FORM APPROVED COUNTY COUNSEL
BY: MARSHA T. VICTOR 7/17/13 DATE

Departmental Concurrence

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

362

FROM: Economic Development Agency

SUBMITTAL DATE:
July 18, 2013

SUBJECT: Larry D. Smith Correctional Facility Warehouse – Acceptance of Project and Notice of Completion

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file the voluntary Notice of Default and Assignment letter from Federal Insurance Company (Federal), surety for ASR Constructors, Inc. (ASR) and declare ASR in default;

2. Authorize the Economic Development Agency (EDA) to issue Notice to the Escrow Agent, Citibank, that a default has occurred and requesting monies be forwarded to EDA pursuant to the terms of the escrow agreement;

(Continued)

REVIEWED BY CIP
Christopher Hans

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY Lisette Rose 7/18/13
Lisette Rose

Robert Field
Assistant County Executive Officer/EDA

By: Raymond Higgs, Chief Deputy 7/23/13
Sheriff's Department

FINANCIAL DATA				
	Current F.Y. Total Cost:	$ 227,182	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	$ 227,182	Budget Adjustment:	No
	Annual Net County Cost:	$ 0	For Fiscal Year:	2013/14

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Department Savings from FY 2009/10 General Fund Designation Funds

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent

County Executive Office Signature

Dep't Recomm.: ☐ Consent ☒ Policy

Per Exec. Ofc.: ☐ Consent ☒ Policy

2013 JUL 24 AM 8:26
CLERK OF THE BOARD OF SUPERVISORS
RECEIVED RIVERSIDE COUNTY

Prev. Agn. Ref.: 3.95 of 8/31/10; 3.26 of 5/18/10 | **District:** 5/5 | **Agenda Number** 3-24

(Rev 08/2010)

EDA-001a-F11-Departmental Concurrence
Form 11 (Rev 06/2003)

RECOMMENDED MOTION: (Continued)

3. Ratify and approve Change Order No. 3 in the amount of $71,291 to complete the construction of the Larry D. Smith Correctional Facility Warehouse Project and find the work integral to complete the project and that competitive bidding would not produce an advantage and be impractical for the work;

4. Accept the Larry D. Smith Correctional Facility Warehouse Project constructed by ASR Constructors, Inc. (ASR) as complete, and authorize the Clerk of the Board to record the Notice of Completion;

5. Authorize the release of payments including $145,446 in retained funds to Federal, in accordance with the Notice of Default and Assignment and the contract terms upon completion of all outstanding punch list items;

6. Approve an $81,736 adjustment to the project budget; and

7. Authorize the use of $30,000 in Tobacco Securitization funds.

BACKGROUND:

On August 31, 2010, the Board of Supervisors approved the construction agreement between the County of Riverside and ASR, in the amount of $1,265,000, for the construction of the Larry D. Smith Correctional Facility Warehouse project. The project consisted of constructing a new 10,000 square foot warehouse to handle the increase of inmates to store their personal and institutional clothing and other necessary inmate supplies. During construction, two change orders in the combined amount of $118,173 were approved, increasing the total contract value to $1,383,173.

Prior to issuance of payment under pay applications No. 9 and No. 10, stop notices were filed on the project and subsequent thereto, a Notice of Default and Assignment was received from ASR and Federal. ASR has experienced financial difficulties and assigned their rights to Federal on March 14, 2013. Federal, pursuant to their obligations under the bonds, has been arranging for the resolution of outstanding stop notices and completion is being prepared for the project.

Federal's counsel has endeavored to work with Citibank to modify the escrow agreement to authorize payment directly in the name of Federal pursuant to the Notice of Default and Assignment; however Citibank is being non-responsive. Under the escrow agreement, the county may make claim against the funds upon a default of the contractor. EDA therefore proposes to issue such a declaration to Citibank based upon the Notice of Default issued to the county from ASR and Federal.

It is recommended that the Board of Supervisors approve the motions authorizing EDA staff to work with Federal to clear up all outstanding issues on the project, and make payment to Federal for work completed in accordance with the contract.

