 and ask for the Power of Attorney clerk. Please refer to the Power of Attorney number, the above-named individuals and the details of the bond to which the power is attached.

BOND RIDER

To be attached to and form part of a Site Restoration Bond

Bond No. SV6997, dated November 21 2002

issued to THM II, LLC

as Principal, and St. Paul Fire and Marine Insurance Company

as Surety, in favor of City of Chesterfield, 690 Chesterfield Parkway W., Chesterfield, MO 63017-0760

, as Obligee.

It is understood and agreed that the Bond is changed or revised in the particulars as checked below:

(☒) Name of Principal changed to: Greater Midwest Builders, Ltd., d/b/a Greater Missouri Builders

(☐) Amount of bond changed from: _____

(\$

) DOLLARS,

to: _____

(\$

) DOLLARS,

(☒) Other: From: Chesterfield Hollow

To: Brunhaven

Said Bond shall be subject to all its terms, conditions and limitations, except as herein expressly modified. This Bond Rider shall become effective as of March 14 2006

Signed, sealed and dated March 14, 2006

St. Paul Fire and Marine Insurance Company

By: Justin P. Weber

Justin P. Weber

Attorney-in-Fact

ACCEPTED: Eugene DeVore

By: _____

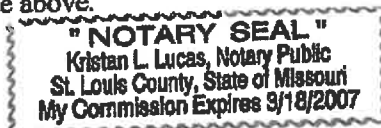
EUGENE DEVORE
GREATER MISSOURI BUILDERS, INC.

State of Missouri
County of St. Louis

SS:

On **March 14, 2006** before me, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared **Justine P. Weber** known to me to be Attorney-in-Fact of **St. Paul Fire and Marine Insurance Company** the corporation described in and that executed the within and foregoing instrument, and known to me to be the person who executed the said instrument in behalf of said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year stated in this certificate above.



My Commission Expires _____

A handwritten signature in cursive script that reads "Kristan L. Lucas".

Kristan L. Lucas
Notary Public

360212-6-66

POWER OF ATTORNEY



Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 24632

Certificate No. 2433676

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Andrew P. Thome, Dana A. Dragoy, Justine P. Weber, Debra Woodard, Marian J. Drangelis
and Kristan L. Lucas

Chesterfield

Missouri

of the City of _____, State _____, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and sealed this 1st day of June, 2005

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.



John F. Simanski, Jr.
JOHN F. SIMANSKI, JR., Vice President

Robert P. McGuire
ROBERT P. MCGUIRE, Assistant Secretary

State of Maryland
City of Baltimore

On this 1st day of June, 2005, before me, the undersigned officer, personally appeared John F. Simanski, Jr., and Robert P. McGuire, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 1st day of July, 2006.



Rebecca Basley-Onokala

REBECCA BASLEY-ONOKALA, Notary Public

Bond No. SV6997

SITE COMPLETION/PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, THAT WE, THM II, LLC
St. Paul Fire and Marine
as Principal, and Insurance Company as Surety are held and firmly bound unto the
City of Chesterfield, 690 Chesterfield Parkway W., Chesterfield, MO 63017-0760
in the penal sum of One Hundred Thousand and NO/100
(\$ 100,000.00) Dollars lawful money of the United States, for payment of which, well and truly be made,
we bind ourselves, our heirs, executors and administrators, jointly and severally, firmly by these presents.

WHEREAS, the Principal has agreed to Lake to be restored to Preconstruction
Conditions - Chesterfield Hollow

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall perform
the obligations imposed on him/her, then this obligation to be void; otherwise to remain in full force and effect.

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed this instrument this

21st day of November, 2002

THM II, LLC

(Seal)

By:

Clarence J. Purler
Clarence J. Purler/Member

St. Paul Fire and Marine Insurance Company (Seal)

By:

Justine P. Weber
Justine P. Weber Attorney-in-Fact

Address:
Phone:

385 Washington Street
St. Paul, MN 55102
(651) 310-7911

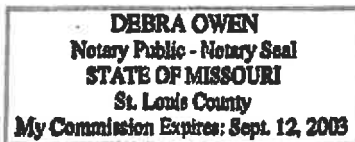
State of Missouri
County of St. Louis

On 11/21/02 before me, a Notary Public in and for said County and State, residing therein,
duly commissioned and sworn, personally appeared Justine P. Weber known to me to be
Attorney-in-Fact of


ST. PAUL FIRE AND MARINE INSURANCE COMPANY

the corporation described in and that executed the within and foregoing instrument, and known to me to
be the person who executed the said instrument in behalf of said corporation, and he duly acknowledged
to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year
stated in this certificate above.



My Commission Expires _____



Debra Owen, Notary Public

POWER OF ATTORNEY

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 22495

Certificate No. 1507849

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Andrew P. Thome, Margaret L. Veith, Dana A. Dragoy, Justine P. Weber and Debra A. Owen

of the City of Chesterfield State Missouri, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and sealed this 1st day of October, 2002.

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.



[Signature]

PETER W. CARMAN, Vice President

[Signature]

THOMAS E. HUIBREGTSE, Assistant Secretary

State of Maryland
City of Baltimore

On this 1st day of October, 2002, before me, the undersigned officer, personally appeared Peter W. Carman and Thomas E. Huibregtse, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 1st day of July, 2006.



[Signature]

REBECCA BASLEY-ONOKALA, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. on September 2, 1998, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by persons or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) of Attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman, or the President, or any Vice President, or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and subject to any limitations set forth therein, any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company, and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is validly attached; and

RESOLVED FURTHER, that Attorney(s)-in-Fact shall have the power and authority, and, in any case, subject to the terms and limitations of the Power of Attorney issued them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, Thomas E. Huibregtse, Assistant Secretary of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I hereunto set my hand this 21st day of November, 2002.



Thomas E. Huibregtse
Thomas E. Huibregtse, Assistant Secretary

To verify the authenticity of this Power of Attorney, call 1-800-421-3880 and ask for the Power of Attorney clerk. Please refer to the Power of Attorney number, the above-named individuals and the details of the bond to which the power is attached.

THIS POWER OF ATTORNEY
WAS FILED FOR RECORD
ON NOV 21 2002
AT THE OFFICE OF THE
CLERK OF THE SUPERIOR COURT
IN THE COUNTY OF
ST. LOUIS, MISSOURI



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

May 24, 2013

Mr. Jim Gasich
14323 S. Outer Forty Road – Suite 301 N
Chesterfield, MO. 63017

Dear Mr. Jim Gasich:

Thank you for your letter expressing concerns prior to escrow releases in Brunhaven subdivision. I have evaluated your concerns and they are to be addressed in a deficiency report to the developer.

Again, thank you for your input.

Sincerely,

John A. Huskey, A.E.T.
Senior Engineering Construction Inspector

cc: Aimée Nassif, Planning and Development Services Director
Kim Streicher, Civil Engineer
Subdivision File



680 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

May 24, 2013

Mr. & Mrs. Dolenz
341 Brunhaven Ct.
Chesterfield, MO. 63017

Dear Tom & Carol:

Thank you for your letter expressing concerns prior to escrow releases in Brunhaven subdivision. I have evaluated your concerns and they are to be addressed in a deficiency report to the developer.

Again, thank you for your input.

Sincerely,

John A. Huskey, A.E.T.
Senior Engineering Construction Inspector

cc: Aimee Nassif, Planning and Development Services Director
Kim Streicher, Civil Engineer
Subdivision File

EXHIBIT

6



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

June 20, 2013

CERTIFIED

Greater Missouri Builders
1551 Wall Street Suite 220
St. Charles, MO 63303

Midwest Bank Centre
2294 Technology Drive Suite 100
O'Fallon, MO 63368

J.W. Terrill
825 Maryville Centre Drive Suite 200
Chesterfield, MO 63017

Re: Bond No. SV6997 and Letter of Credit 1832- Brunhaven Development

To Whom It May Concern:

As you know, Letter of Credit Number 1832 submitted by you to the City of Chesterfield guaranteed completion of certain subdivision improvements for the above referenced development. The date to complete these improvements has passed and under the terms and conditions of the Letter of Credit Number 1832 you are required to transmit the funds by wire transfer to the City of Chesterfield.

Despite numerous conversations with you regarding the outstanding, required punch list items, the work is still not completed as of the date of this letter. Therefore, the City of Chesterfield is hereby demanding payment immediately and funds shall be transferred to the City of Chesterfield at the account listed in Letter of Credit Number 1832. In addition, we are also hereby calling on the Lake Protection Bond which is Bond Number SV6997 as that work related to the lake has not been completed as required and guaranteed.

Should you have any questions regarding this matter please do not hesitate to contact this office at 636-537-4745.

Sincerely,

Aimee E. Nassif, Planning and Development Services Director

CC: Mike Geisel, Director of Public Services
Kim Streicher, Civil Engineer
John Huskey, Senior Engineering Construction Inspector

TRAVELERS

111 Schilling RD.
Hunt Valley, MD 21031

Kelly Engel
Senior Claim Representative
Bond & Financial Products Claim
Phone: (443) 353-2095
Fax: (800) 357-8516
Email: KENGEL@travelers.com

EXHIBIT

7

RECEIVED
City of Chesterfield

JUN 27 2013

Department of Public Services

June 27, 2013

Chesterfield, City Of
690 Chesterfield Parkway W.
CHESTERFIELD, MO 63017
Attn: Almee E. Nassif

Re:	St. Paul Fire and Marine Insurance Company
Our File No.:	111-SC-S1310233-NR
Bond No.:	051-SB-SV6997
Principal:	Greater Midwest Builders, LTD
Obligee:	Chesterfield, City Of
Project:	Lake to be restored to Preconstruction Conditions - Chesterfield Hollow

Dear Ms. Nassif:

The Surety hereby acknowledges receipt of your correspondence dated June 20, 2013 alleging Greater Missouri Builders has failed to complete certain improvements under the conditions of Letter of Credit 1832, and advising the Principal that you are calling on the above-referenced bond. To facilitate our independent investigation of this matter, we ask that you please provide us with copies of the following information and documentation, as well as any other documentation you feel would assist us in our investigation of your claim.

1. A copy of the Letter of Credit 1832, as referenced in your correspondence.
2. A complete copy of the final documents secured by the Bond, to include agreements between Obligor and Principal, any restoration and/or preconstruction improvement agreements, plans, amendments and any modifications thereto, copies of all general and special provisions, technical provisions, specifications, drawings, schedules, plans and permits, and any and all amendments or addenda thereto (hereinafter referred to as the "Agreement")
3. Copies of any and all notices to Principal or Surety, including notices of demand, notices of default, or other notices provided or required by statute or otherwise in connection with the Agreement. Please include an outline for the basis of any alleged default and provide all supporting documentation.
4. Copies of all correspondence or communications between Obligor (or its representatives) and the Owner or the Principal regarding the project, the Agreement or the Bond.
5. A detailed written punch list of the work you believe remains to be performed to complete the obligations of the Principal, including a copy of the last issued punch list.
6. All engineer's estimates in connection with the project, including a line item schedule utilized to determine the penal sum of the bond, as well as estimated cost to complete to correct the work by line item, and copies of all bids and/or estimates that have been obtained in connection with the alleged remaining scope of work.
7. Copies of inspection reports prepared by you during the course of the project and copies of all meeting minutes for meetings held between Obligor, Owner or Principal

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com. Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

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Travelers

June 27, 2013

Page 2

8. Copies of all extensions of time requested on the project, to include extensions of time that have been granted or are pending or denied.
9. Please state whether a request has been made and/or approved to reduce or replace the Bond, and provide all correspondence related thereto.
10. Copies of any certificates issues in connection with the project (i.e., compliance or completion related)
11. All documents that relate to any deposits made to the Obligor or any utility provider by the Principal, or anyone else in connection with the project, including the specific amounts of same, as well as requests for a whole or partial refund of deposits to the Principal.

Although we expect that the items you furnish will provide us with valuable information regarding this matter, our inquiry is not limited to those items. Our purpose in requesting information from you is to develop a complete understanding of the circumstances surrounding your correspondence and your intentions. As such, if other information or documents exist which you feel would assist us in our evaluation of this matter, we ask that you furnish that information as well. In the interim, we will correspond with Principal to gain an understanding of its position.

This correspondence and all prior or subsequent communications and/or investigative efforts are made with the express reservation of all rights and defenses which the Surety or Principal has or may have at law, equity or under the terms and provisions of the bond and contract documents.

This reservation includes, without limitation, defenses which may be available under any applicable notice and suit limitation provisions. Subject to this strict and continuing reservation, we look forward to hearing from you.

Sincerely,



Kelly D. Engel
Senior Claim Representative

/dm

Enclosure

cc: Greater Midwest Builders
Bill Knoblauch, TRV

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to KENGBL@travelers.com. Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 05/13/11

C-51



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

October 25, 2013

Daniel Barnard
Greater Midwest Builders
1551 Wall St. Suite 220
St. Charles, MO 63303

Via Email and US Mail

RE: Lake Protection Bond-Brunhaven Development

The City of Chesterfield has received the post construction survey for the Brunhaven Development submitted to the Department on October 7, 2013. Review of the post construction survey indicates that the area of the Green Trails Lake subject to discharge from your development site has excessively silted in during the period of construction activity.

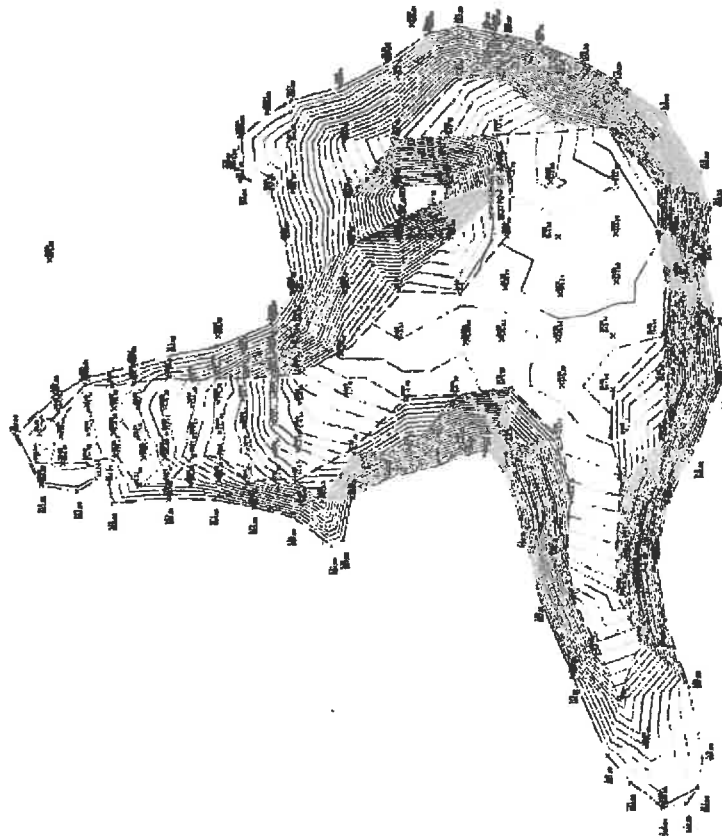
As agreed upon and required in the Lake Protection Bond (Bond Number SV6997) signed by Greater Missouri Builders on March 14, 2006, and as required by City Code Chapter 12-21 it is your responsibility to restore the lake to pre-construction conditions within three (3) months of submittal of the post construction survey to the Department. Failure to do so will result in forfeiture of the Lake Protection Bond.

