



Town of Shallotte

ACTION AGENDA ITEM

2025

TO: Board of Alderman

FROM: Mimi Gaither
EXT. #

ACTION ITEM #:

MEETING DATE: 5.8.25

DATE SUBMITTED: 5.8.25

ISSUE/ACTION REQUESTED: Release of San Rio Bond
pending Attorney approval

PUBLIC HEARING: ☐ YES ☒ NO

BACKGROUND/PURPOSE OF REQUEST: San Rio has met the obligations of their bond for street paving. Dan has reviewed and inspected the roads, Drapac has asked for return of cash bond and release of surety bond. I have sent documents to the Town Attorney, pending her approval, I would ask for release of both the cash bond and the surety bond.

FISCAL IMPACT:

BUDGET AMENDMENT REQUIRED:

☐ YES ☒ NO

CAPITAL PROJECT ORDINANCE REQUIRED:

☐ YES ☒ NO

PRE-AUDIT CERTIFICATION REQUIRED:

☐ YES ☒ NO

REVIEWED BY DIRECTOR OF FISCAL OPERATIONS

☐ YES ☒ NO

CONTRACTS/AGREEMENTS:

REVIEWED BY TOWN ATTORNEY:

☐ YES ☒ NO ☐ N/A

ADVISORY BOARD RECOMMENDATION: N/A

TOWN ADMINISTRATOR'S RECOMMENDATION: Approval of release of bonds for road work in Phase I of Solserra.

FINANCE RECOMMENDATION: N/A

ATTACHMENTS:

1. Drapac's Request Letter
2. Town's release letter
3. Last Agreement to Bond for reference as well as a copy of the bond

ACTION OF THE BOARD OF ALDERMEN

APPROVED:

☐

DENIED:

☐

ATTEST:

CLERK TO THE BOARD

**DEFERRED
UNTIL:**

SIGNATURE

OTHER:



May 6, 2025

Via Electronic Mail

Town of Shallotte
Attn: Mimi O'Sullivan Gaither
106 Cheers Street
Shallotte, North Carolina 28459

Dear Mimi,

RE: Request for Release of Cash Bond – San Rio, Phase I Project

On behalf of Stars & Stripes 2I, LLC ("Stars"), I am writing to formally request the release of the original cash bond in the amount of \$203,521.00 held by the Town of Shallotte (the "Town") pursuant to that certain Cash Bond Escrow Agreement dated effective May 5, 2015, and executed by the Town on May 6, 2015 (the "Agreement"), relating to the San Rio, Phase I Project (the "Project").

In accordance with Section 5 of the Agreement, all utilities, infrastructure, and improvements described in **Exhibit A** have been completed by Stars and accepted as complete by the Town Engineer. As such, we respectfully request the full release and disbursement of the remaining balance of the original cash bond in the amount of \$203,521.00.

All obligations outlined in the agreement and subsequent amendments have been satisfied, and we respectfully request that the Town initiate the release process for the original bond amount.

Please let us know if any additional documentation is needed to complete the release.

STARS & STRIPES 2I, LLC,
a Delaware limited liability company

By: 

Name: Amanda Avery

Title: Manager of DSSII Holding Co, LLC, its Managing Member

U.S. – CORPORATE HEADQUARTERS

1031 Marietta Street NW
Atlanta, GA 30318
T +1 404 480 4900
E contact@drapacgroup.com

AUSTRALIA

Level 1, 373 Queen Street
Melbourne VIC 3000
T +61 9321 2500
E contact@drapacgroup.com



May 6, 2025

Via Electronic Mail

Town of Shallotte
Attn: Mimi O'Sullivan Gaither
106 Cheers Street
Shallotte, North Carolina 28459

Dear Mimi,

RE: Request for Release of Surety Bond – San Rio, Phase I Project

On behalf of Stars & Stripes 2I, LLC ("Stars"), I am writing to formally request the release of the \$50,000.00 surety bond issued through International Fidelity Insurance Company, Bond No. 0721322, held by the Town of Shallotte (the "Town") pursuant to that certain Cash Bond Escrow Agreement dated effective May 5, 2015, and executed by the Town on May 6, 2015 (the "Agreement"), relating to the San Rio, Phase I Project (the "Project").

In accordance with Section 5 of the Agreement, all utilities, infrastructure, and improvements described in **Exhibit A** have been completed by Stars and accepted as complete by the Town Engineer. As such, we respectfully request the full release of the surety bond amount of \$50,000.00.

All obligations outlined in the agreement and subsequent amendments have been satisfied, and we respectfully request that the Town initiate the release process of the surety bond.

Please let us know if any additional documentation is needed to complete the release.

STARS & STRIPES 2I, LLC,
a Delaware limited liability company

By: 

Name: Amanda Avery

Title: Manager of DSSII Holding Co, LLC, its Managing Member

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TOWN OF SHALLOTTE

Post Office Box 2287 • Shallotte, North Carolina 28459

Telephone: (910) 754-4032 • Facsimile: (910) 754-2740

May 8, 2025

Kenneth Chapman
Allegheny Casualty Company
One Newark Center, 20th Floor
Newark NJ 07102-2507

Dear Mr. Chapman

Please be aware that San Rio Phase 1 has been completed. The Town of Shallotte hereby releases Bond # 0721322 in the amount of \$50,000.00 for the San Rio Phase 1 Project.