(Continued)

BACKGROUND: (Continued)

Change Order No. 3 addresses construction related issues that were either discovered during construction or not associated with the design of the project and will exceed the 10% contingency. The change order will compensate ASR Constructors, Inc. in the amount not-to-exceed $71,291 for work essential to complete the project. Such items include the need to connect to a water source that provides enough water pressure for the new warehouse building. The existing main waterline did not have adequate water pressure; a new water main was installed during construction of the Larry D. Smith 3rd Jail expansion project which provided the water pressure necessary for the new building and future projects. The City of Banning required the county to install sewer monitoring devices to measure the water usage at the facility. They indicated two locations where these monitors needed to be installed, one utilized an existing manhole inside the facility, and the other required a new manhole to be constructed at the furthest point of the sewer line to get a total discharge reading of the facility.

The project has been inspected and found to comply with all contract requirements. This Board action will release $145,446 in retained funds to ASR Constructors.

Original Contract Amount	1,265,000
Change Order No. 1	88,542
Change Order No. 2	29,631
Change Order No. 3	71,291
Revised Contract Value	**$ 1,454,464**

*Percentage of contract change orders to initial contract – 15%

The approximate allocation of the budget adjustment is as follows:

Original Project Budget	1,734,700
Project Budget Overrun	81,736
Revised Total Project Budget	**$ 1,816,436**

All costs associated with this agreement will be fully funded through General Fund Designation Funds and Tobacco Securitization funds.

Attachments:

Copy of Change Order No. 3
Notice of Completion
Notice of Default and Assignment

PLEASE COMPLETE THIS INFORMATION
RECORDING REQUESTED BY:

KECIA HARPER-IHEM, CLERK OF THE BOARD
4080 LEMON STREET, 1ST FLOOR CAC
P O BOX 1147 – RIVERSIDE, CA 92502

MAIL STOP # 1010

AND WHEN RECORDED MAIL TO:
RETURN TO: STOP #1010
RIVERSIDE COUNTY CLERK OF THE BOARD
P. O. BOX 1147 – RIVERSIDE, CA 92502

THIS SPACE FOR RECORDERS USE ONLY

NOTICE OF COMPLETION

(California Civil Code §§ 8180-8190, 8100-8118)

To be recorded with County Recorder within 15 days after completion.

Notice is hereby given by the undersigned owner, a public entity of the State of California, that a public work of improvement has been completed, as follows:

Project title or description of work: Larry D. Smith Correctional Facility Warehouse (FM08250003995)

Date of Completion: Date Hereof

Nature of owner: Public Entity

Interest or estate of owner: In Fee

Address of owner: Clerk of the Board of Supervisors, County Administrative Center, 4080 Lemon St., Riverside, CA 92501

Name/address of direct contractor: ASR Constructors, Inc, 5230 Wilson Street, Riverside, CA 92509

Street or legal description of site: 1627 S. Hargrave Street, Banning, CA 92220

Dated:

Owner: County of Riverside
(Name of Public Entity)

By: _____
John J. Benoit, Chairman, Board of Supervisors

STATE OF CALIFORNIA)
ss
COUNTY OF RIVERSIDE)

I am the Chairman of the governing board of the County of Riverside, the public entity which executed the foregoing notice and on whose behalf I make this verification; I have read this notice, know its contents, and the same is true. I certify under penalty of perjury that the foregoing is true and correct.

ATTEST: Kecia Harper-Ihem, Clerk

Executed at Riverside, California on _____

By: _____
Deputy

_____
John J. Benoit, Chairman, Board of Supervisors

FORM APPROVED COUNTY COUNSEL
BY: MR Victor 7/17/13
MARSHAL VICTOR DATE
Updated 12/2012

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY

COPY

CHANGE ORDER NO. 3

Date: 5/2/2013

Project: Larry D. Smith Warehouse

To Contractor:
ASR
5230 Wilson Street
Riverside, CA 92509

Project No: FM08250003995

Distribution:
Project Manager
Contractor
Fiscal
Construction Manager
Inspector
Architect/Engineer

You are directed to make the following changes. Changes shall include labor, material and equipment; each item to include all charges or indirect arising out of this work:

1)	Fire line installation COR #16	ADD	$	33,674.80
2)	Electrical subpanel COR #20	ADD	$	1,957.10
3)	Fire alarm modification COR #21	ADD	$	6,255.34
4)	Install electrical conduit COR #	ADD	$	8,288.99
5)	Install sewer manhole COR #2R	ADD	$	21,114.32

The specifications, where pertinent, shall apply to these changes.
This Change Order provides for a time extension of 0 calendar days

Original Contract Duration (calendar days)	180
Prior Authorized Time Extension (calendar days)	13
Revised Construction Duration (calendar days)	193
Original Contract Completion Date:	8/28/2011
Revised Contract Completion Date:	9/22/2011

NOTE: This change order is not effective until ALL signatures below are obtained, and if applicable, signature authority approval by Form 11 as indicated per Change Order Guidelines.