If you have any questions regarding this, you may contact me directly at 636.537.4745 or via email at anassif@chesterfield.mo.us

Sincerely,

Aimee E. Nassif, AICP
Planning and Development Services Director
Cc: Lisa Johnson, Smith Amundsen LLC, 120 S. Central, Ste 700, St. Louis, MO
63105
Mike Geisel, Director of Public Services
Rob Heggie, City Attorney
Kim Strelcher, Civil Engineer
Reading file

TOPOGRAPHICAL SURVEY
OF THE LAKE DOWNSTREAM OF CHESTERFIELD HOLLOW
 A TRACT OF LAND BEING WITHIN U.S. SURVEY 120,
 TOWNSHIP 48 NORTH, RANGE 4 EAST
 ST. LOUIS COUNTY, MISSOURI



PROPOSED SURVEY - CIVIL
 FROM 1910, 1911, 1912

RECEIVED
 OCT 7 1911
 Department of Public Lands

S/C
E/S
 ST. CHARLES ENGINEERING & SURVEYING, INC.
 101 N. 10TH STREET, ST. LOUIS, MO. 63103
 TEL. 528-1000 FAX 528-1001

1
 ORDER NO.
 DATE
 BY



111 Schilling RD.
Hunt Valley, MD 21031

Ahmad Naseem
Claim Representative
Bond & Financial Products Claim
Mail Code: 9265
Phone: (443) 353-2111
Fax: (800) 357-8516
Email: ANASEEM@travelers.com

EXHIBIT

9

November 8, 2013

Aimee E Nassif
Chesterfield, City Of
690 Chesterfield Parkway W.
CHESTERFIELD, MO 63017

Re:	St. Paul Fire and Marine Insurance Company
Our File No.:	111-SC-S1310233-NR
Bond No.:	051-SB-SV6997
Principal:	Greater Midwest Builders, LTD ("GMB")
Obligee:	Chesterfield, City Of (the "City")
Project:	Lake to be restored to Preconstruction Conditions - Chesterfield Hollow

Dear Ms. Nassif:

In your correspondence of June 20, 2013, you alleged that GMB failed to perform certain subdivision improvements related to the Brunhaven development (the "Development"). In addition, you also called on the Lake Protection Bond (Bond Number SV6997), alleging that the work related to the lake has not been completed as required and guaranteed in the Bond and contract documents. The City has demanded the full amount of the Letters of Credit totaling \$239,744.76 and the Lake Protection Bond totaling \$100,000.

In an effort to further our investigation of this matter, St. Paul Fire and Marine Insurance Company ("Travelers") requested that the City provide certain documentation and information in support of its allegations. While we have received some of the documents we have requested, we have not received the Developer Agreement or any information or documentation as to what, specifically, work remains to be completed under the original bonded contract, what issues there are with the lake (Chesterfield Hollow) or how the Principal failed to restore the lake to preconstruction conditions. We have also not received any information or certified statements from the City Engineer estimating the costs to complete the remaining outstanding bonded contract work or costs and expenses to the City arising out of the alleged failure of Greater Midwest Builders to complete certain subdivision improvement at the Brunhaven development.

As such, it is questionable as to whether Travelers' obligations under the Performance Bond have arisen. Accordingly, Travelers is not in a position to take any action requested in your letter, or those specified in the Site Completion/Performance Bond, and we respectfully decline to do so at this time.

Notwithstanding the above, our Principal has responded to our inquiries regarding the circumstances surrounding this matter. According to GMB, 1) it has performed all of its obligations with regard to the Development, 2) GMB did not agree to certain subdivision improvements requested by the City, and 3) GMB is not otherwise required to make the improvements which the City now requests. It is GMB's position that it has caused no damage to the lake and contends that no rehabilitation of the lake is required by GMB because it performed all of its obligation with regard to siltation control.

***** Our toll-free number is 800-842-3496 *****
If possible, please send future communications and documents concerning this claim via email to ANASEEM@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 02/11/13

C-03a

Travelers

November 8, 2013

Page 2

If the City would like for Travelers to continue its independent investigation of your allegations, we would request that you please provide the documentation and information requested in our prior communications and herein.

This correspondence and all prior or subsequent communications and/or investigative efforts are made with the express reservation of all rights and defenses which St. Paul Fire and Marine Insurance Company or Greater Midwest Builders, LTD has or may have at law, equity or under the terms and provisions of the bond and contract documents. This reservation includes, without limitation, defenses which may be available under any applicable notice and suit limitation provisions.

Sincerely,



Ahmad Naseem

cc: Greater Midwest Builders, LTD – via electronic mail only
Smith Amundsen – via electronic mail only

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to ANASEEM@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 02/11/12

C-40a



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

May 15, 2014

Daniel Barnard
Greater Midwest Builders
1551 Wall St. Suite 220
St. Charles, MO 63303

Ahmad Nasseem
Travelers Insurance
111 Schilling Road
Hunt Valley, Maryland 21031

Re: City of Chesterfield Claim Against St. Paul Fire and Marine Insurance Company
Your File: 111-SC-S1310233-NR
Bond No.: 051-SB-SV6997
Principal: Greater Missouri Builders, LTD
Obligee: City of Chesterfield, Missouri
Project: Lake Restoration-Chesterfield Hollow

Dear Mr. Naseem:

On October 7, 2013 the City of Chesterfield received the post-construction survey of the lake that is the subject of the above referenced bond. A copy of the survey is enclosed. It shows that the lake that was to be protected during the construction of Brunhaven development has been excessively silted in during the period of construction activity. The silt is deepest in the area near the storm water runoff discharge pipe for the Brunhaven development.

On October 25, 2013 the City of Chesterfield directed Greater Missouri Builders to restore the lake to pre-construction conditions within three months. A copy of this letter is attached. To date no response has been had from Greater Missouri Builders and no work to restore the lake has been done.

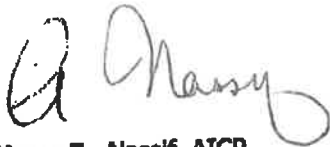
The Site Completion/Performance Bond that St. Paul Fire and Marine Insurance Company is the surety for is in the penal sum of \$ 100,000.00. Please consider this letter as the City's formal demand that St. Paul Fire and Marine Insurance Company make full payment of the penal sum of the bond in the amount of \$ 100,000.00 to the City of Chesterfield.

The City had previously demanded this sum in a letter dated August 6, 2013. St. Paul Fire and Marine Insurance, through Travelers, replied on August 19, 2013 indicating that it was going to review the documents sent in by the City of Chesterfield with the principal, Greater Missouri Builders and also conduct an independent investigation.

The City of Chesterfield has received no information or indication that St. Paul Fire and Marine Insurance Company has conducted an investigation or done anything.

Please be advised that unless payment is received, in the amount of \$ 100,000.00, within the next thirty days, the City of Chesterfield will have to file suit against St. Paul Fire and Marine Insurance Company.

Sincerely,



Aimee E. Nassif, AICP
Planning and Development Services Director

Cc: Lisa Johnson, Smith Amundsen LLC, 120 S. Central, Ste 700, St. Louis, MO
63105
Michael Herring, City Administrator
Rob Heggie, City Attorney
Mike Geisel, Director of Public Service
Kim Strelcher, Civil Engineer
Reading file

TRAVELERS

111 Schilling RD.
Hunt Valley, MD 21031

Ahmad Naseem
Claim Representative
Bond & Financial Products
Mail Code: 9265
Phone: (443) 353-2111
Fax: (800) 357-8516
Email: ANASEEM@travelers.com

EXHIBIT

11

RECEIVED
City of Chesterfield

JUN - 9 2014

Department of Public Services

June 4, 2014

Aimee E Nassif
City Of Chesterfield
690 Chesterfield Parkway W.
CHESTERFIELD, MO 63017-0760

Re:	St. Paul Fire and Marine Insurance Company
Our File No.:	111-SC-S1310233-NR
Bond No.:	051-SB-SV6997
Principal:	Greater Midwest Builders, LTD ("GMB")
Obligee:	Chesterfield, City Of (the "City")
Project:	Lake to be restored to Preconstruction Conditions - Chesterfield Hollow

Dear Ms. Nassif:

This will acknowledge receipt of your correspondence dated May 15, 2014 in connection with the above captioned matter, which included a copy of a post-construction survey as well as the City of Chesterfield's correspondence of October 25, 2013 to Greater Midwest Builders directing them to restore the lake to pre-construction conditions.

Attached is a copy of Travelers' letter dated November 8, 2013 to the City of Chesterfield setting forth its disposition in response to the claim. In an effort to further our investigation of this matter, Travelers requested that the City provide certain documentation and information in support of its allegations. To date, the Surety has not received sufficient information necessary for our investigation. If the City would like for Travelers to continue its independent investigation of your allegations, we would request that you please provide the documentation and information requested in our prior communications.

This correspondence and all prior or subsequent communications and/or investigative efforts are made with the express reservation of all rights and defenses which St. Paul Fire and Marine Insurance Company or Greater Midwest Builders, LTD has or may have at law, equity or under the terms and provisions of the bond and contract documents. This reservation includes, without limitation, defenses which may be available under any applicable notice and suit limitation provisions.

Sincerely,



Ahmad Naseem

Enclosure

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to ANASEEM@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 02/11/13

C-43a

Travelers

June 4, 2014

Page 2

**cc: Greater Midwest Builders, LTD -- via electronic mail only
Smith Amundsen -- via electronic mail only**

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to ANASEEM@travelers.com. Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 02/11/13

C-03a



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

June 23, 2014

Ahmad Naseem
Travelers Insurance
111 Schilling Road
Hunt Valley, Maryland 21031

Daniel Barnard
Greater Missouri Builders
1551 Wall St, Suite 220
St. Charles, MO 63303

Re: City of Chesterfield Claim Against St. Paul Fire and Marine Insurance Company
Your File: 111-SC-S1310233-NR
Bond No.: 051-SB-SV6997
Principal: Greater Missouri Builders, LTD
Obligee: City of Chesterfield, Missouri
Project: Lake Restoration-Chesterfield Hollow

Dear Mr. Naseem:

The City of Chesterfield has received your letter, dated June 9, 2014, requesting information pertaining to the obligation of Greater Midwest Builders, LTD d/b/a Greater Missouri Builders, to bring the lake to preconstruction conditions once construction of the Brunhaven Development (previously known as the Chesterfield Hollow Development) was complete. Most of the information St. Paul Fire and Marine Insurance Company requested in the letter you reference of November 8, 2013 was supplied in a letter, dated August 6, 2013 to Kelly Engel from the City of Chesterfield. Greater Midwest Builders, LTD provided the City of Chesterfield with copies of pre and post construction lake surveys which they had completed. As such, you should have a copy of both documents already, however an additional copy of each is provided herein. St. Paul Fire and Marine Insurance Company and Travelers have all the information needed to complete investigation of this claim and their continued refusal to finish this investigation and tender the bond funds is vexing to the City of Chesterfield and will lead to litigation.

The November 8, 2013 letter asks for certified statement or estimates from the City Engineer regarding the costs and expenses to complete the work. Our review of the Site Completion/Performance Bond shows that no such statements or estimates are required. Please let me know if St. Paul Fire and Marine Company believes that this bond has such a requirement.

I also note that this bond is a "penal bond" and accordingly, under Missouri law, the entire bond sum is due when performance is deficient.

Please accept this letter again as the City of Chesterfield's final claim and demand for the entire bond \$ 100,000.00. If St. Paul Fire and Marine Insurance Company and Travelers will not satisfy this obligation, please advise so that our City Attorney can be engaged to file a court case to enforce the City's rights in this matter. Please be advised that unless payment is received, in the amount of \$ 100,000.00, within the next thirty days, the City of Chesterfield will have to file suit against St. Paul Fire and Marine Insurance Company.

