



**ERIE COUNTY WATER AUTHORITY**  
**INTEROFFICE MEMORANDUM**  
March 10, 2023

To: Terrence D. McCracken, Secretary to the Authority

From: Adam R. Massaro, Distribution Engineer *ARM*

Subject: Pleasant Creek Subdivision Phase 4  
Town of Hamburg  
ECWA File No. BCD-21-06  
EC #7247  
ECWA Project No. 202100302

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The documents listed below have been reviewed and accepted by the Engineering Department and Legal Department, a part of the final Authority approval of the Builder-Contractor-Developer (BCD) watermain extension process. The above referenced project is located in a direct service area which requires the BCD process in order to design and construct a watermain extension that will be owned (direct service) by the ECWA. These documents are required by, and identified in, the BCD agreement previously executed by the developer and ECWA.

- ECWA Authorization Form
- Bill of Sale
- Schedule of Inventory
- Certificate of Construction Compliance
- Maintenance Bond
- Payment Bond

A resolution is requested for the final acceptance of the subject BCD project and adding it to the Authority's property records.

ARM:lal1  
cc: L.Kowalski  
M.Murphy  
M.Quinn  
J.Tomaka (w/Schedule of Inventory)  
J.Brown (w/Schedule of Inventory)

ERIE COUNTY WATER AUTHORITY  
AUTHORIZATION FORM  
For Approval/Execution of Documents  
(check which apply)

**Contract:** BCD-21-06 **Project No.:** 202100302  
**Project Description:** Pleasant Creek Phase 4, Town of Hamburg

**Item Description:**


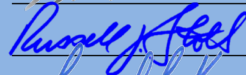



- |   |  |   |                                       |
|---|--|---|---------------------------------------|
| <input checked="" type="checkbox"/> Agreement                 | <input type="checkbox"/> Professional Service Contract | <input type="checkbox"/> Amendment          | <input type="checkbox"/> Change Order |
| <input checked="" type="checkbox"/> BCD                       | <input type="checkbox"/> NYSDOT Agreement              | <input type="checkbox"/> Contract Documents | <input type="checkbox"/> Addendum     |
| <input type="checkbox"/> Recommendation for Award of Contract | <input type="checkbox"/> Recommendation to Reject Bids |   |                                       |
| <input type="checkbox"/> Request for Proposals                |  |   |                                       |
| <input type="checkbox"/> Other _____                          |  |   |                                       |

**Action Requested:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Board Authorization to Execute            | <input checked="" type="checkbox"/> Legal Approval                   |
| <input type="checkbox"/> Board Authorization to Award                         | <input checked="" type="checkbox"/> Execution by the Chairman        |
| <input type="checkbox"/> Board Authorization to Advertise for Bids            | <input type="checkbox"/> Execution by the Secretary to the Authority |
| <input type="checkbox"/> Board Authorization to Solicit Request for Proposals |  |
| <input type="checkbox"/> Other _____  |  |

**Approvals Needed:**

**APPROVED AS TO CONTENT:**

<input checked="" type="checkbox"/> Sr. Distribution Engineer		Date: <u>3/10/2023</u>
<input checked="" type="checkbox"/> Chief Operating Officer		Date: <u>3/10/2023</u>
<input checked="" type="checkbox"/> Executive Engineer		Date: <u>03/13/2023</u>
<input type="checkbox"/> Director of Administration	_____	Date: _____
<input type="checkbox"/> Risk Manager	_____	Date: _____
<input checked="" type="checkbox"/> Chief Financial Officer		Date: <u>03/10/2023</u>
<input checked="" type="checkbox"/> Legal		Date: <u>3/10/2023</u>

**APPROVED FOR BOARD RESOLUTION:**

<input checked="" type="checkbox"/> Secretary to the Authority		Date: <u>3/13/2023</u>
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**Remarks:** EC 7247

**Resolution Date:** \_\_\_\_\_

**Item No:** \_\_\_\_\_

**ERIE COUNTY WATER AUTHORITY  
MAIN EXTENSION AGREEMENT  
(Builder-Contractor-Developer)**

The **ERIE COUNTY WATER AUTHORITY**, a public benefit corporation created and existing under the laws of the State of New York, with its principal office at 295 Main Street, Room 350, Buffalo, New York, 14203, hereinafter called the “Authority”, and **PLEASANT DEVELOPMENT LLC**, 4135 Ridgefield Terrace, Hamburg, New York 14075 (hereinafter “Developer - BCD Applicant) and **RUSO DEVELOPMENT INC**, 3710 Milestrip Road, Blasdell, New York 14219, (hereinafter “Contractor - BCD Applicant,” collectively with Developer-BCD Applicant as “BCD Applicants”). The BCD Applicants agree as follows:

1. This Agreement is made pursuant to Subdivision 10, Section 1054 of the Public Authorities Law and Title 10.00, “Extensions of Mains” of the Authority’s Tariff.
2. The BCD Applicants desire to install water mains, hydrants and appurtenances as follows:

**INSTALL** approximately 858 +/- linear feet of 8” PVC water main in Pleasant Creek Subdivision, Phase 4 in the Town of Hamburg, under an Erie County Water Authority Builder, Contractor, Developer (BCD) Agreement.

**INSTALL** one (1) hydrant and one (1) line valve in Pleasant Creek Subdivision Phase 4, Town of Hamburg, under an Erie County Water Authority Builder, Contractor, Developer (BCD) Agreement.

Cedar Valley Way

**BEGINNING** at the end of previous phase 3, at approximate station 9+00 on Cedar Valley Way, thence northerly 858 +/- linear feet within proposed right-of-way of Cedar Valley Way, ending at a cul-de-sac with a blow-off, at approximate station 14+75.

**AS SHOWN** and noted on Nussbaumer and Clarke’s drawings of Pleasant Creek Subdivision Phase 4, dated June 15, 2021.

3. The BCD Applicants must be business entity registered with the New York Secretary of State to do business in the State of New York.
4. The BCD Applicants shall submit two (2) prints of subdivision drawings showing the proposed water main installation, hydrants, and appurtenances to the Authority’s Plan Review Section for review. One (1) print will be returned either approved or marked for correction. If corrections are required, two (2) prints of the revised drawings shall be resubmitted to the Engineering Department for review and approval. The same procedure shall be followed until the drawings are approved.