Should you have any questions or need additional information, please feel free to contact me.

Regards,

Mimi Gaither
Town Manager
Town of Shallotte

Cc: Million Tsegay
Real Estate Paralegal
Drapac Capital Partners
1031 Marietta St NW, Suite A
Atlanta GA 30318

With a copy to: Laura Thompson, Esq.
5401 Selllers Rd Suite 4
Shallotte NC 28470

To the Surety: Kenneth Chapman
Allegheny Casualty Company
One Newark Center, 20th Floor
Newark NJ 07102-2507

To the Developer: Million Tsegay
Real Estate Paralegal
Drapac Capital Partners
1031 Marietta St NW, Suite A
Atlanta GA 30318

Amanda Avery
Stars & Stripes 21, LLC
Managing Member
DSSII Holding Co, LLC.



TOWN OF SHALLOTTE

Post Office Box 2287 • Shallotte, North Carolina 28459

Telephone: (910) 754-4032 • Facsimile: (910) 754-2740

May 8, 2025

Million Tsegay

Real Estate Paralegal
Drapac Capital Partners
1031 Marietta St NW, Suite A
Atlanta GA 30318

Dear Ms. Tsegay

Please be aware that San Rio Phase 1 has been completed. The Town of Shallotte hereby releases the cash bond in the amount of \$203,521.00 for the San Rio Phase 1 Project. Please find enclosed a check for the amount of the cash bond.

Should you have any questions or need additional information, please feel free to contact me.

Regards,

Mimi Gaither
Town Manager
Town of Shallotte

Cc: Amanda Avery
Stars & Stripes 21, LLC
Managing Member
DSSII Holding Co, LLC.

With a copy to: Laura Thompson, Esq.
5401 Selllers Rd Suite 4
Shallotte NC 28470

To the Developer: Million Tsegay
Real Estate Paralegal
Drapac Capital Partners
1031 Marietta St NW, Suite A
Atlanta GA 30318

Amanda Avery
Stars & Stripes 21, LLC
Managing Member
DSSII Holding Co, LLC.

FOURTH AMENDMENT TO
CASH BOND ESCROW AGREEMENT
SAN RIO, PHASE 1 PROJECT
Town of Shallotte, NC
Stars & Stripes 21, LLC

This Fourth Amendment to Cash Bond Escrow Agreement is made and entered into the 5th day of May 2023 by and between Stars & Stripes 21, LLC, a Delaware limited liability company ("Stars"), and the Town of Shallotte, a political subdivision of the State of North Carolina ("Town"), with reference to the following facts:

Recitals

- A. Stars and the Town entered into that certain Cash Bond Escrow Agreement for the San Rio, Phase I Project, having an effective date of May 5, 2015 and executed by the Town on May 6, 2015 wherein \$203,521.00 was deposited with the Town (the "Bond Amount"), as amended by that certain First Amendment to Cash Bond Escrow Agreement dated April 21, 2017 and that certain Second Amendment to Cash Bond Escrow Agreement dated April 8, 2019 and that certain Third Amendment to Cash Bond Escrow Agreement and Surety Bond dated May 4, 2021 (the "Agreement").
- B. Section 2 of the First Amendment established May 5, 2019, as the "Bond Completion Date" under the Agreement which was extended to May 5, 2021 and the bond amount was increased by \$50,000.00 to a total amount of \$253,521.00 pursuant to the Second Amendment to Cash Bond Agreement dated April 8, 2019. A surety bond for the \$50,000.00 additional amount was obtained with a Bond Number of 0721322 through International Fidelity Insurance Company. The Second Amendment established May 5, 2021 as the "Bond Completion Date" under the Agreement which was extended to May 5, 2023 pursuant to the Third Amendment to Cash Bond Agreement dated May 4, 2021.
- C. Stars has requested, and the Town has approved, the extension of the Bond Completion Date as set forth herein on the terms and conditions which follow.

Now, therefore, for and in consideration of the mutual covenants and promises set forth herein, the forbearance of certain rights, and the continuation of the Agreement, the parties agree as follows:

Agreement

- 1. The above recitals are true and correct, and are incorporated herein by reference.
- 2. The Bond Completion Date pursuant to Section 4 of the Cash Bond Escrow Agreement for the San Rio Phase I Project is hereby extended through and including May 5, 2025; provided, however the bond completion date extension date set forth herein is expressly conditioned on the following:

That within forty-five (45) days after the execution of this Fourth Amendment, Stars shall:

- a. Tender to the Town a standard surety bond issued by a surety licensed to do business in the State of North Carolina, in commercial form reasonably acceptable to the Town, for the \$50,000.00 Bond Amount (the "Supplemental Surety Bond") to replace Bond Number 0721322 or tender a verification certificate acceptable to the Town issued from the surety acknowledging that Bond 0721322 continues in full force and effect until the San Rio Project is completed and accepted by the Town.