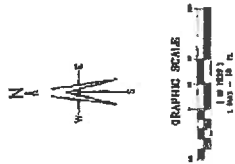
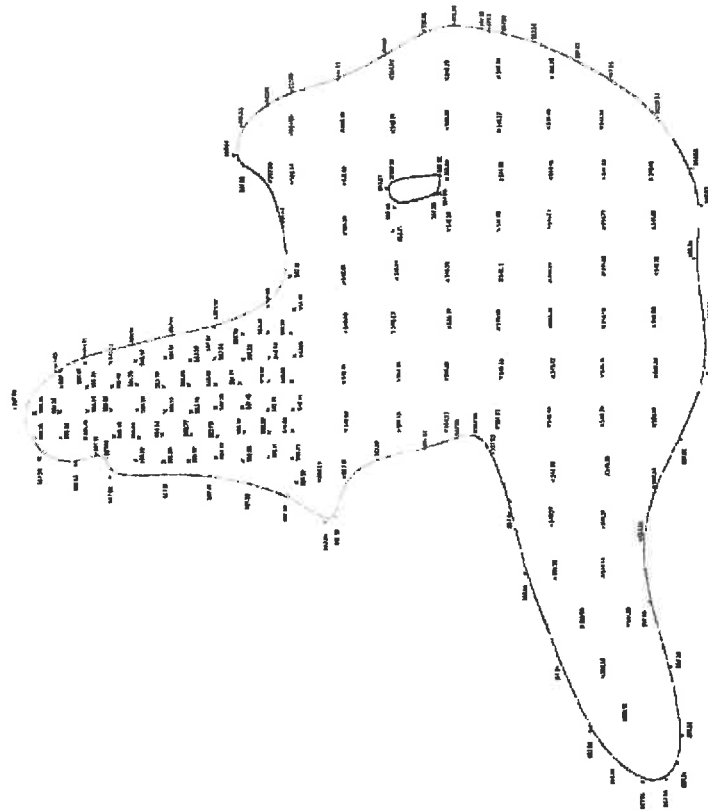
Sincerely,



Aimee E. Nassif, AICP
Planning and Development Services Director

Cc: Lisa Johnson, Smith Amundsen LLC, 120 S. Central, Ste 700, St. Louis, MO
63105
Michael Herring, City Administrator
Rob Heggie, City Attorney
Mike Geisel, Director of Public Service
Kim Strelcher, Civil Engineer
Reading file

TOPOGRAPHICAL SURVEY **OF THE LAKE DOWNSTREAM OF CHESTERFIELD HOLLOW** **A TRACT OF LAND BEING WITHIN LA. BURNET 120,** **TOWNSHIP 35 NORTH RANGE 4 EAST** **ST. LOUIS COUNTY, MISSOURI**



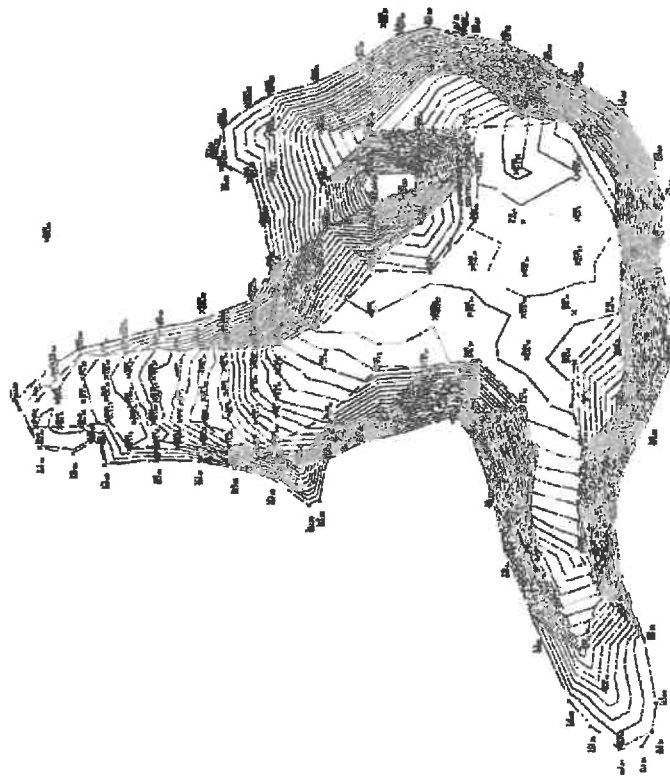
ST. CHARLES ENGINEERING & SURVEYING, INC.
 801 S. Tenth Street, Suite 202
 St. Charles, MO 63301
 TEL: (636) 947-0907 FAX: (636) 947-2448

ST. CHARLES
 ENGINEERING &
 SURVEYING, INC.

ORDER NO.
 DATE
 DRAWN

copy
 of
 11/11/12

TOPOGRAPHICAL SURVEY
OF THE LAKE DOWNTREAM OF CHESTERFIELD HOLLOW
A TRACT OF LAND BEING WITHIN U.S. SURVEY 120,
TOWNSHIP 45 NORTH, RANGE 4 EAST
ST. LOUIS COUNTY, MISSOURI



Vertical datum: 1985 = 0.01
 Horizontal datum: 1985

RECEIVED
 City of Chesterfield
 OCT - 7 2004
 Department of Public Works

ST. LOUIS COUNTY ENGINEERING & SURVEYING, INC.
 200 S. GLENN STREET, SUITE 100
 ST. LOUIS, MISSOURI 63103
 TEL: 314.241.1111 FAX: 314.241.1112

TRAVELERS

111 Schilling RD.
Hunt Valley, MD 21031

Ahmad Naseem
Claim Representative
Bond & Financial Pro
Mail Code: 9265
Phone: (443) 353-2111
Fax: (800) 357-8516
Email: ANASEEM@travelers.com

EXHIBIT

13

RECEIVED
City of Chesterfield

AUG - 4 2014

Department of Public Services

July 31, 2014

Aimee E Nassif
City Of Chesterfield
690 Chesterfield Parkway W.
CHESTERFIELD, MO 63017-0760

Re: St. Paul Fire and Marine Insurance Company
Our File No.: 111-SC-S1310233-NR
Bond No.: 051-SB-SV6997
Principal: Greater Midwest Builders, LTD ("GMB")
Obligee: City of Chesterfield (the "City")
Project: Lake to be restored to Preconstruction Conditions - Chesterfield Hollow

Dear Ms. Nassif:

This will acknowledge receipt of your correspondence dated June 23, 2014 and July 17, 2014 in connection with the above captioned matter, which included a copy of pre and post construction lake surveys that Greater Midwest Builders had completed and provided to the City of Chesterfield.

In your correspondence you state that the bond is a "penal bond" and accordingly, under Missouri law, the entire bond sum is due when performance is deficient. We have researched the Missouri Statutes in reference to forfeiture of the bond penalty when performance is deficient and we have found no law that provides that the bond penalty is forfeited when performance is deficient. If you have statutory authority, case law or other documentation that would evidence that the penal sum is forfeited when performance is deficient under this bond form, please provide same to the undersigned for review and consideration.

In addition, while we have received some of the documents we have requested from the City of Chesterfield, we have not received the Developer Agreement or any information or documentation as to what, specifically, work remains to be completed under the original bonded contract, what issues there are with the lake or how the Principal failed to restore the lake to preconstruction conditions, all as alleged by the City.

The City of Chesterfield has demanded that Travelers issue payment of the penal sum of the bond to resolve alleged siltation issues at the Lake. Pursuant to our investigation, we note that the Development was completed in 2006 and that the Lake is downstream from other surrounding developments and is one of four drainage swales drain that lead to the Lake. In addition, the City has not provided documentation and/or information evidencing that our Principal has failed restore the Lake to its preconstruction conditions or that it failed to have the proper siltation controls in place during its construction activity at the Brunhaven Development. More specifically, the City has failed to demonstrate that there are siltation problems in the Lake, that GMB caused actual damage or negative impact to the Lake, and that if there are, in fact, issues with the Lake that it occurred as a result of work performed at the Development by GMB.

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to ANASEEM@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 02/11/12

C-03a

Travelers

July 31, 2014

Page 2

As such, it does not appear that Travelers' obligations under the Performance Bond have arisen and therefore we must respectfully decline your demand for the penal sum of the Bond.

This correspondence and all prior or subsequent communications and/or investigative efforts are made with the express reservation of all rights and defenses which St. Paul Fire and Marine Insurance Company or GMB has or may have at law, equity or under the terms and provisions of the bond and contract documents. This reservation includes, without limitation, defenses which may be available under any applicable notice and suit limitation provisions.

Sincerely,



Ahmad Naseem

Enclosure

cc: Greater Midwest Builders, LTD – via electronic mail only
Smith Amundsen – via electronic mail only

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to ANASEEM@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 02/11/12

C-03a



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

March 10, 2015

Ahmad Nasseem
Travelers Insurance
111 Schilling Road
Hunt Valley, Maryland 21031

Daniel Barnard
Greater Missouri Builders
1551 Wall St, Suite 220
St. Charles, MO 63303

Re: City of Chesterfield Claim Against St. Paul Fire and Marine Insurance Company
Your File: 111-SC-S1310233-NR
Bond No.: 051-SB-SV6997
Principal: Greater Missouri Builders, LTD
Obligee: City of Chesterfield, Missouri
Project: Lake Restoration-Chesterfield Hollow

Dear Mr. Naseem:

We reviewed your letter of July 31, 2014 and have also received a bid to complete the lake restoration work. We remain unclear as to why St. Paul Fire and Marine Insurance Company continues its practice of asking for the same documents and information that have been previously supplied.

Please see my letter to Kelly Engel, dated August 6, 2013 as well as our subsequent correspondence with you for the documents you asked for in your July 31, 2014 letter.

We have received a bid for lake restoration work and with the City's costs to bid and monitor the contract the total costs are \$ 111,100.37. This exceeds the amount of the bond. This bid and the City's worksheet are attached.

Lake Restoration Bond Letter
March 10, 2015

page 2

Please remit the full amount of the penal bond, \$ 100,000.00 to the City of Chesterfield by April 10, 2015. If this payment is not received by April 10, 2015, the City Attorney will seek authority from the City Council to file suit against St. Paul Fire and Marine Insurance Company for Breach of Contract and Vexatious Refusal To Pay.

Sincerely,



Aimee E. Nassif, AICP
Planning and Development Services Director

Cc: Lisa Johnson, Smith Amundsen LLC, 120 S. Central, Ste 700, St. Louis, MO 63105
Michael Herring, City Administrator
Rob Heggie, City Attorney
Mike Giesel, Director of Public Service
Chris Krueger, Civil Engineer
Reading file



854 Lons Star Dr
O'Fallon, MO 63388

Phone: 636-878-9478
Fax: 636-878-3473

PROPOSAL FORM

Proposal Submitted To: Christopher Krueger, PE
Civil Engineer, City of Chesterfield
890 Chesterfield Parkway West
Chesterfield, MO

Date: 08/22/14

Job Name: Chesterfield Lake Excavation

Phone Number: 636-537-4769

Location: 14560 Ladue Road

Engineer: SCEB

Date of Plans: 10/25/02

Addenda: None

Preliminary budget proposal for labor, equipment, and materials to complete the following work:

Quantity	Unit	Description	Unit Price	Total
1.00	LS	Mobilization	\$2,600.00	\$2,600.00
1.00	LS	Traffic Control	\$10,000.00	\$10,000.00
1.00	LS	De-Watering	\$5,000.00	\$5,000.00
1.00	LS	Clearing & Grubbing	\$12,000.00	\$12,000.00
1.00	LS	Construction Access	\$15,000.00	\$15,000.00
1.00	LS	Silt Removal	\$30.00	\$21,000.00
700.00	CY	Soil Removal	\$4,000.00	\$4,000.00
1.00	LS	Street Cleaning	\$7,000.00	\$7,000.00
1.00	LS	Site Restoration		

EXCLUDES: Bond / Layout / Permits / Testing
Rock Excavation / Soil Remediation
Repair / Replace Existing Pavement / Curb / Sidewalk

We propose to complete the above work for the sum of:
(Net 30)

\$76,500.00

Kuesel Excavating Co., Inc.

Mark Wilson
Mark Wilson

Proposal may be withdrawn if
not accepted within 60 days.

All work to be completed in a workmanlike manner according to standard practices. Any deviation from the above specifications involving extra costs will result in an extra charge over and above the proposal amount. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

NOTICE TO OWNER: Failure to pay contractors supplying material or services to complete this contract can result in the filing of a Mechanic's Lien on the property which is the subject of this contract pursuant to Chapter 429 RSMo. To avoid this result you may ask this contractor for "Lien Waivers" from all persons supplying material or services for the work described in this contract. Failure to secure Lien Waivers may result in your paying for labor and materials twice.

ACCEPTANCE OF PROPOSAL: The above quotation is acceptable, and you are hereby authorized to proceed.

SIGNATURE: _____

SIGNATURE: _____
(Return one signed copy)

DATE OF ACCEPTANCE: _____

September 11, 2014

Ladue Road and Minitree Court Lake Dredge Estimate
Dredge 6" of silt in Northwest corner of Lake
as dictated by Pre and Post Brunhave Construction Survey

Project Management	Unit	Quantity	Unit Price	Extended Cost:	Comments
Assemble Bid Book	HR	80	\$ 43.60	\$ 3,488.00	Unit Price of \$43.60 is based on a Civil Engineer's Hourly Rate
Questions/visits/coordination during Construction	HR	40	\$ 43.60	\$ 1,744.00	
Working with trustees	HR	10	\$ 43.60	\$ 436.00	
Contracts negotiation	HR	10	\$ 43.60	\$ 436.00	
Pre-construction prep and meeting	HR	4	\$ 43.60	\$ 174.40	
Bid opening and recommendation memo	HR	2	\$ 43.60	\$ 87.20	
MOG69 permit from MODNR	HR	20	\$ 43.60	\$ 872.00	
404/401 permit from Corp	HR	20	\$ 43.60	\$ 872.00	
Cost to advertise for bids	LS	1	\$ 1,500.00	\$ 1,500.00	Advertise in St. Louis Business Journal and Missouri Lawyers Media
Mileage	MI	69	\$ 0.56	\$ 38.64	Miles driven back and forth to project site 15 times at the federal reimbursement rate of \$0.56 per mile
Project Management Costs \$				9,648.24	

Construction

Dredging Contract	LS	1	\$ 76,500.00	\$ 76,500.00	Remove 6" of sediment resulting in approximately 700 CF. (55' x 172' x 2') Large Equipment to be used and portion of lake needs to be damed and drained.
Construction Inspection	HR	60	\$ 40.59	\$ 2,435.40	Unit Price of \$40.59 is based on a Construction Inspector's Hourly Rate
Post Dredging Survey	LS	1	\$ 4,000.00	\$ 4,000.00	This is cost is based on an estimate from St. Charles Engineering to complete a Post Dredging Survey

Construction Costs \$ 82,935.40
Contingency (20%) \$ 18,516.73
Total Project Estimate \$ 111,100.37



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

August 1, 2016

Michael E. Wilson
Greensfelder, Hernker & Gale, P.C.
10 South Broadway, Ste. 2000
St. Louis, MO 63102

RE: City of Chesterfield V. Travelers

Dear Mr. Wilson:

Thank you for returning the fully executed Settlement & Mutual Release agreement for the referenced concern. Per your request, this correspondence shall serve as acknowledgement of our receipt of the executed agreement.

If you have any questions or require additional materials, please let me know.

Sincerely,

Mike Geisel, P.E.
Interim Co-City Administrator

Enclosure

Cc Chris Graville, Interim City Attorney



Greensfelder, Hemker & Gale, P.C.
10 South Broadway, Ste. 2000
St. Louis, MO 63102

T: 314-241-9090
F: 314-241-8624
www.greensfelder.com

Chicago Office:
200 West Madison St., Ste. 2700
Chicago, IL 60606
T: 312-419-9090

Belleville Office:
12 Wolf Creek Dr., Ste. 100
Belleville, IL 62226
T: 618-257-7308

- 1 2016

Michael E. Wilson
Direct Dial: (314) 516-2680
Facsimile: (314) 345-5467
E-Mail: mew@greensfelder.com

July 28, 2016

Mr. Michael Geisel
City of Chesterfield
City Hall
690 Chesterfield Parkway West
Chesterfield, MO 63017-0760

Re: City of Chesterfield v. Travelers

Dear Mr. Geisel:

I have been in communication today with Chris Graville who indicated he is on vacation. He asked me to forward the fully executed Settlement & Mutual Release Agreement to your attention. Accordingly, please find the Agreement enclosed.