5. If the Authority requires a main greater than eight (8") inches in diameter be installed in a subdivision for the Authority's convenience, the Authority will either install the main, or pay the BCD Applicants the cost difference between installing an eight (8") main and installing the larger main. If the Authority installs a main greater than eight (8") inches in diameter, the BCD Applicants will be required to pay the Authority only the cost for installing an eight-inch main. The Authority must receive payment in advance before the Authority will install any such main. This provision only applies when the Authority directs the installation of a main greater than 8" inches for reasons unrelated to the water needs and demands of the BCD Applicants' subdivision.
6. If the BCD Applicants require a main larger than an eight (8") inch to service the subdivision, the BCD Applicants shall install such main.
7. In the event a water main(s) is (are) required to reach the subdivision, the BCD Applicants will be required to submit a plan in compliance with provisions 10.02 through 10.10 of the Authority's Tariff subject to the approval of the Authority.
8. Vacant lots in new subdivisions which are to receive water service for an existing main appropriate to the service requested will not be included in this Main Extension Agreement. Applications for these services are to be made individually as each structure is erected. Those services will be installed by the Authority in accordance with the provisions of Section 4.00 of the Authority's Tariff in effect at the time the application is made.
9. After the Authority has approved the subdivision drawings, final approval of the subdivision drawings must be obtained from the town, city or other appropriate governmental body. Two reproducible approved drawings shall then be submitted to the Authority for signature of the Authority's Executive Engineer. Two reproducible signed drawings will be returned to the BCD Applicants upon execution of the Main Extension Agreement.
10. Prior to beginning installation of the water mains, hydrants and appurtenances, BCD Applicants shall provide the Authority with the following:
  - a. Names of all sub-contractor, if any, who will be installing water mains and appurtenances;
  - b. Shop drawings showing that all materials used in the construction of the water mains and appurtenances meet the Authority's specifications;
  - c. Name of engineer who will do the full-time inspection;
  - d. Five (5) days advance written notice of the starting date of construction;
  - e. A certified copy of the resolution of the town, city or other appropriate governing body authorizing and approving the installation of hydrants.

Such resolution shall set forth that the town, city or other appropriate governing body shall pay the annual rates for the hydrants to be installed as provided for in the Authority's Tariff.

11. The BCD Applicants shall arrange for water samples and bacterial tests to be taken and tested by an approved laboratory. The results shall be submitted to the Erie County Health Department for approval, and if all tests are satisfactory, the County Health Department shall submit a Certificate of Acceptance to the Authority.
12. Authority personnel shall direct the operation of valves on existing water mains during the required leakage and pressure tests and the disinfection of the water mains and appurtenances. If the mains and appurtenances should fail the pressure or leakage tests, the necessary corrective measures shall be taken, and the tests repeated until satisfactory results are obtained. Upon completion of these tests, the mains shall be shut off and not placed into service until the County Health Department issues a Certificate of Acceptance, all legal and administrative requirements have been satisfied, and the work has been accepted by resolution of the Authority. The Authority will then turn on the mains, which have been accepted by the Authority, and service can begin.
13. Within four (4) weeks of the date the Erie County Health Department Certificate of Acceptance is received, and prior to both acceptance by the Authority and the date water service is begun, BCD Applicants shall have the Contractor - BCD Applicant provide the Authority with the following:
  - a. Maintenance bond.
    - (1) A maintenance bond in form satisfactory to the Authority and issued by a carrier satisfactory to the Authority in an amount of one hundred (100%) percent of the actual construction cost of the water mains and appurtenances.
    - (2) Said bond shall cover a period of twenty-four (24) months following the completion of the installation of water mains and appurtenances. During this 24-month period, the Contractor – BCD Applicant agrees to maintain and repair the water mains and appurtenances accepted by the resolution of the Authority.
    - (3) The completion date shall be established as the date of the acceptance of the work by resolution of the Authority.
    - (4) If the Contractor – BCD Applicant defaults on its/his/her obligation, the Authority may seek to recover the cost of maintenance and repair from the carrier/surety of the maintenance bond.
  - b. Payment bond.
    - (1) A payment bond in form satisfactory to the Authority and issued by a

carrier satisfactory to the Authority in an amount of one hundred (100%) percent of the actual construction cost of the water mains and appurtenances.

- (2) The Contractor - BCD Applicant will provide said payment bond to insure all labor and materials supplied for the construction and installation of the water mains and appurtenances have been fully paid, ensuring the Authority accepts such water mains and appurtenances without liens or encumbrances.
    - (3) Said bond shall cover a period of twelve (12) months following completion of the installation of water mains and appurtenances.
    - (4) The completion date shall be established as the date of acceptance of the work by resolution of the Authority.
  - c. The Authority may review and verify the actual construction cost of the mains and appurtenances. The actual cost will be used to determine the amount of the maintenance and payment bonds mentioned above, and for all other legal and administrative purposes. The actual cost shall include the furnishing and installing of the pipe, valves, hydrants, paving and other appurtenances required to be completed before the work is accepted by resolution of the Authority.
  - d. A statement, signed and sealed by the BCD Applicants' engineer, that all work involved in the installation of water mains and appurtenances was completed in accordance with drawings approved by the Authority and in accordance with the Authority's specifications, that all valves, hydrants and appurtenances are in satisfactory operating condition and that the BCD Applicants' engineer provided full time resident inspection of the work.
  - e. One (1) reproducible and electronic file AutoCad 2000 version on CD Rom or diskette record drawing, to a scale determined by the Authority, showing the constructed location of all mains with at least three readily identifiable ties to all fittings, valves and services. The record drawing shall be marked "As-Built" and bear the seal and license number of the BCD Applicants' engineer. The BCD Applicants' engineer shall certify by seal and signature that he has measured or has supervised the measurement of all dimensions shown on the "As-Built" drawing.
  - f. A cost estimate and bill of sale to the Authority for the water mains and appurtenances installed. A completed "Schedule of Inventory" shall be attached to bill of sale on the form provided by the Authority.
14. Water service connections will be installed by the Authority at the time requested by the BCD Applicants. The BCD Applicants shall make arrangements for the water service connection as well as meter installation and payment.