TOWN OF SHALLOTTE, NORTH CAROLINA

By: [Signature]
Print Name: Walter E. Gossard
Title: Mayor

Attest:

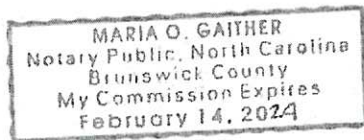
Natalie Goins
Town Clerk



State of North Carolina
County of Brunswick

I, MARIA OGATHER, notary public for the aforesaid State and County, certify that NATALIE GOINS personally came before me this day and acknowledged that he/she is TOWN CLERK of the Town of Shallotte, a North Carolina municipality, and that by authority duly given and as the act of the Town, the foregoing instrument as signed by him/her in such capacity for the Town.

Witness my hand and notarial seal this 4th day of MAY, 2023.



[Signature]
Notary Public

Print Name: MARIA O GAITHER
My commission expires: 2.14.24



VERIFICATION CERTIFICATE

Bond No.: 0721322

THIS IS TO CERTIFY that Subdivision Improvements **Performance Bond No. 0721322** was issued by **International Fidelity Insurance Company**, dated May 1st, 2019, in the amount of FIFTY THOUSAND & 00/100 (\$50,000) on behalf of Stars & Stripes 2I, LLC as Principal, and in favor of Town of Shallotte as Obligee, is continuous and will remain in force until the **San Rio, Phase 1 Project** is completed and accepted by the obligee; that said bond remains in full force and effect and will continue in full force and effect until closed.

Signed, Sealed and Dated May 5th , 2023

International Fidelity Insurance Company

By: 

/ Attorney-in-Fact

POWER OF ATTORNEY
HARCO NATIONAL INSURANCE COMPANY
INTERNATIONAL FIDELITY INSURANCE COMPANY

Bond # 0721322

Member companies of IAT Insurance Group, Headquartered: 4200 Six Forks Rd, Suite 1400, Raleigh, NC 27609

KNOW ALL MEN BY THESE PRESENTS: That HARCO NATIONAL INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having their principal offices located respectively in the cities of Rolling Meadows, Illinois and Newark, New Jersey, do hereby constitute and appoint

VALERIE TAKEUCHI, CHRISTINA PARSONS, ALICIA DASS, KAREN RHODES, ROSSIO POLIO, KELLY HOLTEMANN, THOMAS E. HUGHES, CHARLES R. SHOEMAKER, ZACHARY OVERBAY, MARK M. MUNEKAWA, NERISSA S. BARTOLOME, ANDREW S. HOLLOWAY, JOAN DELUCA, PATRICK R. DIEBEL, YVONNE RONCAGLIOLO

San Francisco, CA

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said HARCO NATIONAL INSURANCE COMPANY and INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of HARCO NATIONAL INSURANCE COMPANY and INTERNATIONAL FIDELITY INSURANCE COMPANY and is granted under and by authority of the following resolution adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting duly held on the 13th day of December, 2018 and by the Board of Directors of HARCO NATIONAL INSURANCE COMPANY at a meeting held on the 13th day of December, 2018.

"RESOLVED, that (1) the Chief Executive Officer, President, Executive Vice President, Senior Vice President, Vice President, or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, HARCO NATIONAL INSURANCE COMPANY and INTERNATIONAL FIDELITY INSURANCE COMPANY have each executed and attested these presents on this 31st day of December, 2022



STATE OF NEW JERSEY
County of Essex

Kenneth Chapman

Executive Vice President, Harco National Insurance Company
and International Fidelity Insurance Company

STATE OF ILLINOIS
County of Cook



On this 31st day of December, 2022, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of HARCO NATIONAL INSURANCE COMPANY and INTERNATIONAL FIDELITY INSURANCE COMPANY; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

Shirelle A. Outley a Notary Public of New Jersey
My Commission Expires April 4, 2023

CERTIFICATION

I, the undersigned officer of HARCO NATIONAL INSURANCE COMPANY and INTERNATIONAL FIDELITY INSURANCE COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand on this day, May 05, 2023

A00467

Irene Martins, Assistant Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

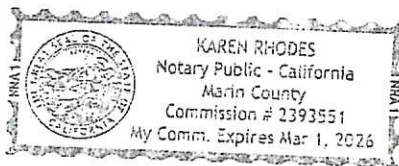
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Marin)
 On May 5, 2023 before me, Karen Rhodes, Notary Public,
 Date Here Insert Name and Title of the Officer
 personally appeared Joan DeLuca
 Name(s) of Signer(s)

who 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.

I certify under PENALTY OF PERJURY under the laws
 of the State of California that the foregoing paragraph
 is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]
 Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or
 fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
 Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
<input type="checkbox"/> Corporate Officer — Title(s): _____	<input type="checkbox"/> Corporate Officer — Title(s): _____
<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General	<input type="checkbox"/> Partner — <input type="checkbox"/> Limited <input type="checkbox"/> General
<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact	<input type="checkbox"/> Individual <input type="checkbox"/> Attorney in Fact
<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator	<input type="checkbox"/> Trustee <input type="checkbox"/> Guardian or Conservator
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Other: _____
Signer Is Representing: _____	Signer Is Representing: _____