The undersigned contractor has given careful consideration to the change proposed, including its effect on other work already contracted for, and hereby agrees, if this change order is approved, that he will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment for all costs related in any way thereto the prices shown above.

1) Contractor (signature) 6/3/13 Date

Anne Rogers
Contractor's Printed name

2) T.L. Miller 7/17/13
EDA Designee (Signature) Date

Tim Miller
Assistant Director
Printed name

3) Architect (signature) Date

Architect's Printed name

4) Project Manager (signature) 6/10/13 Date

Frank J. Gonzales
Project Manager's Printed name

Original Contract	$ 1,265,000.00
Prior Authorized [ ] ADD [ ] DED	$ 118,172.66
Total Contract Prior to this Change	$ 1,383,172.66

Authorized Changes on this C.O.:
Addition $ 71,290.55
Deduction $ 0.00

NET: [X] Addition ~~[ ] Deduction~~ $ 71,290.55

Amount of Contract Authorized Including this Change Order $ 1,454,463.21

Pursuant to:
[ ] Board Policy B-11
[ ] M.O. and Date

EDA Change Order Form - Revised 1-10-12

ASR Constructors, Inc.

5230 Wilson Street, Riverside, CA 92509
Phone (951) 779-6580 FAX (951) 779-6588

Change Order Request No. 16

TO: County of Riverside - EDA
3403 10th Street, Suite 400
Riverside, California 92507-4199

Attn: Frank Gonzales
cc.

JOB NAME: Larry D. Smith Corr. Fac.

ASR JOB # 867

CLIENT JOB NUMBER

WE SUBMIT THE FOLLOWING ESTIMATE / SCHEDULE OF COSTS IN RESPONSE TO:

WRITTEN REQUEST FOR ESTIMATE: Plan Revisions

VERBAL REQUEST: Revised Per Site Meeting

ORDER TO PROCEED:

Refer to the attached page for the unit cost proposal

The items included are as follows:

1) Revised Fire Service connection/piping at north property line

	$	-
	$	29,030.00
Contractor Mark-Up:	$	4,354.50
Bond:	$	290.30
(See the attached pages for breakdown)		
NET: Add / (Deduct)	**$**	**33,674.80**

xc:

NOTES:

1. THIS WORK WILL NOT BE DONE UNTIL APPROVED AND A WRITTEN CHANGE ORDER IS ISSUED _____
2. A SIGNATURE BELOW AUTHORIZES US TO PROCEED WITH THE WORK DESCRIBED ABOVE, AT THE STATED PRICES. YOUR ACCOUNTING DEPARTMENT IS AUTHORIZED TO ISSUE PAYMENT AS INDICATED _____
3. EXTENSION OF TIME NECESSARY FOR THIS CHANGE IS 10 (Ten) CONSECUTIVE WORKING DAYS.
4. THIS WORK WAS PERFORMED IN ACCORDANCE WITH YOUR AUTHORIZATION TO PROCEED. PLEASE ISSUE CHANGE ORDER_____

CLIENT'S NAME: County of Riverside - EDA

BY: _____

DATE: _____

BY: Glenn A. Kovac

TITLE: Project Manager

DATE: 9/7/2011

County of Riverside - EDA
Larry D. Smith Corr. Facility
September 7, 2011
Work Description:

ASR Constructors, Inc.
5230 Wilson Street, Riverside, CA 92509
Phone: (951) 779-6580 Fax: (951) 779-6588