15. The BCD Applicants shall notify the Authority when customer service is desired at an individual premise so that a meter can be installed. If the BCD Applicants fail to notify the Authority that a meter should be installed, the BCD Applicants shall be required to pay three (3) times the monthly minimum charge for the size of meter to be installed for each month or part thereof that water has been used at the premise. This period of time will be calculated from the date of issue of the Certificate of Occupancy or the date of sale by the BCD Applicants of said premises, whichever is earlier, to the date the meter is installed. Meter installations will be in accordance with the provisions of Section 6.00 of the Authority's Tariff.
16. No hydrant shall be used for any purpose other than the extinguishing of fires, periodic tests of the fire protection system, or periodic drills by legally constituted fire companies, unless written authorization is given by the Authority. The Authority shall be notified in advance of the time of all tests and drills, so that if desired, the Authority may have a representative present.
17. At the completion of all the work, labor and service as well as installation of all materials and after all the conditions hereinabove set forth are complied with to the satisfaction of the Authority, the Authority agrees to accept said water mains, hydrants, services, and other appurtenances.
18. Title to all water mains, hydrants, services, and appurtenances shall vest in the Authority and the Authority shall provide service to BCD Applicants in the same manner as if the mains were originally installed by the Authority.
19. The Authority reserves the right at any time, without notice to shut off the water in its mains to make repairs, extensions or for other purposes, and it is expressly agreed that the Authority shall not be liable for deficiency or failure in the supply of water, water pressure or for any damage caused thereby or by the bursting or breaking of any main or service pipe or any attachment to the Authority's property, other than through the gross negligence of the Authority. In the interest of public health, the Authority will not permit its mains or services to be connected with any service pipe or piping which is connected with any other source of water supply not approved by the Department of Health of the State of New York.
20. It is mutually understood and agreed:
  - a. The mains laid or to be laid pursuant to this Agreement shall be and remain the property of the Authority, its successors and assigns, and the Authority retains and shall have the right to extend any mains installed by it pursuant to the terms of the Agreement in or to other lands, streets or avenues, but BCD Applicants shall not by reason thereof be entitled to any repayment.
  - b. Any authorized representative of the Authority shall have free access to the premises of the BCD Applicants at any reasonable time for the purpose of reading the meter or inspecting said construction.
  - c. Only a town, village or legally constituted water district is permitted to

resell water supplied by the Authority except as provided in Section 11.05 of the Authority's Tariff.

- d. Water Service may be disconnected for any of the reasons enumerated in the Authority's Tariff.
- e. This extension shall be made in accordance with provisions of the Authority's Tariff.

**IN WITNESS WHEREOF**, the parties hereto have duly caused their seals to be hereunto affixed and these presents to be signed by their duly authorized officers with the effective date of this Agreement to be the **28th** day of **April 2022**, the date of the Authority's resolution authorizing its execution.

**PLEASANT DEVELOPMENT LLC**



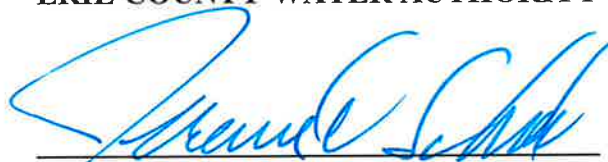
MICHAEL S. BEVILACQUA, Managing Member

**RUSSO DEVELOPMENT INC.**



JOSEPH L. RUSSO II, President

**ERIE COUNTY WATER AUTHORITY**

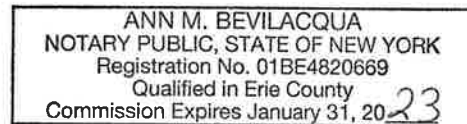


JEROME D. SCHAD, Chair

STATE OF NEW YORK     )  
  ) ss:  
COUNTY OF ERIE         )

On this 1<sup>st</sup> day of May, 2022, before me personally came MICHAEL S. BEVILACQUA, to me known, who being by me duly sworn, did depose and say that he/she resides at 4135 Ridgely Rd, Hamburg, NY, that he/she is Managing Member of PLEASANT DEVELOPMENT LLC, the corporation described in, and which executed, the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he/she signed his/her name thereto by like order.

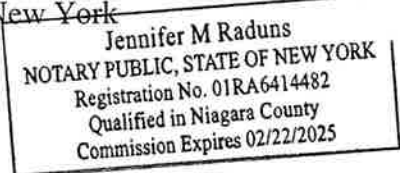
Ann M. Bevilacqua  
Notary Public - State of New York



STATE OF NEW YORK     )  
  ) ss:  
COUNTY OF ERIE         )

On this 1<sup>st</sup> day of May, 2022, before me personally came JOSEPH L. RUSSO II, to me known, who being by me duly sworn, did depose and say that he/she resides at 3710 Milestrip Rd, Blasdell, NY; that he/she is President of RUSSO DEVELOPMENT INC, the corporation described in, and which executed, the foregoing instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he/she signed his/her name thereto by like order.

Jennifer M Raduns  
Notary Public - State of New York



STATE OF NEW YORK)

) ss:

COUNTY OF ERIE )

On this 28<sup>th</sup> day of April, 2022, before me personally came JEROME D. SCHAD, to me known, who being by me duly sworn did depose and say that he resides in Amherst, New York, that he is the Chairman of the ERIE COUNTY WATER AUTHORITY, the corporation named in the foregoing indenture; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by a duly adopted resolution of the said Authority and that he signed his name thereto by like resolution.

  
\_\_\_\_\_  
Notary Public - State of New York

PATRICIA J. GRAFFEO #01GR4957586  
Notary Public, State of New York  
Qualified in Erie County  
My Commission Expires October 16, 2025

## Schedule of Inventory - Pleasant Creek Subdivision P4

11/29/2022

### ITEM 1 - PIPE

LENGTH	SIZE	MATERIAL	COST
40	20"	Casing pipe	\$4,000.00
858	8"	C-900	\$71,495.37
Total			\$75,495.37

### ITEM - HYDRANTS

QUANTITY	MAKE AND TYPE	COST
1	Mueller Super Centurion Fire Hydrant	\$3,348.73
Total		\$3,348.73

### ITEM 3 - VALVES

QUANTITY	SIZE	MAKE AND TYPE	COST
1	6"	Mueller Co.	\$760.00
1	8"	Mueller Co.	\$1,211.14
2	V619	Bibby STE-CROIX	\$453.10
Total			\$2,424.24

Project total	\$81,268.34
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### ITEM 4 - DOMESTIC SERVICES

QUANTITY	SIZE	SHORT	LONG	COST
N/A				

### ITEM 5 - FIRE SERVICES

QUANTITY	SIZE	SHORT	LONG	COST
N/A				

### ITEM 6 - MISCELLANEOUS

N/A

By:

