



TOWN OF NEW WINDSOR

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TOWN ATTORNEY
MICHAEL D. BLYTHE, ESQ.

December 13, 2006

McGoey, Hauser & Edsall Consulting Engineers, P.C.
33 Airport Center Drive, Suite 202
New Windsor, NY 12553

Attn.: Mark Edsall, P. E.

Re: Mt. Airy Major Subdivision
MHE Job No.: 87-55-T95-3

Dear Mark:

This is in following up to my letter of November 17, 2006. We contacted International Fidelity Insurance Company, Kemper Insurance Company (Universal Bonding Insurance) and First Indemnity of America Insurance Company (Highland Insurance Company) regarding the performance bonds for the above referenced subdivision and have been advised as follows:

Phase I: The performance bond we have in our file in the sum of \$403,561.00 has been canceled and replaced with a maintenance bond G00015M in the sum of \$40,356.10 (copy of letter and file memo attached), which as we discussed was permitted to expire November 22, 2006. Therefore there is currently no performance bond for this Phase in effect.

Phase II: The file reflects that there should be a performance bond in the amount of \$347,745.82. None of the insurance companies we contacted have any record of such a bond.

Phase III: Kemper Insurance forwarded a copy of a surety rider (unsigned) indicating the original bond in the sum of \$888,690.00 has, in fact, been reduced to \$85,220.00 as our files had indicated (see attached return fax from Kemper Insurance).

Phase IV: Public Improvement Bond #337338 in the sum of \$838,858.00 exists and remains in full force and effect (see attached letter from International Fidelity).

Phase V: Public Improvement bond #380685 in the sum of \$475,801.00 exists and remains in full force and effect (see attached letter from International Fidelity).

Phase VI: Public Improvement bond #390686 in the sum of \$386,285.00 exists and remains in full force and effect (see attached letter from International Fidelity).

At this time, I recommend the following:

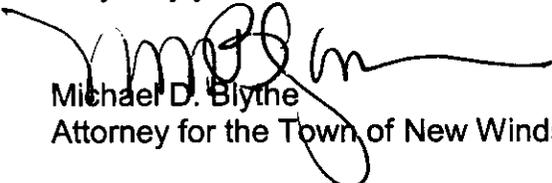
1. If you have determined that the public improvements have not been completed on Phase I, Marvin should be immediately contacted and advised to obtain a bond in an amount satisfactory to you to insure the work which remains to be completed.

2. Marvin should be advised to provide us with the performance bond in the sum of \$347,745.82, or such other sum as you determine satisfactory, to ensure the completion of the public improvements on Phase II.

3. Marvin should be requested to produce a signed copy of the surety rider reducing the bond on Phase III to \$85,220.00.

If you have any questions, or require additional information, please do not hesitate to contact me.

Very truly yours,



Michael D. Blythe
Attorney for the Town of New Windsor

MDB/jtm

Enc.

cc: George A. Green, Supervisor
Anthony Fayo, Highway Superintendent
Richard McGoey, P.E., Town Engineer
✓ Myra Mason, Planning Board Secretary