Revised Fire Service connection at north property line

	LABOR	EQUIPMENT	MATERIALS	SUBCONT	BOND	CONTRACT	TOTAL
DIRECT COST TOTALS	$ 11,350.00	$ 1,584.00	$ 13,420.00	$ 2,676.00		$ -	$ -
LABOR SURCHARGE	$ -						$ -
LABOR SUBTOTAL	$ 11,350.00						$ -
OH/P MARKUP	$ -						$ -
EQUIPMENT MARKUP		$ -					$ -
MATERIAL MARKUP			$ -				$ -
SUBCONTRACTOR MARKUP				$ -			$ -
BOND					$ -		$ -
TOTALS	$ 11,350.00	$ 1,584.00	$ 13,420.00	$ 2,676.00	$ -	$ -	$ 29,030.00

Activity:

QUANTITY: 1 LS — UNIT PRICE $ 26,354.00

ASR Constructors, Inc.	QTY	UNIT	DESCRIPTION	RATE	HRS/Units	LABOR	EQUIPMENT	MATERIALS	SUBCONT	SPECIALTY	CONTRACT	TOTAL
Foreman	1	LS	Labor	$ 75.00	72	$ 5,400.00	$ -	$ -	$ -	$ -	$ -	$ 5,400.00
Journeyman	1	LS	Labor	$ 55.00	56	$ 3,080.00	$ -	$ -	$ -	$ -	$ -	$ 3,080.00
Pipe Tradesman	1	LS	Labor	$ 35.00	72	$ 2,520.00	$ -	$ -	$ -	$ -	$ -	$ 2,520.00
Coring Crew	1	LS	Labor	$ 87.50	4	$ 350.00	$ -	$ -	$ -	$ -	$ -	$ 350.00
Backhoe	1	LS	Equipment	$ 22.00	72	$ -	$ 1,584.00	$ -	$ -	$ -	$ -	$ 1,584.00
Fill Sand	1	LS	Materials	$ 25.00	50	$ -	$ -	$ 1,250.00	$ -	$ -	$ -	$ 1,250.00
Trench Plates	1	LS	Materials	$ 525.00	1	$ -	$ -	$ 525.00	$ -	$ -	$ -	$ 525.00
Concrete Thrust Blocks	1	LS	Materials	$ 650.00	1	$ -	$ -	$ 650.00	$ -	$ -	$ -	$ 650.00
Slurry Backfill	1	LS	Materials	$ 750.00	1	$ -	$ -	$ 750.00	$ -	$ -	$ -	$ 750.00
Trench Jacks / Shoring	1	LS	Materials	$ 395.00	1	$ -	$ -	$ 395.00	$ -	$ -	$ -	$ 395.00
Pipe, Fittings, Backflow	1	LS	Materials	$ 9,850.00	1	$ -	$ -	$ 9,850.00	$ -	$ -	$ -	$ 9,850.00
TOTALS				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Notes						$ 11,350.00	$ 1,584.00	$ 13,420.00	$ -	$ -	$ -	$ 26,354.00

ACTIVITY:

QUANTITY: 1 LS — UNIT PRICE $ 2,676.00

Subcontractors	QTY	UNIT	DESCRIPTION	RATE	HRS/Units	LABOR	EQUIPMENT	MATERIALS	SUBCONT	SPECIALTY	CONTRACT	TOTAL
DAART	1	LS	Complete	$ 2,676.00	1	$ -	$ -	$ -	$ 2,676.00	$ -	$ -	$ 2,676.00
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTALS						$ -	$ -	$ -	$ 2,676.00	$ -	$ -	$ 2,676.00
Notes												

ACTIVITY:

QUANTITY: 1 ls — UNIT PRICE $ -

Daart Engineering Co., Inc.	Change Request
To: ASR	*Date:* 9/7/11
Project: Larry D Smith Warehouse	*From:* Tim Cantwell
Spec. Section: FIRE PROTECTION	

Reference:

Cost additive associated with the following modifications.
Description of work:
Additional engineering due to water supply issue; perform calculations and (3) flow test.

Material	$
Field labor	
Engineering (16 hrs x $55)	880
Fabrication	
Flow test (3 x $450)	1,350
Subtotal	$ 2,230
Markup	446
Total	$ 2,676

Acceptance:

_____

Date:

_____

ASR CONSTRUCTORS, INC.
LARRY D SMITH CORRECTIONAL FACILITY

COR No.: ~~#020~~ #019
Date: 11/1/2011
Reference RFI:
Reference Change Item:

Contractor: ASR Constructors, Inc.