JOSEPH L. Russo Jr

Signed:

[Signature]

Title:

President



Erie County Water Authority  
3030 Union Rd.  
Cheektowaga, NY 14227

*Site ready...earth friendly*

**November 29, 2022**

**Pleasant Creek Subdivision P2a & 4: Bill of Sale**

Adam,

As requested, this constitutes the Bill of Sale to the Erie County Water Authority of All Water Mains and Apparatuses in the subdivision known as:

Pleasant Creek Subdivision P2a & 4

And composed of the following inventory and cost to the Builder, Contractor, Developer, whose address is:

3710 Milestrip Rd. Blasdell, NY 14219

***SEE TABLES ATTACHED:***

By: Joseph L. Russo II \_\_\_\_\_

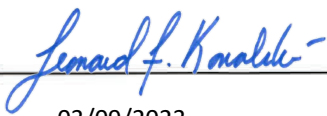
Signed:  \_\_\_\_\_

(SEAL)

Title: President \_\_\_\_\_

To: Members of the Authority.

I have reviewed the costs of figures provided and find them reasonable and correct.

Signed:  \_\_\_\_\_  
Date: 03/09/2023 \_\_\_\_\_



3710 MILESTRIP ROAD | BLASDELL, NY 14219  
716.844.8745 | FAX: 716.931.9071  
[russodevelopmentinc.com](http://russodevelopmentinc.com)

ERIE COUNTY DEPARTMENT OF HEALTH  
Division of Public Health Laboratories and Environmental Health  
Office of Environmental Health Services  
503 Kensington Avenue  
Buffalo, NY 14214  
716-961-6800 (office)/716-961-6880 (fax)

**CERTIFICATE OF CONSTRUCTION COMPLIANCE**

Project Description:

Name of Project Pleasant Creek Phase 4 Waterline - Cedar Valley Way

Location (T) Hamburg, NY

Description (If different, supervising engineer must clarify).  
860 LF 8-inch PVC w/ 2 hydrants

Approval Date January 30, 2015

Erie County Health Department  
Permit Number HS# RWIN-9HTRUE

Construction of the above project must be under the supervision of a person or firm licensed to practice professional engineering in the State of New York, as required under the State Education Law. The person or firm supervising the above project must file a Certificate of Construction Compliance within 30 days after completion of construction, with the Erie County Health Department at the above address.

Date of Start of Construction

Date of Completion

April 16, 2022

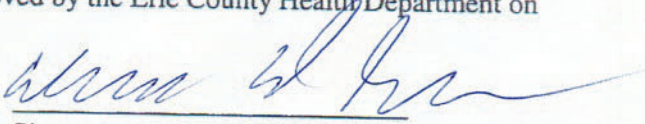
12/08/22

Final interconnections pending ECWA approval

I hereby certify that the above project has been construction according to the plans and specifications which were approved by the Erie County Health Department on the above date.

12/08/22

Date

  
Signature of Supervising Engineer

Name of Firm or Office

Donald Gallo, Consulting Engineer, P.C.

Address

589 Delaware Ave.

Buffalo, NY 14202

New York State License #

057875

## Payment Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

Russo Development Inc.  
3710 Milestrip Road  
Blasdell, New York 14219

SURETY (Name and Address of Principal Place of Business):

Endurance American Insurance Company  
4 Manhattanville Road  
Purchase, NY 10577

OWNER (Name and Address):

Erie County Water Authority  
295 Main St., Room 350  
Buffalo, NY 14203

CONTRACT

Project No.: 202100302

Date: April 28, 2022

Amount: Eighty One Thousand Two Hundred Sixty Eight Dollars and 34/100 (\$81,268.34)

Description: Main Extension Agreement (Builder-Contractor-Developer)  
Pleasant Creek Subdivision Phase 4  
Town of Hamburg  
BCD-21-06; EC #7147  
ECWA Project No.: 202100302

BOND

Date (Not earlier than Contract Date): December 12, 2022

Amount: Eighty One Thousand Two Hundred Sixty Eight Dollars and 34/100 (\$81,268.34)

Modifications to this Bond Form:  
none

Surety and CONTRACTOR, intending to be legally bound hereby, subject to the terms printed on the reverse side hereof, do each cause this Payment Bond to be duly executed on its behalf by its authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

Company: \_\_\_\_\_ (Corp. Seal)

Russo Development, Inc.

Signature: \_\_\_\_\_

Name and Title: JOSEPA L. RUSSO  
PRESIDENT

SURETY

Company: \_\_\_\_\_ (Corp. Seal)

Endurance American Insurance Company

Signature: \_\_\_\_\_

Name and Title: Gary A. Cardinale - Attorney In Fact  
(Attach Power of Attorney)

(Space is provided below for signatures of additional parties, if required.)

CONTRACTOR AS PRINCIPAL

Company: \_\_\_\_\_ (Corp. Seal)

Signature: \_\_\_\_\_

Name and Title: \_\_\_\_\_

SURETY

Company: \_\_\_\_\_

Signature: n/a

Name and Title: \_\_\_\_\_



1. The CONTRACTOR and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the OWNER to pay for labor, materials and equipment furnished for use in the performance of the Contract, which is incorporated herein by reference.

2. With respect to the OWNER, this obligation shall be null and void if the CONTRACTOR:

2.1. Promptly makes payment, directly or indirectly, for all sums due Claimants, and

2.2. Defends, indemnifies and holds harmless the OWNER from all claims, demands, liens or suits by any person or entity who furnished labor, materials or equipment for use in the performance of the Contract, provided the OWNER has promptly notified the CONTRACTOR and the Surety (at the addresses described in paragraph 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the CONTRACTOR and the Surety, and provided there is no OWNER Default.

3. With respect to Claimants, this obligation shall be null and void if the CONTRACTOR promptly makes payment, directly or indirectly, for all sums due.

4. The Surety shall have no obligation to Claimants under this Bond until:

4.1. Claimants who are employed by or have a direct contract with the CONTRACTOR have given notice to the Surety (at the addresses described in paragraph 12) and sent a copy, or notice thereof, to the OWNER, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

4.2. Claimants who do not have a direct contract with the CONTRACTOR:

1. Have furnished written notice to the CONTRACTOR and sent a copy, or notice thereof, to the OWNER, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and

2. Have either received a rejection in whole or in part from the CONTRACTOR, or not received within 30 days of furnishing the above notice any communication from the CONTRACTOR by which the CONTRACTOR had indicated the claim will be paid directly or indirectly; and

3. Not having been paid within the above 30 days, have sent a written notice to the Surety and sent a copy, or notice thereof, to the OWNER, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the CONTRACTOR.