I would appreciate it if you would kindly acknowledge receipt of this letter and the Agreement.

Very truly yours,

GREENSFELDER, HEMKER & GALE, P.C.

By


Michael E. Wilson

MEW/jmb
Enclosure

cc: Ahmad Naseem



1612616

SETTLEMENT & MUTUAL RELEASE AGREEMENT

This Settlement & Mutual Release Agreement ("Agreement") is made and entered into effective as of the ~~2nd~~ day of July, 2016 by and between the City of Chesterfield, Missouri ("City"), a municipal corporation, and Travelers Casualty and Surety Company of America ("Travelers"), a corporation which does, among other business, surety business.

WITNESSETH:

WHEREAS, in 2001, THM II, LLC ("THM") commenced steps toward the development of a subdivision in the City of Chesterfield known as Chesterfield Hollow;

WHEREAS, in connection with the development of Chesterfield Hollow, THM, as principal, and St. Paul Fire and Marine Insurance Company ("St. Paul"), as surety, issued a bond captioned "Site Completion/Performance Bond" dated November 21, 2001 in which the penal sum was stated as \$100,000.00, the City was named the obligee, and the bond terms referred to restoring a certain lake (i.e., Green Trails Lake and hereinafter referred to as the "Lake") to preconstruction conditions;

WHEREAS, in 2005, Greater Missouri Builders, Inc. ("GMB") became developer of the same subdivision property, and the name of the subdivision was changed to Brunhaven;

WHEREAS, GMB, as principal, and St. Paul, as surety, issued a Bond Rider dated March 16, 2006 which referenced the bond dated November 21, 2001 and changed the principal to GMB and also changed the reference to the subdivision to Brunhaven;

WHEREAS, the bond dated November 21, 2001 and the Bond Rider dated March 16, 2006 are referred to as the "Bond";

WHEREAS, the City claims GMB failed to restore the Lake to preconstruction conditions, and accordingly made a claim against the Bond;

WHEREAS, according to Travelers, Travelers is the successor-in-interest to St. Paul;

WHEREAS, Travelers denied the claim against the Bond;

WHEREAS, on August 6, 2015, the City filed a two-count Petition against St. Paul and Travelers in the St. Louis County Circuit Court, seeking damages of \$100,000.00, interest and costs of court as well as damages for the claimed vexatious failure to pay the claim against the Bond (the "Claims");

WHEREAS, St. Paul and Travelers removed that state court action to the United States District Court for the Eastern District of Missouri, and the case in federal court was styled *City of Chesterfield, Missouri vs. Travelers Casualty and Surety Company of America and St. Paul Fire and Marine Insurance Company*, Civil Action No. 4:15-cv-01670 (the "Federal Court Action") and assigned to District Judge Shaw;

WHEREAS, St. Paul and Travelers filed pleadings in the Federal Court Action denying liability to the City and raising several defenses to the City's claims against St. Paul and Travelers;

WHEREAS, Judge Shaw ordered the parties to mediation;

WHEREAS, the parties, with the aid of Thomas Blumenthal, mediator, mediated the City's Claims on April 19, 2016 during which the parties reached a settlement, subject to approval of the City's Council and subject to further documentation of the settlement by counsel for the respective parties; and

WHEREAS, this Settlement and Mutual Release Agreement is intended to memorialize the terms and conditions of the parties' full and complete settlement.

NOW THEREFORE, in consideration of the mutual promises and the covenants herein set forth and for other good and valuable consideration, which each of the Parties does hereby acknowledge, the Parties do hereby agree as follows:

1. Within thirty (30) days of the approval of an ordinance approving this Settlement Agreement by the City, Travelers shall deliver to City's attorney, by means of a good and sufficient check payable to the City, the sum of **Seventy-Five Thousand Dollars (\$75,000.00)** in full settlement (the "Settlement Amount"). The City's attorney for this matter is Christopher Graville, Chesterfield City Attorney of The Graville Law Firm, LLC, 130 South Bemiston, Suite 700, St. Louis Missouri 63105, and Harold V. O'Rourke; Stewart, Mittleman & O'Rourke, LLC, 222 South Central Avenue, Suite 202, St. Louis, Missouri 63105-3575. The check for the Settlement Amount will be a sole payee check made payable to the order of "The City of Chesterfield, Missouri", and there is no requirement to make the City's attorney(s) in this matter a co-payee on the check for the Settlement Amount.

2. Effective upon the City's collection of the Settlement Amount, the City fully, completely and forever waives, relinquishes, releases and renounces any and all claims (including the Claims), causes of action and demands of any kind or nature which the City now has, or may have had, or may in the future have, St. Paul or Travelers, or against any either surety's respective officers, agents, employees, insurers, attorneys, successors and assigns, relating to the Bond or the restoration of the Lake to preconstruction conditions, regardless of whether the claim, cause of action or demand sounds in breach of a contract, negligence or breach of a duty imposed by statute, or arises from common law or otherwise, and regardless whether the damages are said to be actual, special, incidental, consequential or punitive

3. Effective upon the City's collection of the Settlement Amount, Travelers, on behalf of itself and on behalf of St. Paul by virtue of Travelers being St. Paul's successor-in-interest fully, completely and forever waives, relinquishes, releases and renounces any and all claims, causes of action and demands of any kind or nature which either Travelers or St. Paul now has, or may have had, or may in the future have against the City or against any one or more of City's officials, agents, employees, insurers, attorneys, successors and assigns, arising out of

or relating to the Bond or the restoration of the Lake to preconstruction conditions, regardless of whether the claim, cause of action or demand sounds in breach of a contract, negligence or breach of a duty imposed by statute, or arises from common law or otherwise, and regardless whether the damages are said to be actual, special, incidental, consequential or punitive.

4. The foregoing release in paragraph 3 shall not operate to release, impair or diminish any claim, cause of action or demand that Travelers or St. Paul may have against any one or more indemnitors on the indemnity agreement signed by St. Paul, GMP and others, nor shall that release operate to release, impair or diminish any claim, cause of action or demand that Travelers or St. Paul may have for equitable indemnity against either principal on the Bond.

5. In no event shall the releases set forth in paragraphs 2 and 3 above be construed to waive a claim or cause of action arising from a breach of the terms of this Settlement Agreement.

6. Effective upon the City's collection of the Settlement Amount, the City will cause its attorneys in the Federal Court Action and Travelers will cause its attorneys in the Federal Court Action (acting on behalf of Travelers and St. Paul) to sign and file a memorandum with the Federal Court whereby the City's claims against Travelers and St. Paul are dismissed with prejudice, with each party bearing its own costs and attorneys' fees.

7. The parties acknowledge that the Claims were disputed. This Settlement Agreement represents a compromise of this disputed matter between the parties, and the considerations set forth herein, including the mutual promises and agreements, are not to be construed as an admission against interest or an admission of liability on the part of any party to the Federal Court Action.

8. This Settlement Agreement contains the entire agreement between the parties and the terms hereof are contractual and not merely a recital.

9. This Settlement Agreement is binding upon the parties and their respective agents, representatives, successors, and assigns.

10. This Settlement Agreement is deemed to be the joint work product of the parties, and their respective attorneys, and in the event of any ambiguity herein, no inference shall be drawn against any particular party by reason of document preparation or terms proposed or suggested by that party or its attorneys.

11. Each of the parties represents and warrants to the other party to this Agreement that the party has not assigned or otherwise transferred a demand, claim (including any of the Claims), or cause of action that party had or may have had against the other party relating to the Bond or efforts intended toward restoration of the Lake to preconstruction conditions.

12. Each of the parties represents and warrants to the other party that the party has taken the time to carefully understand and does understand the terms and conditions of this Settlement & Mutual Release Agreement, and has had access to the party's attorney-at-law to

address any questions the party may have concerning the terms and conditions of this Agreement.

13. Contemporaneous with the delivery of the City's signed counterpart of this Agreement to Travelers, the City shall also deliver a true copy so attested by the Chesterfield City Clerk of the ordinance adopted by the City Council approving this Agreement.

14. This Agreement may be executed and witnessed in separate counterparts by each of the respective parties through a duly authorized official or representative thereof, and a counterpart, once signed by a party and witnessed, will then be submitted to the other party via email or U.S. Mail. Upon signature and delivery of each counterpart of this Agreement pursuant to this paragraph, the Agreement shall be deemed fully executed and delivered.

IN WITNESS HEREOF, the parties to this Settlement & Mutual Release Agreement have executed this instrument effective on the day and year set forth above.

CITY OF CHESTERFIELD, MISSOURI

By: [Signature]
Authorized Representative

Title: Interim Co-City Administrator

Date: 7/7/2016

ATTEST:

[Signature]
Attorney for City of Chesterfield

Date: 7/11/16

TRAVELERS CASUALTY AND SURETY
COMPANY OF AMERICA

By: [Signature]
Authorized Representative

Title: SR. Claim Representative

Date: 7/22/2016

[Signature]
Attorney for Travelers

Date: July 23 2016



L.I.B. Page 1 of 5

Bond # 104706125

LANDSCAPE INSTALLATION BOND

We Gunhay, LLC of
Seven The Pines Ct., Ste A (address) City of
Chesterfield, County of St. Louis, State of Missouri, as
Travelers Casualty & Surety
Co. of America, a corporation organized under the laws of the State
of New York and duly qualified and authorized to act as sole surety on bonds or
undertakings required or authorized by the laws of the State of Missouri, as surety, acknowledge
our indebtedness to the City of Chesterfield, Missouri, in the penal sum of Five Hundred Eleven
Thousand Five Hundred
Seventy-Six & 04/100
dollars (\$ 511,576.04) for the payment which sum we hereby obligate and bind ourselves and
our respective legal representatives and successors jointly and severally.

The condition of the foregoing application is that:

1. Principal has filed with the City of Chesterfield an approved plan proposing certain landscaping within a certain development described as The Reserve at Chesterfield Village; and
2. By virtue of and pursuant to the City of Chesterfield adopting an ordinance for zoning and by condition set forth by 2021 adopted/approved by the City of Chesterfield on August 19, 1996; and
3. In lieu of the immediate completion of said landscaping, principal must submit a surety bond acceptable to the City of Chesterfield in the amount of Five Hundred Eleven Thousand Five Hundred dollars (\$ 511,576.04) executed by principal and an authorized surety, such bond to be conditioned on the full and complete installation of landscaping within twenty-four (24) months after the date of approval of said landscaping plan by the City of Chesterfield.

Now, therefore, if the final and complete installation of such landscaping as prescribed and required by the City of Chesterfield pursuant to the ordinances adopted by the City shall be accomplished by principal or his successor within twenty-four (24) months of approval of said landscaping plan by the City and the principal or his successor shall obtain a letter to that effect from the City of Chesterfield Director of Planning or Chesterfield Planning Consultant, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

690 Chesterfield Parkway West, Chesterfield, MO 63017-0760
Ph. (636)537-4746 Fax (636)537-4798 www.chesterfield.mo.us

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LP 09/03

This bond may be sued on by the City of Chesterfield or any person injured by principal's failure to install landscaping as required herein with twenty-four (24) months but the total obligation herein shall be limited to the amount set forth above. The City of Chesterfield, after giving 30 days notice to the principal named above, at the address listed above, may direct the surety to pay for labor and materials to be used in the completion, replacement, or installation of the landscaping directly to the City of Chesterfield or a third party as directed by the City for uses contemplated by this bond. Upon payment to the City of the amounts requested by the City (not exceeding the amount of the bond), the surety shall be discharged of all liability under this bond.


This bond is not cancelable.


Should any legal proceedings be necessary to enforce this bond, such sum as the court may determine to be reasonable shall be allowed to obligee as attorneys' fees in addition to other sums found due.

Gunhay, LLC
Seven The Pines Ct. Ste A
St. Louis, MO 63141

(Type Company Name/Address)

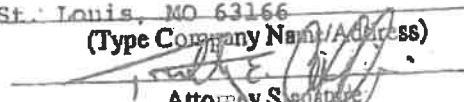
Attest:


(Secretary)


Principal
John W. O'Connell, Manager

(Type Name/Address)
Travelers Casualty & Surety Co of
America P.O. Box 66852
St. Louis, MO 63166

(Type Company Name/Address)


Attorney Signature

Type Name: Timothy E. Griffin

(Attach notary acknowledgement of attorney's signature and duly acknowledge power of attorney of surety.)

690 Chesterfield Parkway West, Chesterfield, MO 63017-0760
Ph. (636)537-4746 Fax (636)537-4798 www.chesterfield.mo.us

LP 09/03

Page 9 of 19

Approved:

 12/18/06
Acting Planning Director, City of Chesterfield


Mayor, City of Chesterfield

Attest:


Deputy City Clerk

690 Chesterfield Parkway West, Chesterfield, MO 63017-0760
Ph. (636)537-4746 Fax (636)537-4798 www.chesterfield.mo.us

L.P. 09/03; Rev'd 12/06

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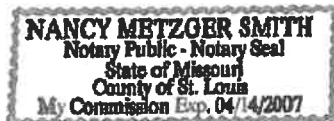
INDIVIDUAL ACKNOWLEDGEMENT

On this 15th day of December, 2006, before me appeared John W. O'Connell, to me personally known, who, being by me duly sworn, did say that he is the MANAGER of GUNHAY LLC, and that the said agreement was signed by him in behalf of the aforesaid GUNHAY LLC, and said John W. O'Connell, as Manager of the said Company, acknowledged said agreement to be the lawful, free act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notary seal, the day and year above written.

My commission expires

4/14/07



Nancy Metzger Smith
Notary Public

CORPORATE EXECUTING OFFICIAL'S ACKNOWLEDGEMENT

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

On this _____ day of _____, A.D., 20____, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of _____ a Missouri Corporation and that he executed the foregoing agreement pursuant to the authority given him by the Board of Directors of the aforesaid corporation, and that said agreement was signed and sealed by him in behalf of the aforesaid corporation by authority of its Board of Directors and said _____ as _____ of the said corporation, acknowledged said agreement to be the lawful, free act and deed of the said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notary seal, the day and year above written.