DESCRIPTION:
Additional cost for adding a subpanel

Contractor Costs *(used when work is self-performed)*

Description	Unit	Quantity	Unit Price	Totals
GBI	ls	1	1845.45	1845.45
Subtotals				$ 1,845.45
Contractor OH and Profit (05%)				$ 92.27
			Contractor totals	$ 1,938
			Contractor Bond (1%)	$ 19.38
			TOTAL COSTS FOR COR:	$ 1,957.10

Contractor Time

TOTAL TIME FOR COR: 2 **days**

CONTRACTOR: ASR Constructors, Inc.

Submitted by MICHAEL TRAN **Date:** 11/1/2011
Michael Tran, Project Manager
ASR Constructors, Inc.

Approved by _____ **Date:** _____
Signature

_____
Print Name/Title

551 Heritage Place
Palmdale, CA. 93550
661 947-0551
661 947-4551Fax
ggonzalez@gbielectric.com

GBI Electric Co., Inc.

Lic#927175

CHANGE ORDER PROPOSAL

October 19, 2011

Mike Tran/ Kevin Kingsfield
ASR Constructors Inc.
5230 Wilson Street
Riverside, CA. 92509

REF: Larry Smith Correctional Facility

Project#: GBI#11-117

Change Order #: 02 Add Subpanel

Description:

Pursuant to Owner and ASR request , we are submitting our cost for the following Change In Scope Of Work:

- Add (1) 100Amp, 120/208V subpanel with main lugs only and 24, 20Amp 1Pole Circuit Breakers, (2) 20Amp 2Pole for Unit Heaters and (1) 60Amp 2Pole for Battery Charger.

Total Cost: $ 1,845.45

Please process and adjust our contract accordingly to reflect added Cost.

Sincerely,

Gilbert Gonzalez
Project manager

"Team Safety First"

COST BREAKDOWN:

Project: Larry Smith Correctional
Location: Banning, CA
REF: Add Panelboard.

Item#	Description of Item	Qty	Unit	Labor Unit (HR)	Labor Hours	Labor Cost	Mat'l Unit/$	Mat'l Cost	Extended Cost
				65					
1	100Amp Load Center with 24, 1P	1	Ea	8	8	$520.00	$800.00	$800.00	1,320.00
	Breakers, (2) 20Amp 2Pole, (1) 60Amp								
	Surface Mount, Feed from Adjacent								
	Main Panel with 3Pole, 100 BAB								
2	1 1/2" x 12" RGS Nipple	1	Ea	0.5	0.5	32.5	12.00	12.00	44.50
3	#1 THHN Copper Wire	20	LF	0.1	2	130	3.00	60	190.00
								Taxes	$85.02
						Labor		Materials	
						$683		$872.00	
									$1,639.52
							P/OH	15%	$ 245.93
							Grand Total		$ 1,885.45

PROJECT MGMT OFFICE
2012 MAY -8 PM 3:39

INVOICE # 5083

FROM:

ASR CONSTRUCTORS, INC.
5230 Wilson St.
Riverside, Ca. 92509
(951) 779-6580

Date: 5/8/2012
Contract
ASR JOB #867

BILL TO:
COUNTY OF RIVERSIDE-EDA
3403 10TH ST SUITE 400
RIVERSIDE, CA 92507-4199
Attn: FRANK GONZALES

JOB: LARRY SMITH # 3

Reference: Provide all materials and labor to install a monitoring manhole for the existing sewer line at the southwest area of the correctional facility-per attached documentation

THIS BILLING AMOUNT	$21,114.32	@ 100% Complete	$21,114.32

TOTAL	$ 21,114.32
This Invoice	$ 21,114.32

Thank You,

Alan Regotti
President, ASR

2012 MAY -9 PM 3:35
Accounting & Finance
FM/AP

CONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT

California Civil Code Section 3262(d) (3)

Job/Acct # 867 - Larry Smith # 3

Upon receipt by the undersigned of a check from COUNTY OF RIVERSIDE - EDA in the sum of $ 21,114.32 payable to ASR CONSTRUCTORS, INC. and when the check has been properly endorsed and has been paid by the bank upon which it is drawn, this document shall become effective to release any mechanics' lien, stop notice, or bond right the undersigned has on the job of: COUNTY OF RIVERSIDE – EDA FOR MONITORING MANHOLE FOR SEWER LINE located at: LARRY D SMITH CORRECTIONAL FACILITY – SOUTHWEST AREA - # 3

This release covers the final payment to the undersigned for all labor, services, equipment or material furnished on the job, except for disputed claims for additional work in the amount of $ 0.