5. If a notice required by paragraph 4 is given by the OWNER to the CONTRACTOR or to the Surety, that is sufficient compliance.

6. When the Claimant has satisfied the conditions of paragraph 4, the Surety shall promptly and at the Surety's expense take the following actions:

6.1. Send an answer to the Claimant, with a copy to the OWNER, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

6.2. Pay or arrange for payment of any undisputed amounts.

7. The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

8. Amounts owed by the OWNER to the CONTRACTOR under the Contract shall be used for the performance of the Contract and to satisfy claims, if any, under any Performance Bond. By the CONTRACTOR furnishing and the OWNER accepting this Bond, they agree that all funds earned by the CONTRACTOR in the performance of the Contract are dedicated to satisfy obligations of the CONTRACTOR and the Surety under this Bond, subject to the OWNER's priority to use the funds for the completion of the Work.

9. The Surety shall not be liable to the OWNER, Claimants or others for obligations of the CONTRACTOR that are unrelated to the Contract. The OWNER shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10. The Surety hereby waives notice of any change, including changes of time, to the Contract or to related Subcontracts, purchase orders and other obligations.

11. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the Work or part of the Work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by paragraph 4.1 or paragraph 4.2.3. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12. Notice to the Surety, the OWNER or the CONTRACTOR shall be mailed or delivered to the addresses shown on the signature page. Actual receipt of notice by Surety, the OWNER or the CONTRACTOR, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is, that this Bond shall be construed as a statutory Bond and not as a common law bond.

14. Upon request of any person or entity appearing to be a potential beneficiary of this Bond, the CONTRACTOR shall promptly furnish a copy of this Bond or shall permit a copy to be made.

## 15. DEFINITIONS

15.1. Claimant: An individual or entity having a direct contract with the CONTRACTOR or with a Subcontractor of the CONTRACTOR to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Contract, architectural and engineering services required for performance of the Work of the CONTRACTOR and the CONTRACTOR's Subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

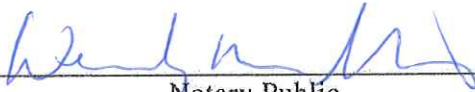
15.2. Contract: The agreement between the OWNER and the CONTRACTOR identified on the signature page, including all Contract Documents and changes thereto.

15.3. OWNER Default: Failure of the OWNER, which has neither been remedied nor waived, to pay the CONTRACTOR as required by the Contract or to perform and complete or comply with the other terms thereof.

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF New York )  
 ) SS.:  
COUNTY OF Erie )

On the 12th day of December in the year 2022, before me, the undersigned, personally appeared Joseph L. Russo II, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

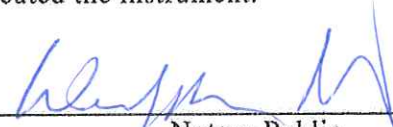
  
Notary Public

ACKNOWLEDGMENT OF SURETY

STATE OF New York )  
 ) SS.:  
COUNTY OF Erie )

WENDY MARIE MONTANTE  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01MO6411197  
Qualified in Erie County  
Commission Expires November 09, 2024

On the 12th day of December in the year 2022, before me, the undersigned, personally appeared Gary A Cardinale, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

WENDY MARIE MONTANTE  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01MO6411197  
Qualified in Erie County  
Commission Expires November 09, 2024

**ENDURANCE AMERICAN INSURANCE COMPANY**  
**FINANCIAL STATEMENT SUMMARY - STATUTORY BASIS**  
As of December 31, 2021

**ASSETS:**

Bonds	\$ 1,392,030,556
Stocks	\$ 381,582,814
Other Invested Assets	\$ 13,447,236
Receivable for Securities	\$ 19,100,000
Cash, Cash Equivalents and Short-Term Investments	\$ 304,475,249
<b>Total Cash and Invested Assets</b>	<b>\$ 2,110,635,855</b>

Agents' Balances or Uncollected Premiums	\$ 2,333,389,821
Reinsurance Recoverable on Loss and Loss Adjustment Expense Payments	\$ 793,414,265
Funds Held By or Deposited With Reinsurance Companies	\$ 80,016,437
Federal & Foreign Income Tax Recoverable & Interest Thereon	\$ -
Net Deferred Tax Asset	\$ 36,549,808
Receivables From Parent, Subsidiaries & Affiliates	\$ 68,587,621
Aggregate Write-ins for Other Than Invested Assets	\$ 12,474
Investment Income Due and Accrued	\$ 6,894,342
<b>Total Admitted Assets</b>	<b>\$ 5,429,500,623</b>

**LIABILITIES:**

Losses	\$ 845,925,082
Loss Adjustment Expenses	\$ 126,611,393
Reinsurance Payable on Paid Loss and Loss Adjustment Expenses	\$ 709,950,314
Taxes Licenses and Fees	\$ 2,790,007
Current Federal and Foreign Income Taxes	\$ 9,896,720
Unearned Premiums	\$ 568,428,607
Ceded Reinsurance Premiums Payable	\$ 1,864,043,379
Funds Held by Company Under Reinsurance Treaties	\$ 78,180,165
Commissions Payable, Contingent Commissions and Similar Items	\$ (783,843)
Amounts Withheld or Retained by Company for Account of Others	\$ 3,450,132
Remittances and Items Not Allocated	\$ 41,840,342
Other Expenses Payable	\$ 589,263
Payable to Parents, Subsidiaries and Affiliates	\$ 41,708,258
Provision for Reinsurance	\$ 56,203,603
Payable for Securities	\$ 19,646,596
Other Liabilities	\$ 28,885,174
<b>Total Liabilities</b>	<b>\$ 4,397,365,192</b>

**CAPITAL AND SURPLUS:**

Common Capital Stock	\$ 6,000,000
Gross Paid In and Contributed Surplus	\$ 1,130,153,297
Unassigned Funds (Surplus)	\$ (104,017,866)
<b>Total Capital and Surplus</b>	<b>\$ 1,032,135,431</b>