My commission expires _____

Notary Public

690 Chesterfield Parkway West, Chesterfield, MO 63017-0760
Ph. (636)537-4746 Fax (636)537-4798 www.chesterfield.mo.us

LP 09/03

Page 11 of 19

CORPORATE SECRETARY'S ACKNOWLEDGEMENT

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

On this _____ day of _____, A.D.; 20____, before me appeared
_____, to me personally known, who, being by me duly sworn, did say
that he is the Secretary of _____, a Missouri Corporation
and that _____, who executed the foregoing agreement as
_____ of the aforesaid corporation is in fact the _____ of that
Corporation and was authorized and directed by the Board of Directors of the aforesaid
Corporation to execute the foregoing agreement.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notary seal, the day
and year above written.

My commission expires _____

Notary Public

690 Chesterfield Parkway West, Chesterfield, MO 63017-0760
Ph. (636)537-4746 Fax (636)537-4798 www.chesterfield.mo.us

LP 09/03

Page 12 of 19

The Landscaping Pros

10 Post oak Dr.
St. Peters, MO 63376
636-978-3312 Fax: 636-272-3092
E-mail: landscapingpros@charter.net

Name: Hayden Barnes
Address: 7 the Pines Ct
City, State, Zip Code: St. Louis, Mo 63141
Phone: Dennis Hayden
Home: 314-434-5820
Work: Fax: 314-434-3951

Date: 11-30-06
Project: The Reserve
P.O. #: At Chesterfield Village
Estimate/Contract
Job

		Page 1		
Qty	Materials	Item #	Size	Total
31	Downy Serviceberry		2.5" cal	272.00
25	Cornus Serviceberry Alt: Autumn Brilliance Serviceberry		2.5" cal	272.00
19	Red Sunset Maple		2.5" cal	265.00
59	Red Sunset Maple (street tree)		2.5" cal	245.00
94	Green Mountain Sugar Maple		2.5" cal	308.00
63	Scarlet Sentinel Maple		2.5" cal	293.00
9	Tatarian Maple		2.5" cal	242.00
13	All Seasons Hackberry		2.5" cal	295.00
17	American Hornbeam		2.5" cal	242.00
86	Eastern Redbud		2.5" cal	220.00
112	Flowering Dogwood		2.5" cal	242.00
27	Prairie Pride Hackberry		2.5" cal	295.00
50	Fringetree		2.5" cal	242.00
30	American Beech Alt: European Hornbeam		2.5" cal	295.00
9	Marshall Seedless Ash		2.5" cal	295.00
45	Marshall Seedless Ash (street tree)		2.5" cal	275.00
15	Urbanite Green Ash		2.5" cal	253.00
42	Silverbell		2.5" cal	242.00
3	American Holly Suggested height for given caliper 6-8'		2.5" cal	308.00
75	Chinese Juniper Suggested height for given caliper 4-5'		2.5" cal	135.00
6	Tuliptree		2.5" cal	265.00
19	Southern Magnolia		2.5" cal	295.00
6	Sancti Magnolia Alt: Jane Magnolia		2.5" cal	231.00
28	Sweetbay Magnolia		2.5" cal	242.00
24	Blackgum		2.5" cal	308.00
continued on page 2				

Remarks:

Comments

continued on page 2

Subtotal Materials	\$256,792.00
Installation Charge	
Bed Preparation	
Other	
Subtotal	\$256,792.00
Sales Tax	
Paid Deposit	
Total Due	

DEC 7 2006

The Landscaping Pros

10 Post oak Dr.
St. Peters, MO 63376
836-978-3312 Fax: 636-272-3092
E-mail: landscapingpros@charter.net

Name Hayden Homes
Address 7 the Pines Ct
City, State, Zip Code St. Louis, Mo 63141
Phone Home Donah Hayden
Work 314-434-5826
Fax: 314-434-5951

Date 11-30-06
Project The Reserve
P.O. # At Chesterfield Village
Estimate/Contract
let

				Page 2	
Qty	Materials	Item #	Size	Price	Total
1	Subtotal from page 1			256792.00	\$256,792.00
36	Sourwood		2.5"cal	275.00	\$9,900.00
51	Hophornbeam		2.5"cal	295.00	\$15,045.00
166	White Spruce Suggested height for given caliper 5-6'		2.5"cal	198.00	\$32,868.00
15	Douglas Fir Suggested height for given caliper 5-6'		2.5"cal	220.00	\$3,300.00
6	Sycamore		2.5"cal	323.00	\$1,938.00
34	Colorado Blue Spruce Suggested height for given caliper 5-6'		2.5"cal	198.00	\$6,732.00
7	White Pine Suggested height for given caliper 5-6'		2.5"cal	143.00	\$1,001.00
4	Japanese Fl Cherry		2.5"cal	220.00	\$880.00
19	Northern Red Oak		2.5"cal	308.00	\$5,852.00
23	Black Oak		2.5"cal	265.00	\$6,095.00
6	Black Willow		2.5"cal	242.00	\$1,452.00
4	Japanese Tree Lilac		2.5"cal	295.00	\$1,180.00
25	American Linden		2.5"cal	275.00	\$6,875.00
28	Canadian Hemlock Suggested height for given caliper 5-6'		2.5"cal	187.00	\$5,236.00
61	Green Vase Zelkova (street tree)		2.5"cal	275.00	\$16,775.00
				Subtotal Materials	\$371,921.00
				Installation Charge	\$111,575.00
				Bed Preparation	
				Other	
				Subtotal	\$483,496.00
				Sales Tax	\$28,080.04
				Paid Deposit	
				Total Due	\$511,576.04

Remarks:

Unit tree price includes tree, topsoil/peat planting mix, mulch topdressing, and staking.

Comments

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 216086

Certificate No. 001273970

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

John C. Miller, Pamela R. Goessling, Thomas Craig Valle, Susan L. Marshall, Timothy R. Griffin, Don K. Ardolino, Kim Connell, and Brandi Bullock

of the City of St. Louis State of Missouri, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 31st day of October, 2006

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By:

George W. Thompson, Senior Vice President

On this the 31st day of October, 2006, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.



Mario C. Lefebvre
Mario C. Lefebvre, Notary Public

68440-B-09 Printed in U.S.A.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointees such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointees and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or undertaking to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney granted by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Companies this 15 day of December 20 06

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER


Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.stpaultravelersbond.com. Please refer to the Attorney-in-Fact number, the above-named individuals and the details of the bond to which the power is attached.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

State of Missouri }
County of Jefferson } ss:

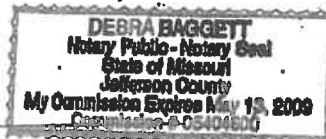
On December 15, 2006 before me, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared

Timothy E. Griffin

known to me to be Attorney-in-Fact of Travelers Casualty & Surety Co of America the corporation described in and that executed the within and foregoing instrument, and known to me to be the person who executed the said instrument in behalf of the said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereto set my hand and affixed my official seal, the day and year stated in this certificate above.

My Commission Expires



Debra Baggett
Debra Baggett

TRAVELERS

Travelers Casualty and Surety Company of America
Hartford, CT 06183

License No. _____

SURETY CANCELLATION NOTICE

THE CITY OF CHESTERFIELD
690 CHESTERFIELD PARKWAY WEST
CHESTERFIELD, MISSOURI 63017

AGENCY NAME AND CODE: WELLS FARGO INS SVCS USA (0CCC87) 1401 S BRENTWOOD BLVD STE 628 SAINT LOUIS, MO 63144 (0CCC87)	
POLICY NUMBER: 104708125	DATE: April 05, 2011
POLICY TYPE: Contracting - Third Party Liability	
DATE OF CANCELLATION: 5/18/2011	<input type="checkbox"/> 12:00 NOON STANDARD TIME <input checked="" type="checkbox"/> 12:01 A.M. STANDARD TIME
PREMIUM DUE: \$10,232.00	

PRINCIPAL AND MAILING ADDRESS

GUNHAY, LLC
SEVEN THE PINES COURT, SUITE A
SAINT LOUIS, MISSOURI 63141

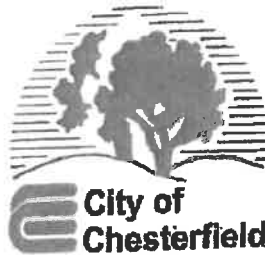
OBLIGEE AND MAILING ADDRESS

THE CITY OF CHESTERFIELD
690 CHESTERFIELD PARKWAY WEST
CHESTERFIELD, MISSOURI 63017



We are cancelling this Surety bond for non- payment of premium. Coverage under the bond will terminate on the Date of Cancellation shown above unless we receive the premium due before the Date of Cancellation.

S-6377a.502



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

April 20, 2011

Wells Fargo Insurance Services USA
1401 S. Brentwood Blvd. Ste 625
St. Louis, MO 63144

Re: Landscape Installation Bond #104706125

To Whom It May Concern:

We are in receipt of your *Surety Cancellation Notice* for the above-referenced bond notifying us that this bond will be canceled effective May 18, 2011 for non-payment of premium.

Please note that the required landscape installation on this project has not yet been completed; therefore, the bond cannot be canceled at this time. For your reference, we are enclosing a copy of the bond, which notes on page 2 that the *bond is not cancelable*.

In order for this bond to be released, the following must occur:

- The required landscaping must be installed in accordance with the approved Landscape Plan;
- The site must pass a landscape inspection by the City, and
- A surety for the two-year maintenance of the landscaping, along with the City's approved Landscape Agreement, must be submitted to the City.

Please contact me for any questions regarding this matter at 636-537-4744 or at mperry@chesterfield.mo.us

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary M. Perry".

Mary M. Perry, AICP
Senior Planner

Enclosure – Copy of Bond #104706125

Copy w/enc: John W. O'Connell, Manager
Gunhay, LLC
Seven The Pines Court, Suite A
St. Louis, MO 63141

Timothy E. Griffin
Travelers Casualty & Surety Co.
P.O. Box 66852
St. Louis, MO 63166



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

May 26, 2011

Mr. Timothy E. Griffin
Wells Fargo Insurance Services
1401 S. Brentwood Boulevard, Suite 625
St. Louis, MO 63144

RE: The Reserve at Chesterfield

Dear Mr. Griffin:

Please be advised that the City of Chesterfield has conducted an inspection and is reducing the bond amount for The Reserve at Chesterfield for Landscape Installation Bond #104706125 from \$511,576.04 to **\$142,100 effective immediately.**

Once complete, please send the amended bond to:

Mara Perry
Senior Planner
City of Chesterfield
690 Chesterfield Parkway West
Chesterfield, Missouri 63017

If you have any questions, you may reach Mara at mperry@chesterfield.mo.us or at 636-537-4744.

Sincerely,

A handwritten signature in cursive script, appearing to read "Aimee Nassif".

Aimee Nassif
Planning and Development Services Director

Cc: Mara Perry, Senior Planner
Reading file



690 Chesterfield Pkwy W • Chesterfield MO 63017-0780
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

May 22, 2012

Mr. Mike Henja
Gunhay, LLC
100 Chesterfield Business Parkway, Ste. 300
Chesterfield, MO 63005

Mr. Dennis Hayden
Gunhay, LLC
Seven The Pines Court, Ste. A
St. Louis, MO 63141

RE: The Reserve at Chesterfield

Gentlemen:

Please be advised that the Landscape Installation Bond for The Reserve at Chesterfield (Bond #104706125) will expire on June 1, 2012.

Inspections of the site have concluded that landscaping, as required on the recorded Landscape Plan, has not been planted or is dead. Due to these landscape inconsistencies, the bond cannot be released at this time.

You are required to provide the City an abatement scheduled to address the landscaping issues within seven (7) days. If an abatement schedule is not agreed upon, the development will be found to be in violation of the recorded Landscape Plan and a court summons will be issued which could result in forfeiture of the full amount of the landscape bond for non-compliance.

Be advised that once the issues on the site have been abated, a Landscape Agreement and Bond for Maintenance is required and must be put into place for the site. Four executed copies, each with original signatures, must be returned to the City of Chesterfield. The Maintenance Bond is required to be equal to the amount of the Landscape Installation Bond.

Forms for the Landscape Agreement and Landscape Bond can be found on the City's website at:

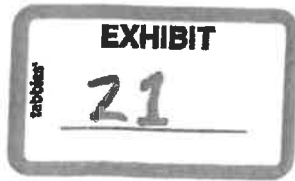
- [www.chesterfield.mo.us/forms/Planning-Development/Services/Landscape Agreement](http://www.chesterfield.mo.us/forms/Planning-Development/Services/Landscape%20Agreement)
- [www.chesterfield.mo.us/forms/Planning-Development/Services/Landscape Bond](http://www.chesterfield.mo.us/forms/Planning-Development/Services/Landscape%20Bond)

If you have any questions, you may reach Mara Perry at mperry@chesterfield.mo.us or at 636-537-4744.

Sincerely,

Aimee Nassif
Planning and Development Services Director

Cc: Timothy E. Griffin, Wells Fargo Insurance Services
Mara Perry, Senior Planner
Reading file



MEMORANDUM

DATE: August 1, 2012
TO: Almee Nassif, Director of Planning and Development Services
FROM: Mindy Mohrman, City Arborist/Urban Forester
RE: The Reserve at Chesterfield Village- Phase I Landscape inspection

The current landscape plan has some inaccuracies compared to the installed landscaping on site, however these inaccuracies are mostly due to slight location adjustments of trees and do not affect the intent of the plan or the finished product. Accounting for specific species deficiencies is somewhat difficult however, so I chose to break the deficiencies down simply into evergreen, ornamental, or deciduous types. Replacements should be chosen in the appropriate numbers from the plant schedule shown on the approved plan, but can be adjusted so that the most successful species are being used as replacements.

An inspection of the current landscaping in Phase I revealed the following deficiencies:

Dead trees, including
20 dead evergreen trees
47 dead ornamental/small deciduous trees
36 dead deciduous trees

Missing trees of various species total 20 individual trees, and are mostly located along Maple Rise Path where construction of some units is still under way, and at the corner of Baxter Rd and August Hill Dr.



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

August 8, 2012

Mike Hefna
Gunhay, LLC
100 Chesterfield Business Parkway, Suite 300
Chesterfield, MO 63005

Dennis Hayden
Gunhay, LLC
Seven the Pines Court, Suite A
St. Louis, MO 63141

RE: The Reserve at Chesterfield, Phase I

On May 22, 2012 a letter was sent regarding the deficiencies pertaining to the landscaping that is required per the Landscape Installation Bond and Landscape Plan for the Reserve at Chesterfield Village, Phase I. That letter also indicated that you were required to contact the City within seven (7) days and provide an abatement schedule. Unfortunately, this has not occurred.