Before any recipient of this document relies on it, the party should verify evidence of payment to the undersigned.

Date: 5-8-12

ASR CONSTRUCTORS, INC.
(COMPANY NAME)

By: _____
(SIGNATURE)

Alan Recotti - President
(PRINT NAME)

NOTE: CIVIL CODE 3262 (d) (3) PROVIDES: Where the claimant is required to execute a waiver and release in exchange for, or in order to induce the payment of, a final payment and the claimant is not, in fact, paid in exchange for the waiver and release or a single payee check or joint payee check is given in exchange for the waiver and release, the waiver and release shall follow substantially the form set forth above.

ASR Constructors, Inc.

5230 Wilson Street, Riverside, CA 92509
Phone (951) 779-6580 FAX (951) 779-6588

Change Order Request No. 02R

TO: County of Riverside - EDA
3403 10th Street, Suite 400
Riverside, California 92507-4199

Attn: Frank Gonzales
cc.

JOB NAME: Larry D. Smith Corr. Fac.

ASR JOB # 867

CLIENT JOB NUMBER

WE SUBMIT THE FOLLOWING ESTIMATE / SCHEDULE OF COSTS IN RESPONSE TO:

WRITTEN REQUEST FOR ESTIMATE:

VERBAL REQUEST:

ORDER TO PROCEED:

Refer to the attached page for the unit cost proposal

The items included are as follows:

1) Provide all materials and labor to install a monitoring manhole for the existing sewer line at the southwest area of the correctional facility

	$	-
	$	18,202.00
Contractor Mark-Up:	$	2,730.30
Bond:	$	182.02
(See the attached pages for breakdown)		
NET: Add / (Deduct)	$	21,114.32

xc:

NOTES:

1. THIS WORK WILL NOT BE DONE UNTIL APPROVED AND A WRITTEN CHANGE ORDER IS ISSUED
2. A SIGNATURE BELOW AUTHORIZES US TO PROCEED WITH THE WORK DESCRIBED ABOVE, AT THE STATED PRICES. YOUR ACCOUNTING DEPARTMENT IS AUTHORIZED TO ISSUE PAYMENT AS INDICATED
3. EXTENSION OF TIME NECESSARY FOR THIS CHANGE IS 0 (Zero) CONSECUTIVE WORKING DAYS.
4. THIS WORK WAS PERFORMED IN ACCORDANCE WITH YOUR AUTHORIZATION TO PROCEED. PLEASE ISSUE CHANGE ORDER

CLIENT'S NAME: County of Riverside - EDA

BY:

DATE:

BY: Glenn A. Kovac

TITLE: Project Manager

DATE: 6/15/2011

County of Riverside - EDA
Larry D. Smith Corr. Facility
June 15, 2011
Work Description:

ASR Constructors, Inc.
5230 Wilson Street, Riverside, CA 92509
Phone: (951) 779-6500 Fax: (951) 779-6588

Provide and Install Manhole for existing sewer monitoring

	LABOR	EQUIPMENT	MATERIALS	SUBCONT	BOND	CONTRACT	TOTAL
DIRECT COST TOTALS	$ 8,736.00	$ 1,350.00	$ 8,116.00	$ -		$ -	$ -
LABOR SURCHARGE	$ -						$ -
LABOR SUBTOTAL	$ 8,736.00						$ -
OH/P MARKUP	$ -						$ -
EQUIPMENT MARKUP		$ -					$ -
MATERIAL MARKUP			$ -				$ -
SUBCONTRACTOR MARKUP				$ -			$ -
BOND					$ -		$ -
TOTALS	$ 8,736.00	$ 1,350.00	$ 8,116.00	$ -	$ -	$ -	$ 18,202.00

Activity:

