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Date: Wednesday, October 24, 2012 3:06 PM
To: "Linda" <mtview@roadrunner.com>
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Subject: RE: Hunt Properties LLC Bond (Town of Carroll)
Hi Linda:

I have now taken a look at the original bond in this case. (I see no separate problems with the Rider, my concerns are only with the Bond).

In my opinion the Town should not accept this bond unless the following changes are made:

1. **DESCRIPTION:** The description of the work to be completed should be expanded to include the name of the original applicant (if that is Hunt Properties, that should be included), and also to a specific vote of the Planning Board. Thus the notation "Street Opening - Paquette Drive" should be expanded to read something like the following: *"Street Opening - Paquette Drive - In accord with the conditions contained in the vote of the Town of Carroll Planning Board dated [insert date] approving the application of Hunt Properties for a [brief description of what was approved]."* The reason is so that there is no mistake about what obligation is being bonded.

2. **TERMINATION OF BOND ISSUE.** The termination clause (Condition #2 of the Bond) which provides for 10 days' notice of cancellation, is not acceptable in its current form. Towns and Planning Boards simply cannot be expected to react to a 10-day cancellation notice. That clause should be amended to some language that contains the following concepts (though not necessarily in these exact words): (1) That the bonding company (Ohio Casualty or Liberty Mutual) will, **at least 90 days** prior to the effective date of any termination or cancellation of the bond, send certified mail notice of the impending cancellation, together with a description of what the bond is for, to all of the following: (a) the Chair of the Town of Carroll Planning Board, (b) the Town's Administrative Assistant, and (c) the Chair of the Town of Carroll Board of Selectmen, and that unless this notice is given, no termination or cancellation will be legally effective. (2) That in the event that the Town does receive such a notice, without the applicant Hunt Properties having first notified the Town that it has provided replacement security (in accordance with the Board's decision, and a form satisfactory to the Town and its attorney), and that the alternative security is already in place at the time the cancellation notice is received, then the notice of cancellation or termination shall trigger the Town's right to call the bond, and to use the proceeds to complete the work and restore the road. (Alternatively, it would be fine if this provision, rather than being contained in the bond itself, were instead contained in a separate agreement document executed between the Town and the Applicant, **but if so**, that separate agreement must be cross-referenced in the Bond itself).

Please let me know if you have questions or comments. Also please understand that the above two items are issues that I raise in virtually all planning board security situations, so I'm not singling out anybody in particular.

Sincerely,
Bernie Waugh