Be advised, that the Landscape Installation Bond (Bond Number 104706125) is now expired and the required landscaping for this development has either died or has not been planted. You have seven (7) days upon receipt of this letter to contact the Planning and Development Services Division with an abatement schedule to install and replace the required landscaping. Said abatement schedule shall be agreed upon by the City.

Failure to contact the City shall result in a court summons being issued to the Developer and the Principal named on the Landscape Installation Bond. In addition and in accordance with the terms and conditions of the Landscape Installation Bond #104706125, the City will call upon the Bond in its entirety for failure to install the required landscaping.

No further warnings, either verbal or in writing shall be provided. You may contact me directly to discuss the abatement of this violation at 636.537.4745.

Sincerely,

Almes E. Nassif, AICP
Planning and Development Services Director

Cc: Reading file



890 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-637-4000 • Fax 636-637-4798 • www.chesterfield.mo.us

August 21, 2012

Mike Hejna
Gundaker Commercial Group, Inc.
2458 Old Dorsett Road, Suite 311
St. Louis, MO 63043

Timothy Griffin
Wells Fargo Insurance Services
1401 S. Brentwood Blvd., Ste. 625
St. Louis, MO 63144

Dennis Hayden
Gunhay, LLC
Seven the Pines Court, Suite A
St. Louis, MO 63141

RE: The Reserve at Chesterfield, Phase I

A letter was sent on August 8, 2012 requiring you to contact the City within 7 days regarding the abatement of the landscape violations at the above referenced development. Unfortunately, no response has been provided to the City. At this point, the Landscape Installation Bond is expired and the required plantings are still missing therefore this site is found to be in violation of the landscape plan and terms and conditions of the landscape bond.

Therefore, in accordance with the Landscape Installation Bond (Number 104706125), the City is hereby providing thirty (30) day notice of our intent to collect on the bond in full. As this development is now found to be in violation of the required landscape plan, court citations will be following this letter.

If you have any questions you may contact the Planning and Development Services Division at 636.537.4745. If you have any questions pertaining to the court date, you may contact the City of Chesterfield Municipal Court at 636.537.4000.

Sincerely,

Almee E. Nassif, AICP
Planning and Development Services Director

Cc: Brian Whittle, Finance Director
Reading file

TRAVELERS

111 Schilling RD.
Hunt Valley, MD 21031

Kelly Engel
Senior Claim Representative
Bond & Financial Products Claim
Phone: (443) 353-2095
Fax: (800) 357-8516
Email: KENGEL@travelers.com

EXHIBIT

24

August 27, 2012

Aimee E. Nastif, AICP
Planning and Development Services Director
City of Chesterfield
690 Chesterfield Parkway W.
Chesterfield, MO 63017-0760



Re:	Travelers Casualty and Surety Company of America
Our File No.:	111-SC-T1213620-NR
Bond No.:	051-S-104706125
Principal:	Gunhay, Llc
Obligee:	City of Chesterfield
Claimant:	City of Chesterfield

Dear Ms. Nastif:

The Surety is in receipt of a copy of your correspondence to Gundaker Commercial Group, Inc., Gunhay, LLC and Wells Fargo Insurance Services dated 8/21/12, alleging that Gunhay, LLC is in violation of certain work (i.e., missing plantings) required under the above-referenced Landscape Installation Bond, although you also state in your correspondence that the Bond has expired. Since you further indicate that the City is providing its 8/21/12 correspondence as thirty (30) day notice of its intent to collect on the Bond in full, and since your correspondence requests no action of the Surety at this time, the Surety does not construe your 8/21/12 correspondence to be a formal claim against the Bond at this time. If you believe we are incorrect in our understanding of the intent of your 8/21/12 correspondence, please immediately advise the undersigned in writing.

Moreover, the Surety is of the understanding that Pulte Homes was in the process of purchasing some or all of the development lots approximately one year ago; thus, Pulte Homes may have issued a replacement bond for some or all of the landscaping work. Please confirm whether any replacement bonds have been issued by Pulte Homes and/or any other entity on this project.

We ask that you please continue to keep us apprised as to the status of this matter.

This communication is written with a complete reservation of all rights and defenses available to the Surety and the Principal at law, in equity, or under the bond and contract documents.

Sincerely,


Kelly D. Engel

cc's on second page

If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Travelers

Gunhay, Llc
August 27, 2012
Page 2

Cc: Dennis Hayden (dhayden@haydenhomes.com)
Gordon Gundaker (ggundaker@gundakercommercial.com)
Mike Hejna (mhejna@gundakercommercial.com)
Rich Jameson (rjameson@gundakercommercial.com)
Ryan McHugh, Travelers
Kenneth C. Smith, Travelers
Joyce Tenold, Travelers

If possible, please send future communications and documents concerning this claim via email to KENGHL@travelers.com. Please
include the claim number in the subject line. (Please note that in certain cases we may still request original documents).



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

August 31, 2012

Kelly D. Engel
Senior Claims Representative
Travelers Casualty and Surety Company of America
111 Schilling Road
Hunt Valley, Maryland 21031

RE: The Reserve at Chesterfield, Phase I --Landscape Installation Bond (Bond Number 104706125)

Ms. Engel:

A landscape installation bond for Phase 1 of The Reserve at Chesterfield Village (bond number 104706125) was submitted to the City guaranteeing installation of required landscaping as shown on the approved landscape plan. Landscape inspections were conducted by the City of Chesterfield which verified that said landscaping was never installed.

Letters were submitted on May 22, 2012 and August 8, 2012 requiring that the City be contacted and the landscaping be installed. These letters also stated that failure to take such action would result in the bond being forfeited and summons being issued for outstanding site violations. Unfortunately, the City was never contacted regarding a planting schedule to install the missing, required landscaping. A copy of these letters is attached for your records.

The Reserve at Chesterfield Village is a planned residential community with two phases of development within it. Pulte Homes purchased several lots in **Phase II** of The Reserve and provided the City with a landscape bond guaranteeing the installation of the required landscaping for **Phase II**. As such, at the time the City received the new landscape bond for Phase II from Pulte, a reduction to the original bond (bond number 104706125) was approved and those monies returned. This original bond now covers all required plantings for **Phase I** only. The missing landscaping discussed herein and in previous communication pertains to **Phase I** plantings only.

At this time the bond has now expired and landscape deficiencies in Phase I still exist. Despite numerous attempts by the City, no one has ever contacted the City with an abatement schedule to install the required landscaping nor has this missing landscaping been installed. Therefore, the City is taking the necessary steps to collect on the bond in full. This action will commence thirty (30) days from the letter dated August 21, 2012 and attached hereto.

If you have any additional questions, please feel free to contact me at 636.537.4745.

Sincerely,



Aimee E. Nassif, AICP
Planning and Development Services Director

Cc: Brian Whittle, Finance and Administration Director
Dennis Hayden
Mike Hejna
Gordon Gundaker
Rich Jameson
Ryan McHugh, Travelers
Kenneth C Simmons, Travelers
Joyce Tenold, Travelers
Timothy Griffin, Wells Fargo
Reading file



111 Schilling RD.
Hunt Valley, MD 21031

Kelly Engel
Senior Claim Representative
Bond & Financial Products Claim
Phone: (443) 353-2095
Fax: (800) 357-8516
Email: KENGEL@travelers.com



September 06, 2012

Aimee E. Nastif, AICP
Planning and Development Services Director
City of Chesterfield
690 Chesterfield Parkway W.
Chesterfield, MO 63017-0760



Re:	Travelers Casualty and Surety Company of America
Our File No.:	111-SC-T1213620-NR
Bond No.:	051-S-104706125
Principal:	Gunhay, Llc
Obligee:	City of Chesterfield
Claimant:	City of Chesterfield

Dear Ms. Nastif:

The Surety is in receipt of your correspondence dated 8/31/12 wherein you advise the Surety that the City is taking necessary steps to collect on the above-referenced Bond (that you acknowledge has expired) and that such action will be commenced thirty (30) days from your prior letter to the Principal dated 8/21/12. It appears the City anticipates seeking monetary damages in the penal sum of the Bond, or \$142,100, although the City has not provided any supporting documentation to substantiate its allegations. Nonetheless, since the City makes no specific demand of the Surety in its 8/31/12 correspondence and since the City appears to be deferring its action against the Bond to a later date, the Surety does not consider your 8/31/12 correspondence a formal claim against the Bond at this time. Please advise us in writing if you believe we are incorrect in our understanding of the intent of your 8/31/12 letter.

In the meantime, please be advised that any potential action the City may be considering against the Bond may be time barred under the terms of the Bond and/or Missouri Law. Specifically, the Bond appears to indicate that the City adopted and approved the plans for the landscaping on August 19, 1996. It would appear that the Bond is conditioned on the full and complete installation of the landscaping within twenty four (24) months of that approval date, or by August 19, 1998. While the Bond states that it may be sued on by the City within twenty four (24) months, it appears that the limitations period expired approximately fourteen years ago. Further, Missouri's statute of limitations (Chapter 516.110) which governs breach of written contract actions claiming payment of money or property due under the contract is ten (10) years, which limitations period also appears to have elapsed. Of course, if the City decides to pursue a claim against the Bond and it believes it has proper legal authority that is contrary to our belief that a claim appears time barred under the terms of the Bond and/or Missouri Law, please feel free to provide same to the undersigned.

This communication is written under a complete reservation of all rights and defenses available to the Surety and Principal at law, in equity or under the bond and contract documents.

If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 09/13/09

CS-5

Travelers

City of Chesterfield
September 06, 2012
Page 2

Sincerely,

Kelly D. Engel
Senior Claim Representative
KENGEL@travelers.com

Cc: Dennis Hayden (dhayden@haydenhomes.com)
Gordon Gundaker (ggundaker@gundakercommercial.com)
Mike Hejna (mhejna@gundakercommercial.com)
Rich Jameson (rjameson@gundakercommercial.com)
Kenneth C. Smith, TRV
Joyce Tenold, TRV

If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com. Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 06/13/09

C3-63

EXHIBIT

tabbies
27

MEMORANDUM

DATE: September 26, 2012
TO: Aimee Nassif, Director of Planning and Development Services
FROM: Mindy Mohrman, City Arborist/Urban Forester
RE: The Reserve at Chesterfield Village- Phase I Landscape Deficiencies

An inspection of the current landscaping in Phase I performed on September 18-20, 2012 revealed the following deficiencies shown in the table below. The numbers reflect plants that require replacement. Street trees are not shown in this table. Also, it appears that some substitutions were made which resulted in some species having higher numbers than are listed on the plant schedule. In these cases, I have added those extra trees to the total deficient in a related (deciduous, evergreen, or ornamental) species category.

Scientific Name	Common Name	Replacements Required
<i>Amelanchier arborea</i>	Downy Serviceberry	11
<i>Amelanchier laevis</i> 'Cumulus'	Cumulus Serviceberry	3
<i>Acer rubrum</i> 'Franksred'	Red Sunset Maple	3
<i>Acer saccharum</i> 'PNI 0285'	Green Mountain Sugar Maple	5
<i>Acer tartaricum</i>	Tartarian Maple	5
<i>Celtis laevigata</i> 'All Seasons'	All Seasons Hackberry	4
<i>Carpinus caroliniana</i>	American Hornbeam	10
<i>Cercis Canadensis</i>	Eastern Redbud	3(-3=) 0
<i>Cornus florida</i>	Flowering Dogwood	55
<i>Chionanthus virginicus</i>	Fringetree	13
<i>Fagus grandifolia</i>	American Beech	7
<i>Helesia Carolina</i>	Silverbell	18
<i>Magnolia grandiflora</i>	Southern Magnolia	12
<i>Magnolia soulangia</i>	Saucer Magnolia	1
<i>Magnolia virginiana</i>	Sweetbay Magnolia	+3 (add to Cca)
<i>Nyssa sylvatica</i>	Blackgum	4
<i>Oxydendron arboretum</i>	Sourwood	18
<i>Ostrya virginiana</i>	Hophornbeam	17
<i>Picea glauca</i>	White Spruce	29(-5-7=) 17

<i>Pseudotsuga menziessi</i>	Douglas Fir	4
<i>Picea pungens</i>	Colorado Spruce	2
<i>Quercus velutina</i>	Black Oak	5
<i>Platanus occidentalis</i>	American Sycamore	3
<i>Tilia americana</i>	American Linden	13
<i>Tsuga canadensis</i>	Canadian Hemlock	+5 (add to Pg)
<i>Juniperus virginiana</i> (not on landscape plan)	Eastern Red Cedar	+7 (add to Pg)

A second buffer of 159 trees consisting of mixed White Pine, Spruce, and Maple has been planted along Baxter Rd. These plants are not part of the required landscape on the approved plan, and will not be counted towards the number required for replacement. Additional scattered trees are marked on the plan, in most cases these appear to have been planted by the homeowner and are not part of the required landscaping on the approved plan.

EXHIBIT

28



MEMORANDUM

DATE: October 1, 2012

TO: Aimee Nassif, Director of Planning and Development Services

FROM: Mindy Mohrman, City Arborist/Urban Forester

RE: The Reserve at Chesterfield Village- Phase I Landscape Deficiencies

The estimated cost of one tree was obtained by averaging costs from bids received from the city's most recent tree planting project with comparable species types.