**Total Liabilities and Capital and Surplus**

**\$ 5,429,500,623**

I, Entela Hana, Treasurer of Endurance American Insurance Company (the "Company") do hereby certify that to the best of my knowledge and belief, the foregoing is a full and true Statutory Statement of Admitted Assets, Liabilities, Capital and Surplus of the Company as of December 31, 2021 prepared in conformity with accounting practices prescribed or permitted by the State of Delaware Department of Insurance. The foregoing statement should not be taken as a complete statement of financial condition of the Company. Such a statement is available upon request at the Company's office located at 4 Manhattanville Road, 3rd Floor; Purchase, NY 10577.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company at Purchase, New York:

Entela Hana, Treasurer

Subscribed and sworn to before me this 3<sup>rd</sup> day of March, 2022:

Notary Public & Seal

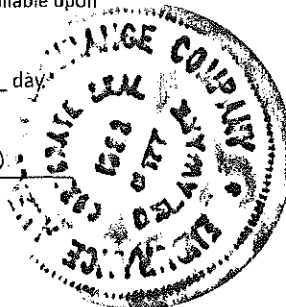
DARLENE A. GIBSON

NOTARY PUBLIC-STATE OF NEW YORK

No. 01GI6114191

Qualified in Westchester County

My Commission Expires 08-09-2024





# POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Gary A. Cardinale** as true and lawful Attorney(s)-In-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **Forty Million Dollars (\$40,000,000.00)**.

Such bonds and undertakings for said purposes, when duly executed by said attorney(s)-in-fact, shall be binding upon the Company as fully and to the same extent as if signed by the President of the Company under its corporate seal attested by its Corporate Secretary.

This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15<sup>th</sup> day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15<sup>th</sup> day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15<sup>th</sup> day of June, 2019.

<p><b>Endurance Assurance Corporation</b></p> <p>By: <i>Richard M Appel</i> Richard Appel, SVP &amp; Senior Counsel</p> 	<p><b>Endurance American Insurance Company</b></p> <p>By: <i>Richard M Appel</i> Richard Appel, SVP &amp; Senior Counsel</p> 	<p><b>Lexon Insurance Company</b></p> <p>By: <i>Richard M Appel</i> Richard Appel, SVP &amp; Senior Counsel</p> 	<p><b>Bond Safeguard Insurance Company</b></p> <p>By: <i>Richard M Appel</i> Richard Appel, SVP &amp; Senior Counsel</p> 
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## ACKNOWLEDGEMENT

On this 15<sup>th</sup> day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: *Amy Taylor*  
Amy Taylor, Notary Public - My Commission Expires 5/9/23



## CERTIFICATE

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 12<sup>th</sup> day of December, 2022.

By: *Daniel S. Lurie*  
Daniel S. Lurie, Secretary

## NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: [LexonClaimAdministration@sompo-intl.com](mailto:LexonClaimAdministration@sompo-intl.com)

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870



## Maintenance Bond

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

**CONTRACTOR (Name and Address):**

Russo Development, Inc.  
3710 Milestrip Rd.  
Blasdell, NY 14219

**SURETY (Name and Address of Principal Place of Business):**

ENDURANCE ASSURANCE CORPORATION  
4 MANHATTANVILLE ROAD  
PURCHASE, NY 10577

**OWNER (Name and Address):**

Erie County Water Authority  
295 Main St., Room 350  
Buffalo NY 14203

**CONTRACT**

Project No: 202100302

Date: 12/16/2022

Amount: \$81,268.34

Eighty-one Thousand Two Hundred Sixty-eight And 34/100

Description: 8" Waterline Installation, Pleasant Creek Subdivision Phase 4, ECWA, Project No: 202100302 BCD-21-06, EC#7147

**BOND**

Date (Not earlier than Contract Date): 12/16/2022

Amount: \$81,268.34

Eighty-one Thousand Two Hundred Sixty-eight And 34/100

Modifications to this Bond Form: None

Surety and CONTRACTOR, intending to be legally bound hereby, subject to the terms printed on the reverse side hereof, do each cause this Performance Bond to be duly executed on its behalf by its authorized officer, agent or representative.

**CONTRACTOR AS PRINCIPAL**

Company:

Russo Development, Inc.

Signature:

Name and Title:

Joseph Russo II, President

(Space is provided below for signatures of additional parties, if required.)

**CONTRACTOR AS PRINCIPAL**

Company:

Signature:

Name and Title:

(Corp. Seal)

**SURETY**

Company:

ENDURANCE ASSURANCE CORPORATION

Signature:

Name and Title:

Gary A Cardinale, Attorney-in-Fact

(Attach Power of Attorney)

**SURETY**

Company:

Signature:

Name and Title:

(Corp. Seal)

1. The CONTRACTOR and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the OWNER for the performance of the Contract, which is incorporated herein by reference.

2. If the CONTRACTOR performs the Contract, the Surety and the CONTRACTOR have no obligation under this Bond, except to participate in conferences as provided in paragraph 3.1.

3. If there is no OWNER Default, the Surety's obligation under this Bond shall arise after:

3.1 The OWNER has notified the CONTRACTOR and the Surety at the addresses described in paragraph 10 below, that the OWNER is considering declaring a CONTRACTOR Default and has requested and attempted to arrange a conference with the CONTRACTOR and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Contract. If the OWNER, the CONTRACTOR and the Surety agree, the CONTRACTOR shall be allowed a reasonable time to perform the Contract, but such an agreement shall not waive the OWNER'S right, if any, subsequently to declare a CONTRACTOR Default; and

3.2 The OWNER has declared a CONTRACTOR Default and formally terminated the CONTRACTOR'S right to complete the Contract. Such CONTRACTOR Default shall not be declared earlier than twenty days after the CONTRACTOR and the Surety have received notice as provided in paragraph 3.1; and

3.3 The OWNER has agreed to pay the Balance of the Contract Price to:

3.3.1 The Surety in accordance with the terms of the Contract; or

3.3.2 Another contractor selected pursuant to paragraph 4.3 to perform the Contract.

4. When the OWNER has satisfied the conditions of paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

4.1 Arrange for the CONTRACTOR, with consent of the OWNER, to perform and complete the Contract; or

4.2 Undertake to perform and complete the Contract itself, through its agents or through independent contractors; or

4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the OWNER for a contract for performance and completion of the Contract, arrange for a contract to be prepared for execution by the OWNER and the contractor selected with the OWNER'S concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the Bonds issued on the Contract, and pay to the OWNER the amount of damages as described in paragraph 6 in excess of the Balance of the Contract Price incurred by the OWNER resulting from the CONTRACTOR Default; or

4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances;

4.4.1 After investigation, determine the amount for which it may be liable to the OWNER and, as soon as practicable after the amount is determined, tender payment therefor to the OWNER; or

4.4.2 Deny liability in whole or in part and notify the OWNER citing reasons therefor.

5. If the Surety does not proceed as provided in paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the OWNER to the Surety demanding that the Surety perform its obligations under this Bond, and the OWNER shall be entitled to enforce any remedy available to the OWNER. If the Surety proceeds as provided in paragraph 4.4, and the OWNER refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the OWNER shall be entitled to enforce any remedy available to

the OWNER.