Scientific Name	Common Name	Replacements Required	Estimated Cost \$400/unit
<i>Amelanchier arborea</i>	Downy Serviceberry	11	4400
<i>Amelanchier laevis 'Cumulus'</i>	Cumulus Serviceberry	3	1200
<i>Acer rubrum 'Franksred'</i>	Red Sunset Maple	3	1200
<i>Acer saccharum 'PNI 0285'</i>	Green Mountain Sugar Maple	5	2000
<i>Acer tartaricum</i>	Tartarian Maple	5	2000
<i>Celtis laevigata 'All Seasons'</i>	All Seasons Hackberry	4	1600
<i>Carpinus caroliniana</i>	American Hornbeam	10	4000
<i>Cercis Canadensis</i>	Eastern Redbud	3(-3=) 0	0
<i>Cornus florida</i>	Flowering Dogwood	55	22000
<i>Chionanthus virginicus</i>	Fringetree	13	5200
<i>Fagus grandifolia</i>	American Beech	7	2800
<i>Hebesia Carolina</i>	Silverbell	18	7200
<i>Magnolia grandiflora</i>	Southern Magnolia	12	4800
<i>Magnolia soulangia</i>	Saucer Magnolia	1	400
<i>Magnolia virginiana</i>	Sweetbay Magnolia	+3 (add to Cca)	0
<i>Nyssa sylvatica</i>	Blackgum	4	1600
<i>Oxydendron arboretum</i>	Sourwood	18	7200
<i>Ostrya virginiana</i>	Hophornbeam	17	6800
<i>Picea glauca</i>	White Spruce	29(-5-7=) 17	6800
<i>Pseudotsuga menziessi</i>	Douglas Fir	4	1600
<i>Picea pungens</i>	Colorado Spruce	2	800
<i>Quercus velutina</i>	Black Oak	5	2000
<i>Platanus occidentalis</i>	American Sycamore	3	1200
<i>Tilia americana</i>	American Linden	13	5200
<i>Tsuga canadensis</i>	Canadian Hemlock	+5 (add to Pg)	0
<i>Juniperus virginiana</i> (not on landscape plan)	Eastern Red Cedar	+7 (add to Pg)	0
Total			\$92,000



111 Schilling RD.
Hunt Valley, MD 21031

Kelly D. Engel
Senior Claims Representative
Bond & Financial Products Claim
Phone: (443) 353-2095
Fax: (800) 357-8516
Email: KENGEL@travelers.com

EXHIBIT

29

February 13, 2013

City of Chesterfield
650 Chesterfield Pkwy W
CHESTERFIELD, MO 630170760
Robert M. Heggie, Esquire

Re:	Travelers Casualty and Surety Company of America
Our File No.:	111-SC-T1213620-NR
Bond No.:	051-S-104706125
Principal:	Gunhay, LLC
Obligee:	City of Chesterfield

Dear Mr. Heggie:

This will acknowledge receipt of your correspondence in which you made demand against bond 051-S-104706125 issued on behalf of the Principal. To facilitate our review of your claim, please provide all information and documentation that supports your claim to the extent it has not been previously submitted and any additional information available to you which may assist us. Additionally, we specifically request that you please provide us with copies of the following documents for further review:

1. A copy of the original landscape plan that you indicate was approved by the City of Chesterfield Planning Commission on July 24, 2006, as well as a legible copy of the latest approved landscape plan (date stamped);
2. A copy of the City's ordinance for zoning and by condition set forth by 2021 that was adopted/approved by the City on August 19, 1996;
3. Copies of the mitigation plan you reference that encompasses special conditions;
4. Any current estimates and/or bids for the Phase I landscaping work.

We will advise our Principal of your claim and request that the Principal review the claim and provide Travelers with its position.

Please note that this letter is not, and should not be construed as, an admission of liability under the bond or any applicable law. All rights and defenses which are or may become available to Travelers are, and shall continue to remain fully and strictly reserved whether mentioned in subsequent communications or not. Please direct all future correspondence on this matter to the undersigned, being sure to include bond number 051-S-104706125 and file number 111-SC-T1213620-NR on all communications.

Sincerely,

Kelly D. Engel

If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com Please
include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

July 03/09/13

CS-01

Travelers

February 13, 2013

Page 2

cc **Dennis Hayden** (dhayden@haydenhomes.com)
Gordon Gundaker (ggundaker@gundakercommercial.com)
Mike Hejna (mhejna@gundakercommercial.com)
Rich Jameson (rjameson@gundakercommercial.com)
Kenneth C. Smith, Trv
Joyce Tenold, Trv

If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com. Please
include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 02/09/13

CS-01



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

March 15, 2013

Kelly D. Engel
Senior Claims Representative
Travelers Casualty and Surety Company of America
111 Schilling Road
Hunt Valley, Maryland 21031

RE: The Reserve at Chesterfield, Phase I –Landscape Installation Bond (Bond Number 051-S-104706125)

Principal: Gunhay, LLC.
Your File No: 111-SC-T1213620-NR
Obligee: City of Chesterfield, Missouri

Ms. Engel:

This letter is in response to your letter of February 13, 2013. Attached please find:

1. A copy of the original landscape plan approved by the City of Chesterfield Planning Commission on July 24, 2006;
2. A copy of the amended landscape plan approved by the City of Chesterfield on November 1, 2007;
3. A copy of City Ordinance 2021 which adopted a planned environment unit (PEU) for The Reserve at Chesterfield Village;
4. A copy of the mitigation plan approved by the City of Chesterfield on July 24, 2006;
5. A copy of the memorandum from the City's arborist detailing missing and/or dead plantings and estimates to complete the required work for Phase I; and
6. A copy of the landscape bid from Baxter Gardens submitted on April 12, 2010 with a request from Hayden Homes for landscape inspection.

The following documents have also been included for your review:

1. A copy of the tree stand delineation and tree preservation plan that accompanied the mitigation plan in 2006; and
2. A copy of the original landscape cost estimate and quantities for Phase I, from The Landscaping Pros dated November 30, 2006.

Additionally, in your email of March 11, 2013 you have requested the following information and documentation:

1. All punch lists relating to Phase I's bonded scope of work;
2. All inspection reports pertaining to the landscaping installation work; and
3. A copy of the Landscape Agreement.

We are gathering that information and should have it within ten (10) days.

Please contact me within ten (10) days should you need any additional information for review of this claim.

At this time the City of Chesterfield again demands that Travelers pay the full amount of the bond totaling one hundred forty two thousand one hundred dollars (\$142,100.00). Please send a check made payable to the order of **"The City of Chesterfield, Missouri"** to my attention at the address on this letterhead.

Please do not hesitate to contact me should you have any questions in this regard.

Sincerely,



Aimee E. Nassif, AICP
Planning and Development Services Director

Cc: Mike Giesel, Director of Public Services
Brian Whittle, Finance and Administration Director
Rob Heggie, Chesterfield City Attorney
Dennis Hayden
Mike Hejna
Gordon Gundaker
Rich Jameson
Ryan McHugh, Travelers
Kenneth C Simmons, Travelers
Joyce Tenold, Travelers
Timothy Griffin, Wells Fargo
Reading file



111 Schilling RD.
Hunt Valley, MD 21031

Kelly Engel
Senior Claim Representative
Bond & Financial Products Claim
Phone: (443) 353-2095
Fax: (800) 357-8516
Email: KENGEL@travelers.com



April 08, 2013

City of Chesterfield
690 Chesterfield Pkwy W
CHESTERFIELD, MO 63017-0760
Attn: Aimee E. Nassif, AICP

Re:	Surety:	Travelers Casualty and Surety Company of America
	File No.	111-SC-T1213620-NR
	Principal:	Gunhay, Llc
	Project:	THE CITY OF CHESTERFIELD
	Obligee:	City of Chesterfield

Dear Ms. Nassif:

The Surety has reviewed your March 15, 2013 correspondence, along with supporting documentation. Although your March 15, 2013 correspondence advises the Surety that all punch lists, inspection reports and a copy of the Landscaping Agreement relating to Principal's Phase I bonded scope of work would be forthcoming within ten (10) days from the date of your letter, please be advised that the Surety has not received this additional requested information from you as of this date; therefore, we hereby reiterate our prior request for this critical information and documentation as it is necessary for the Surety's ongoing investigation of your above-referenced claim. Please be advised that without having copies of the above identified requested documentation, the Surety cannot verify its bonded obligations; thus, your claim will remain in dispute.

Additionally, we must also inform you that the Principal has advised the Surety that it disputes the amount of the City's claim. Specifically, the Principal advises that it estimates the remaining landscaping work to cost approximately \$60,000 - \$65,000, significantly less than the penal sum of the bond, or \$142,100. While we have requested the Principal provide us with additional information in support thereof, we wanted to advise you that the Principal disputes the amount of your claim.

Additionally, we note that your last estimated cost of completing the bonded scope of work dated 10/1/12 totals \$92,000 and appears to be based on a cost of \$400 per unit for each tree, regardless of species. You mention that you averaged costs per tree from bids received from the City's most recent tree planting project to get the \$400 per unit price. Please provide the Surety with copies of the bids from recent tree planting projects that you reference as well as any other information that supports your calculations for the most current estimated cost to complete. This additional information will assist the Surety in better understanding your calculations relating to your most recent cost to complete.

If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 05/12/12

CS-18

Travelers

April 08, 2013

Page 2

We look forward to receiving your response as soon as possible. Upon our receipt of the requested information, we hope to be in a position to conclude our investigation of this matter. Thank you for your continued cooperation.

Please understand that our attention to this matter should not be construed as a waiver of any right or defense which may be available to the surety or its principal. Rather, all rights and defenses available to the surety or its principal are hereby specifically reserved.

Sincerely,



Kelly D. Engel

cc: Gunhay, LLC
Ryan Hugh, Travelers

*

If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com. Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 05/12/12

CS-15



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

April 17, 2013

Kelly D. Engel
Senior Claims Representative
Travelers Casualty and Surety Company of America
111 Schilling Road
Hunt Valley, Maryland 21013

RE: The Reserve at Chesterfield, Phase I—Landscape Installation Bond (Bond Number 051-S-104706125)

Principal: Gunhay, LLC
Your File No: 111-SC-T1213620-NR
Obligee: City of Chesterfield, Missouri

Dear Ms. Engel:

This letter is in response to your letter of April 8, 2013. Attached please find:

1. A list of deficiencies found at The Reserve at Chesterfield Village as of December 12, 2012;
2. Copies of memoranda dated August 1, 2012 and September 26, 2012 from the City of Chesterfield's Arborist/Urban Forester, Mindy Mohrmann relaying inspection results of the landscaping installation work at The Reserve; and
3. A copy of the Landscape Installation Bond between Gunhay, LLC and Travelers Casualty & Surety Company of America, which also includes the landscape bid submitted to the City of Chesterfield.

The following documents have also been included for your review:

1. A letter dated August 10, 2006 from the City of Chesterfield to Dennis Hayden requesting the Site Development Plan and the Landscape Plan for review and signatures; and
2. A letter dated April 20, 2011 from the City of Chesterfield to Wells Fargo Insurance Services USA regarding the cancellation of the Landscape Installation Bond.

Travelers Insurance
April 19, 2013
Page 2

There is no separate landscape agreement between the City and Gunhay, L.L.C.

Attached is a memo from the City's arborist, with recent bids, indicating how the City arrives at its estimate of \$ 400 per tree.

At this time the City of Chesterfield again demands that Travelers pay the full amount of the bond totaling one hundred forty two thousand one hundred dollars (\$142,100.00). Please send a check made payable to the order of "The City of Chesterfield, Missouri" to my attention at the address on this letterhead.

Sincerely,



Aimee E. Nassif, AICP
Planning and Development Services Director

Cc: Mike Geisel, Director of Public Services
Brian Whittle, Finance and Administration Director
Rob Heggie, Chesterfield City Attorney
Gunhay, LLC
Ryan McHugh, Travelers
Reading file



690 Chesterfield Pkwy W • Chesterfield MO 63017-0760
Phone: 636-537-4000 • Fax 636-537-4798 • www.chesterfield.mo.us

January 2, 2014

Ms. Kelly D. Engel
Construction Services Claim
Travelers Bond & Financial Products
111 Schilling Road
Hunt Valley, MD 21031
kengel@travelers.com

Re: The Reserve at Chesterfield Village

Dear Kelly:

I apologize for the delay in getting back to Travelers regarding this claim. The City of Chesterfield has been trying to get the principal, Gunhay, LLC, to finish the work required on the landscape plan. Despite repeated efforts by the City to get the principal to perform, Gunhay has not completed the work. The work that needs to be done has been carefully documented to Travelers in my letter to Travelers of March 15, 2013 and April 17, 2013.

Travelers has given the City no reason as to why this sum is not due. No complaint has been made by Travelers as to the accuracy of the amount due or the amount of work that is required on the site.

The principal and Travelers guaranteed extensive landscaping work on this site. This landscaping plan played a large role in the City's decision to allow this development to go forward. Travelers' guarantee of this work was vital and this work could not have gone forward without Travelers' agreement to bond this work. There is no dispute that the work has not been done in accordance with the plan.

Accordingly I cannot recommend to the City Council that the City accept Travelers' settlement offer of \$60,000.00. The City is reviewing this matter with the City Attorney and it will be discussed at the next City Council meeting on January 22, 2014. At that time the City Council will decide to review any other settlement offers that Travelers wishes to make.

Materials to be discussed at a City Council meeting are due in the office of the City Administrator a week before the meeting, so if Travelers has another settlement offer to make, we will need that by January 14, 2014.

Ms. Kelly D. Engel
January 2, 2014

If a settlement is not reached, the City Council will authorize the City Attorney to file suit to enforce the City's rights in this matter and for such other relief as is available under Missouri's vexatious refusal to pay law, which provides for damages and attorney fees.

If Travelers' counsel wants to speak to Mr. Robert M. Heggie, City Attorney, he can be contacted at 314-863-8484 or RHeggie@SMHHLaw.com

Please call if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Aimee Nassif".

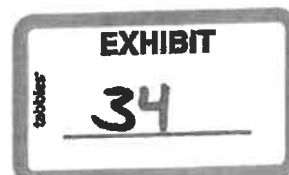
Aimee Nassif
Planning and Development Services Director

Cc: Mike Gelsel, Director of Public Services, City of Chesterfield
Rob Heggie, City Attorney, City of Chesterfield



111 Schilling RD.
Hunt Valley, MD 21031

Kelly Engel
Senior Claim Representative
Bond & Financial Products Claim
Phone: (443) 353-2095
Fax: (800) 357-8516
Email: KENGEL@travelers.com



January 08, 2014

City of Chesterfield
650 Chesterfield Pkwy W
CHESTERFIELD, MO 63017-0760
Attn: Aimee Nassif, Planning and Development Services Director

Re: Surety: Travelers Casualty and Surety Company of America
File No. 111-SC-T1213620-NR
Bond No.: 104706125
Principal: Gunhay, Llc
Project: THE CITY OF CHESTERFIELD
Obligee: City of Chesterfield

Dear Ms. Nassif:

The Surety is in receipt of your correspondence dated 1/2/14 responding to the Surety's prior correspondence to you dated 12/17/13.

In your correspondence, you state that "Travelers has given the City no reason as to why this sum is not due," and that "No complaint has been made by Travelers as to the accuracy of the amount due or the amount of work that is required on site." However, the Surety disagrees with these statements.