6. After the OWNER has terminated the CONTRACTOR'S right to complete the Contract, and if the Surety elects to act under paragraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the OWNER shall not be greater than those of the CONTRACTOR under the Contract, and the responsibilities of the OWNER to the Surety shall not be greater than those of the OWNER under the Contract. To a limit of the amount of this Bond, but subject to commitment by the OWNER of the Balance of the Contract Price to mitigation of costs and damages on the Contract, the Surety is obligated without duplication for:

6.1. The responsibilities of the CONTRACTOR for correction of defective Work and completion of the Contract;

6.2. Additional legal, design professional and delay costs resulting from the CONTRACTOR'S Default, and resulting from the actions or failure to act of the Surety under paragraph 4; and

6.3. Liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non-performance of the CONTRACTOR.

7. The Surety shall not be liable to the OWNER or others for obligations of the CONTRACTOR that are unrelated to the Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the OWNER or its heirs, executors, administrators, or successors.

8. The Surety hereby waives notice of any change, including changes of time, to the Contract or to related subcontracts, purchase orders and other obligations.

9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the Work or part of the Work is located and shall be instituted within two years after CONTRACTOR Default or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10. Notice to the Surety, the OWNER or the CONTRACTOR shall be mailed or delivered to the address shown on the signature page.

11. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12. Definitions.

12.1 Balance of the Contract Price: The total amount payable by the OWNER to the CONTRACTOR under the Contract after all proper adjustments have been made, including allowance to the CONTRACTOR of any amounts received or to be received by the OWNER in settlement of insurance or other Claims for damages to which the CONTRACTOR is entitled, reduced by all valid and proper payments made to or on behalf of the CONTRACTOR under the Contract.

12.2 Contract: The agreement between the OWNER and the CONTRACTOR identified on the signature page, including all Contract Documents and changes thereto.

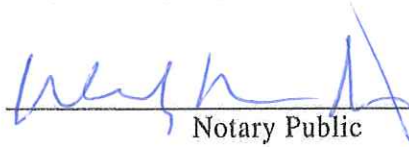
12.3 CONTRACTOR Default: Failure of the CONTRACTOR, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract.

12.4 OWNER Default: Failure of the OWNER, which has neither been remedied nor waived, to pay the CONTRACTOR as required by the Contract or to perform and complete or comply with the other terms thereof.

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF New York )  
 ) SS.:  
COUNTY OF Erie )

On the 16th day of December in the year 2022, before me, the undersigned, personally appeared Joseph L. Russo II, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

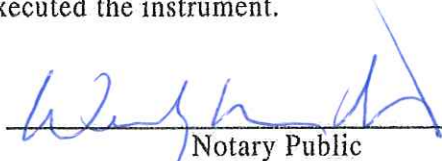
  
Notary Public

ACKNOWLEDGMENT OF SURETY

STATE OF New York )  
 ) SS.:  
COUNTY OF Erie )

WENDY MARIE MONTANTE  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01MO6411197  
Qualified in Erie County  
Commission Expires November 09, 2024

On the 16th day of December in the year 2022, before me, the undersigned, personally appeared Gary A Cardinale, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

WENDY MARIE MONTANTE  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01MO6411197  
Qualified in Erie County  
Commission Expires November 09, 2024

WENDY MARIE MONTANTE  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 01MO6411197  
Qualified in Erie County  
Commission Expires November 09, 2024

**ENDURANCE ASSURANCE CORPORATION**  
**FINANCIAL STATEMENT SUMMARY - STATUTORY BASIS**  
As of December 31, 2021

**ASSETS:**

Bonds	\$ 2,826,199,095
Stocks	\$ 1,862,910,577
Other Invested Assets	\$ 288,834,583
Cash, Cash Equivalents and Short-Term Investments	\$ 602,391,796
Receivable for Securities	\$ 298,591
<b>Total Cash and Invested Assets</b>	<b>\$ 5,580,634,641</b>

Agents' Balances or Uncollected Premiums	\$ 831,289,744
Reinsurance Recoverable on Loss and Loss Adjustment Expense Payments	\$ 91,567,812
Funds Held By or Deposited With Reinsurance Companies	\$ 11,294,677
Federal & Foreign Income Tax Recoverable & Interest Thereon	\$ 1,297,141
Net Deferred Tax Assets	\$ 68,936,380
Receivables From Parent, Subsidiaries & Affiliates	\$ 21,730,483
Aggregate Write-Ins for Other Than Invested Assets	\$ 13,110,774
Investment Income Due and Accrued	\$ 14,267,012
<b>Total Admitted Assets</b>	<b>\$ 6,634,128,664</b>

**LIABILITIES:**

Losses	\$ 2,004,519,544
Loss Adjustment Expenses	\$ 187,364,921
Reinsurance Payable on Paid Loss and Loss Adjustment Expenses	\$ 68,046,631
Taxes Licenses and Fees	\$ 7,951,006
Current Federal & Foreign Income Taxes	\$ -
Unearned Premiums	\$ 1,199,480,124
Ceded Reinsurance Premiums Payable	\$ 103,198,615
Funds Held Under Reinsurance Treaties	\$ 697,440
Commissions Payable, Contingent Commissions and Similar Items	\$ 11,862,683
Amounts Withheld or Retained by Company for Account of Others	\$ 175,617,518
Remittances and Items Not Allocated	\$ 48,907,615
Other Expenses Payable	\$ 31,428,386
Payable to Parents, Subsidiaries and Affiliates	\$ 64,784,043
Payable for Securities	\$ 5,359,709
Provision for Reinsurance	\$ 29,827,400
Other Liabilities	\$ 2,734,603
<b>Total Liabilities</b>	<b>\$ 3,941,780,238</b>