By correspondence dated 5/24/13 and in a subsequent telephone conversation on the same day, Travelers clearly informed you that upon its review of the yellow-highlighted document the City provided to the Surety entitled, "Deficiencies - as of 12/12/12", that some of the items on the list identified as "Gunhay" items appeared to relate to scope of work other than landscaping. For example, there are some highlighted items relating to sidewalk replacement and/or repairs. Since Travelers issued a landscaping bond that does not appear to cover sidewalk installation, and since some of the documentation provided by the City was inconsistent or unclear as to the claim amount, we asked you to please verify the following in writing: 1) that the City's claim does not include any scope of work other than the bonded landscaping scope of work; 2) to provide not only a breakdown of the components of the City's claim (including all costs associated with same), but to also provide the Surety with adequate supporting documentation (i.e., bids, invoices, etc.) for each claim component; and 3) any legal analysis and/or relevant case law that the City believes supports its position, if relevant. We further advised you that while we appreciated the City's attempt to put together an estimated cost to complete totaling \$92,000 (which you confirmed was based upon various "assumptions" and/or that included various "guesstimates" from either the City, other projects, and/or from other portions of the bid), that the Principal was disputing the City's claim amount. As such, the Surety specifically requested that you please provide us with the City's proposed completion contractor(s) estimates, quotes and/or signed contract/purchase orders relating to the completion work to assist the Surety in its ongoing attempts to verify the claim. You

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 05/12/12

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Travelers

January 08, 2014

Page 2


informed us that although the City intended to have this work completed, that it had not yet obtained any estimates, but that you would talk to your internal business partners with respect to the Surety's \$60,000 settlement offer, which was made under a complete reservation of all rights and defenses, and that you would respond to our offer within the next few weeks. Although the Surety followed up with you on several occasions after 5/24/13, it took approximately (7) months for the City to respond to the Surety's settlement offer.

Lastly, as we previously advised, it is a claimant's obligation to document its claim. As of this date, however, the City has failed to provide sufficient information and documentation to substantiate its claim. As such, should you wish to provide the Surety with all of the previously requested information and documentation and/or any other information you feel relevant to the Surety's ongoing investigation of this matter, please submit same to the undersigned for further review. Otherwise, in a last attempt to try and amicably resolve this disputed claim, the Surety is willing, under a complete reservation of all rights and defenses, to offer the City \$65,000.00 in exchange for a full and final release of the City's above-referenced claim. Barring the Surety's receipt of any additional information or documentation relating to this matter for further review, please be advised that this will be the Surety's final settlement offer relating to this claim. To the extent the City does not respond to the Surety's revised settlement offer in writing by February 1, 2014, please consider the Surety's revised settlement offer withdrawn. Please be guided accordingly.

Thank you.

Please understand that our attention to this matter should not be construed as a waiver of any right or defense which may be available to the surety or its principal. Rather, all rights and defenses available to the surety or its principal are hereby specifically reserved.

Sincerely,



Kelly D. Engel

cc: Gunhay, Llc
Ken Smith, Travelers

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).

Rev 05/12/11

CS-15



STEWART, MITTLEMAN, HEGGIE, HENRY & ALBIN L.L.C.
ATTORNEYS AT LAW

Harold V. O'Rourke
horourke@smhhlaw.com

May 28, 2014

Mr. Michael E. Wilson
Attorney at Law
Greensfelder, Hemker & Gale, P.C.
10 S. Broadway, Ste. 2000
St. Louis, MO 63102

Re: Chesterfield Village Bond Release

Dear Mr. Wilson:

Enclosed with this letter please find the original release and assignment agreement executed by the City Administrator of the City of Chesterfield concerning the landscaping bond issued by Travelers for the development at Chesterfield Village.

Rob Heggie of our office has already sent you the tax id number and instructions necessary to issue and send the settlement check.

Please do not hesitate to contact us should you have any questions.

Sincerely yours,

Harold V. O'Rourke

enc.

Allan F. Stewart*†‡
Mark D. Mittleman
Robert M. Heggie*
Deborah C. M. Henry
Seth A. Albin*
Harold V. O'Rourke

PARALEGALS
Diane L. Bailey
Annie K. Grossmann

OF COUNSEL
Joseph R. Nlemann

* Also admitted in Illinois † Fellow of the American Academy of Matrimonial Lawyers ‡ Fellow of American Academy of Adoption Attorneys

RELEASE AND ASSIGNMENT

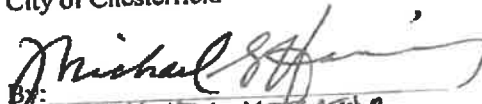
In consideration of the payment of Eighty Seven Thousand, Five Hundred Dollars (\$87,500.00) by Travelers, the receipt and sufficiency of which is hereby acknowledged, the City of Chesterfield does hereby release and forever discharge Travelers, its parents, affiliates, subsidiaries, successors, and assigns from any and all liability, claims, demands, cause or causes of action, whether past, present or future, under Bond No. 051-S-104706125, issued on behalf of Gunhay, LLC as modified by the Rider issued in 2011 (the "Bond"), including without limitation any claim or cause of action for vexatious handling or vexatious refusal to pay a claim against the Bond. The City acknowledges that this settlement amount is in full and final satisfaction of all of the labor and material costs in completing, replacing and installing the landscaping, per the development plan for Phase I of The Reserve development at Chesterfield Village in Chesterfield, Missouri. Contemporaneous with the execution of this document, Bond No. 051-S-104706125 is fully and unconditionally discharged and no longer in force and effect.

In further consideration of the aforesaid payment, City of Chesterfield hereby assigns, transfers and sets over to Travelers its above mentioned claim and constitutes Travelers as its true, lawful and irrevocable attorney to demand, receipt for and enforce payment of the said claim, and at its own expense to sue for the said sum so assigned either in the name of City of Chesterfield, or in its own name.

Date:

5/28/14

City of Chesterfield

By: 
Its: CITY ADMINISTRATION

This document must be executed before a Notary Public and include the attached Notary Acknowledgment.

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).
Page 1 of 2

CS-40

Rev 06/13/09

State of Missouri

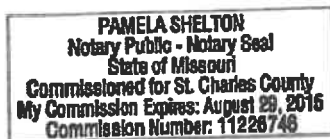
County of St. Louis

On 5/28/14 before me, Pamela Shelton
DATE NAME, TITLE OF OFFICER - E.G. JANE DOE, NOTARY PUBLIC

personally appeared Michael Herring
NAME(S) OF SIGNER(S)

☒ personally known to me -OR- ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Pamela Shelton
Signature of Notary

OPTIONAL SECTION CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER(S)

- TITLE(S)
☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO
DOCUMENT _____

THE DOCUMENT DESCRIBED AT RIGHT:
DOCUMENT _____

Though the data requested here is not required by law,
ABOVE _____
it could prevent fraudulent reattachment of this form.

TITLE OR TYPE OF _____

NUMBER OF PAGES _____ DATE OF _____

SIGNER(S) OTHER THAN NAMED _____

***** Our toll-free number is 800-842-8496 *****
If possible, please send future communications and documents concerning this claim via email to KENGEL@travelers.com Please include the claim number in the subject line. (Please note that in certain cases we may still request original documents).
Page 2 of 2

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The Surety & Fidelity Association of America

Top 100 Writers of Surety Bonds
United States & Territories, Canada & Aggregate Other Alien
Calendar Year 2018
(Final)

GROUP/COMPANY	Direct Premium Written	Market Share	Direct Premium Earned	Direct Losses Incurred *	Direct Loss Ratio	DCCE	DCCE Ratio	Loss+DCCE Ratio	Net Premiums Earned	Net Losses Incurred	Net Loss Ratio
1 TRAVELERS BOND	887,708,678	13.5%	845,299,396	50,422,286	6.0%	1,306,507	0.2%	6.1%	812,493,833	120,792,873	14.9%
2 LIBERTY MUTUAL GROUP	815,640,878	12.4%	777,778,319	56,629,020	7.3%	18,169,279	2.3%	9.6%	805,592,599	115,695,603	14.4%
3 ZURICH INSURANCE GROUP	585,695,193	8.9%	587,961,891	108,001,799	18.4%	18,658,913	3.2%	21.5%	286,769,788	69,785,794	24.3%
4 CNA SURETY GROUP	478,273,109	7.3%	464,198,581	52,372,243	11.3%	5,117,722	1.1%	12.4%	452,702,741	38,677,123	8.5%
5 CHUBB LTD	397,737,837	6.1%	398,622,506	55,576,678	13.9%	8,585,307	2.2%	16.1%	396,771,179	46,132,865	11.6%
6 HARTFORD FIRE & CAS GROUP	201,281,923	3.1%	196,915,234	46,841,921	23.8%	11,233,080	5.7%	29.5%	191,402,466	41,479,122	21.7%
7 HCC SURETY GROUP	161,066,981	2.5%	163,680,954	27,192,019	16.6%	14,542,126	8.9%	25.5%	148,798,471	10,145,266	6.8%
8 IFIC SURETY GROUP	154,076,627	2.3%	150,940,321	13,059,894	8.7%	3,165,216	2.1%	10.7%	136,993,569	11,409,570	8.3%
9 SOMPO GROUP	143,158,460	2.2%	135,068,464	58,418,434	43.3%	10,036,139	7.4%	50.7%	131,286,146	53,881,980	41.0%
10 NAS SURETY GROUP	138,494,851	2.1%	134,128,231	21,550,364	16.1%	1,619,275	1.2%	17.3%	136,780,818	23,099,029	16.9%
11 ARGONAUT GROUP	129,767,111	2.0%	115,890,915	11,418,776	9.9%	7,964,252	6.9%	16.7%	76,929,483	7,204,502	9.4%
12 PHILADELPHIA CONSOLIDATED HOLDING GROUP	124,616,622	1.9%	113,910,606	18,146,864	15.9%	2,786,131	2.4%	18.4%	105,864,063	18,676,491	17.6%
13 RLI INSURANCE GROUP	122,695,780	1.9%	120,751,563	15,989,873	13.2%	3,210,195	2.7%	15.9%	115,648,491	11,065,941	9.6%
14 GREAT AMERICAN INSURANCE COMPANIES	119,268,338	1.8%	118,970,301	21,026,319	17.7%	4,372,654	3.7%	21.3%	113,079,072	15,477,322	13.7%
15 MERCHANTS BONDING CO GROUP	114,228,137	1.7%	106,939,951	6,180,795	5.8%	1,597,875	1.5%	7.3%	100,022,985	3,651,374	3.7%
16 WR BERKLEY CORP GROUP	95,249,161	1.5%	89,227,474	11,666,913	13.1%	2,693,700	3.0%	16.1%	85,786,797	18,341,806	21.4%
17 MARKEL SURETY	90,187,327	1.4%	86,089,616	10,783,493	12.5%	2,151,812	2.5%	15.0%	80,666,156	8,770,674	10.9%
18 ARCH INSURANCE GROUP	89,246,119	1.4%	88,486,811	10,327,933	11.7%	561,495	0.6%	12.3%	79,846,485	21,063,370	26.4%
19 ONEBEACON INSURANCE GROUP	87,644,840	1.3%	81,396,554	(512,558)	-0.6%	(1,177,246)	-1.4%	-2.1%	76,105,242	3,408,235	4.5%
20 GRTE CO OF NORTH AMERICA USA	83,614,824	1.3%	78,630,940	1,844,048	2.3%	1,780,497	2.3%	4.6%	60,514,178	5,392,134	8.9%
21 THE HANOVER INSURANCE GROUP	82,180,071	1.3%	80,771,223	14,889,371	18.4%	8,308,312	10.3%	28.7%	71,080,230	9,517,430	13.4%
22 BERKSHIRE HATHAWAY GROUP	79,527,725	1.2%	60,168,391	19,765,369	32.9%	3,244,787	5.4%	38.2%	75,348,666	20,473,921	27.2%
23 AMTRUST SURETY	78,849,072	1.2%	75,761,136	4,705,492	6.2%	2,349,919	3.1%	9.3%	35,983,232	362,431	1.0%
24 WESTFIELD GROUP	68,733,847	1.0%	65,738,550	5,558,558	8.5%	664,583	1.0%	9.5%	61,872,753	4,054,885	6.6%
25 HUDSON INSURANCE CO	60,323,217	0.9%	57,574,486	4,744,431	8.2%	6,783,829	11.8%	20.0%	87,029,358	20,729,316	23.8%
26 CINCINNATI FINANCIAL GROUP	57,831,676	0.9%	54,935,935	(1,234,453)	-2.2%	(413,040)	-0.8%	-3.0%	51,038,917	(1,109,965)	-2.2%
27 ASPEN INSURANCE HOLDING GROUP	53,714,110	0.8%	56,538,737	3,767,287	6.7%	1,193,635	2.1%	8.8%	18,700,504	1,150,708	6.2%
28 OLD REPUBLIC GROUP	52,925,280	0.8%	51,909,255	2,620,892	5.0%	483,016	0.9%	6.0%	49,379,764	2,507,432	5.1%
29 ALLEGHANY GROUP	51,973,405	0.8%	51,043,777	5,904,836	11.6%	1,082,243	2.1%	13.7%	110,568,264	24,170,899	21.9%
30 CRUM & FORSTER GROUP	51,211,635	0.8%	46,021,962	3,542,534	7.7%	1,298,049	2.8%	10.5%	45,968,125	3,076,962	6.7%
31 NATIONWIDE CORP GROUP	49,628,449	0.8%	42,757,081	2,654,366	6.2%	861,735	2.0%	8.2%	38,959,357	1,329,662	3.4%
32 AMERICAN INTERNATIONAL GROUP	45,764,059	0.7%	41,438,847	15,869,547	38.3%	5,409,493	13.1%	51.4%	48,484,752	46,676,328	96.3%

31-02-12(A)(5) and (6)

5.

The City shall not permit or accept the posting of any bond issued or proposed to be issued by a surety or an affiliate of a surety which has, in the preceding ten (10) years, refused to pay upon formal demand all or part of a claim of the City on any other surety bond. Any individual, corporation or property owner aggrieved by this Section may appeal to the City Council to request the City to accept the posting of such bond. The City Council may consider whether the refusal to pay resulted in litigation, mediation or arbitration of the claim, whether the claim was wholly or partially determined in favor of the City, whether the prior refusal to pay was settled between the City and surety or any other hardship evidence presented by the individual, corporation or property owner. In no instance shall a bond be accepted from a surety while in litigation, mediation or arbitration with the City.

6.

The City shall not accept the posting of any bond issued or proposed by any surety or an affiliate who has refused to pay upon formal demand of the City or been involved in any litigation pertaining to said failure to pay within the past ten (10) years as of the effective date of this Section of the UDC.