**CAPITAL AND SURPLUS:**

Special Surplus Funds - Retroactive Reinsurance Gain	\$ 1,665,571
Common Capital Stock	\$ 5,000,000
Gross Paid In and Contributed Surplus	\$ 2,474,282,258
Unassigned Funds (Surplus)	\$ 211,400,597
<b>Total Capital and Surplus</b>	<b>\$ 2,692,348,426</b>

<b>Total Liabilities and Capital and Surplus</b>	<b>\$ 6,634,128,664</b>
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I, Entela Hana, Treasurer of Endurance Assurance Corporation (the "Company") do hereby certify that to the best of my knowledge and belief, the foregoing is a full and true Statutory Statement of Admitted Assets, Liabilities, Capital and Surplus of the Company as of December 31, 2021 prepared in conformity with accounting practices prescribed or permitted by the State of Delaware Department of Insurance. The foregoing statement should not be taken as a complete statement of financial condition of the Company. Such a statement is available upon request at the Company's office located at 4 Manhattanville Road, 3rd Floor; Purchase, NY 10577.

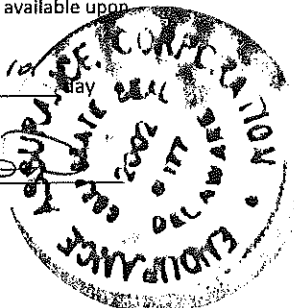
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company at Purchase, New York:

Entela Hana, Treasurer

Subscribed and sworn to before me this 8 day of March, 2022:

Notary Public & Seal

DARLENE A. GIBSON  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 01G16114191  
Qualified in Westchester County  
My Commission Expires 08-08-2024



# POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that **Endurance Assurance Corporation**, a Delaware corporation, **Endurance American Insurance Company**, a Delaware corporation, **Lexon Insurance Company**, a Texas corporation, and/or **Bond Safeguard Insurance Company**, a South Dakota corporation, each, a "Company" and collectively, "**Sompo International**," do hereby constitute and appoint: **Gary A. Cardinale** as true and lawful Attorney(s)-in-Fact to make, execute, seal, and deliver for, and on its behalf as surety or co-surety; bonds and undertakings given for any and all purposes, also to execute and deliver on its behalf as aforesaid renewals, extensions, agreements, waivers, consents or stipulations relating to such bonds or undertakings provided, however, that no single bond or undertaking so made, executed and delivered shall obligate the Company for any portion of the penal sum thereof in excess of the sum of **Forty Million Dollars (\$40,000,000.00)**.

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This appointment is made under and by authority of certain resolutions adopted by the sole shareholder of each Company by unanimous written consent effective the 15<sup>th</sup> day of June, 2019, a copy of which appears below under the heading entitled "Certificate".

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the sole shareholder of each Company by unanimous written consent effective the 15<sup>th</sup> day of June, 2019 and said resolution has not since been revoked, amended or repealed:

RESOLVED, that the signature of an individual named above and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signature or seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, each Company has caused this instrument to be signed by the following officers, and its corporate seal to be affixed this 15<sup>th</sup> day of June, 2019.

<p><b>Endurance Assurance Corporation</b></p> <p>By: <i>Richard M Appel</i></p> <p>Richard Appel; SVP &amp; Senior Counsel</p> 	<p><b>Endurance American Insurance Company</b></p> <p>By: <i>Richard M Appel</i></p> <p>Richard Appel; SVP &amp; Senior Counsel</p> 	<p><b>Lexon Insurance Company</b></p> <p>By: <i>Richard M Appel</i></p> <p>Richard Appel; SVP &amp; Senior Counsel</p> 	<p><b>Bond Safeguard Insurance Company</b></p> <p>By: <i>Richard M Appel</i></p> <p>Richard Appel; SVP &amp; Senior Counsel</p> 
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## ACKNOWLEDGEMENT

On this 15<sup>th</sup> day of June, 2019, before me, personally came the above signatories known to me, who being duly sworn, did depose and say that he/she is an officer of each of the Companies; and that he executed said instrument on behalf of each Company by authority of his office under the by-laws of each Company.

By: *Amy Taylor*

Amy Taylor, Notary Public - My Commission Expires 5/9/23



## CERTIFICATE

I, the undersigned Officer of each Company, DO HEREBY CERTIFY that:

1. That the original power of attorney of which the foregoing is a copy was duly executed on behalf of each Company and has not since been revoked, amended or modified; that the undersigned has compared the foregoing copy thereof with the original power of attorney, and that the same is a true and correct copy of the original power of attorney and of the whole thereof;
2. The following are resolutions which were adopted by the sole shareholder of each Company by unanimous written consent effective June 15, 2019 and said resolutions have not since been revoked, amended or modified:

"RESOLVED, that each of the individuals named below is authorized to make, execute, seal and deliver for and on behalf of the Company any and all bonds, undertakings or obligations in surety or co-surety with others: **RICHARD M. APPEL, BRIAN J. BEGGS, CHRISTOPHER DONELAN, SHARON L. SIMS, CHRISTOPHER L. SPARRO, MARIANNE L. WILBERT**

; and be it further

RESOLVED, that each of the individuals named above is authorized to appoint attorneys-in-fact for the purpose of making, executing, sealing and delivering bonds, undertakings or obligations in surety or co-surety for and on behalf of the Company."

3. The undersigned further certifies that the above resolutions are true and correct copies of the resolutions as so recorded and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal this 16th day of December, 2022.

By: *Daniel S. Lurie*

Daniel S. Lurie, Secretary

## NOTICE: U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

No coverage is provided by this Notice nor can it be construed to replace any provisions of any surety bond or other surety coverage provided. This Notice provides information concerning possible impact on your surety coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorist organizations, and narcotics traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's website - <https://www.treasury.gov/resource-center/sanctions/SDN-List>.

In accordance with OFAC regulations, if it is determined that you or any other person or entity claiming the benefits of any coverage has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, any coverage will be considered a blocked or frozen contract and all provisions of any coverage provided are immediately subject to OFAC. When a surety bond or other form of surety coverage is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments may also apply.

Any reproductions are void.

Surety Claims Submission: [LexonClaimAdministration@sompo-intl.com](mailto:LexonClaimAdministration@sompo-intl.com)

Telephone: 615-553-9500 Mailing Address: Sompo International; 12890 Lebanon Road; Mount Juliet, TN 37122-2870