QUANTITY: 1 LS

UNIT PRICE $ 18,202.00

ASR Constructors, Inc.	QTY	UNIT	DESCRIPTION	RATE	HRS/Units	LABOR	EQUIPMENT	MATERIALS	SUBCONT	SPECIALTY	CONTRACT	TOTAL
Labor (see attached)	1	LS	Labor	$ 8,736.00	1	$ 8,736.00	$ -	$ -	$ -	$ -	$ -	$ 8,736.00
Equipment (see attached)	1	LS	Equipment	$ 1,350.00	1	$ -	$ 1,350.00	$ -	$ -	$ -	$ -	$ 1,350.00
Materials (see attached)	1	LS	Materials	$ 8,116.00	1	$ -	$ -	$ 8,116.00	$ -	$ -	$ -	$ 8,116.00
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTALS						$ 8,736.00	$ 1,350.00	$ 8,116.00	$ -	$ -	$ -	$ 18,202.00

Notes

ACTIVITY:

QUANTITY: 1 LS

UNIT PRICE $ -

ASR Constructors, Inc.	QTY	UNIT	DESCRIPTION	RATE	HRS/Units	LABOR	EQUIPMENT	MATERIALS	SUBCONT	SPECIALTY	CONTRACT	TOTAL
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTALS						$ -	$ -	$ -	$ -	$ -	$ -	$ -

Notes

ACTIVITY:

QUANTITY: 1 ls

UNIT PRICE $ -

County of Riverside - EDA
Larry D. Smith Corr. Facility
June 15, 2011
Work Description:

ASR Constructors, Inc.
5230 Wilson Street, Riverside, CA 92509
Phone: (951) 779-6580 Fax: (951) 779-6588

Provide and Install Manhole for existing sewer monitoring

	LABOR	EQUIPMENT	MATERIALS	SUBCONT	BOND	CONTRACT	TOTAL
DIRECT COST TOTALS	$ 8,736.00	$ 1,350.00	$ 8,116.00	$ -		$ -	$ -
LABOR SURCHARGE	$ -						$ -
LABOR SUBTOTAL	$ 8,736.00						$ -
OH/P MARKUP	$ -						$ -
EQUIPMENT MARKUP		$ -					$ -
MATERIAL MARKUP			$ -				$ -
SUBCONTRACTOR MARKUP				$ -			$ -
BOND					$ -		$ -
TOTALS	$ 8,736.00	$ 1,350.00	$ 8,116.00	$ -	$ -	$ -	$ 18,202.00

Activity:

QUANTITY: 1 LS

UNIT PRICE $ 18,202.00

ASR Constructors, Inc.	QTY	UNIT	DESCRIPTION	RATE	HRS/Units	LABOR	EQUIPMENT	MATERIALS	SUBCONT	SPECIALTY	CONTRACT	TOTAL
Labor (see attached)	1	LS	Labor	$ 8,736.00	1	$ 8,736.00	$ -	$ -	$ -	$ -	$ -	$ 8,736.00
Equipment (see attached)	1	LS	Equipment	$ 1,350.00	1	$ -	$ 1,350.00	$ -	$ -	$ -	$ -	$ 1,350.00
Materials (see attached)	1	LS	Materials	$ 8,116.00	1	$ -	$ -	$ 8,116.00	$ -	$ -	$ -	$ 8,116.00
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTALS						$ 8,736.00	$ 1,350.00	$ 8,116.00	$ -	$ -	$ -	$ 18,202.00

Notes

ACTIVITY:

QUANTITY: 1 LS

UNIT PRICE $ -

ASR Constructors, Inc.	QTY	UNIT	DESCRIPTION	RATE	HRS/Units	LABOR	EQUIPMENT	MATERIALS	SUBCONT	SPECIALTY	CONTRACT	TOTAL
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
				$ -	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTALS						$ -	$ -	$ -	$ -	$ -	$ -	$ -

Notes

ACTIVITY:

QUANTITY: 1 ls

UNIT PRICE $ -

To: Whom it may concern

From: Adam Young (ASR Underground Superintendent)

Date: June 14, 2011

Subject: Smith Correctional Facility Wastewater Monitoring Manhole

The new wastewater monitoring manhole installed at Smith Correctional Facility, was installed on a time and material basis. This is the final billing statement.

Labor:

1 Superintendent	6 hours	@78.00	=468.00
1 Foreman	54 hours	@78.00	=4212.00
1 Operator	22 hours	@78.00	=1716.00
1 Journeyman	36 hours	@65.00	=2340.00

Total Labor----------8,736.00

Equipment:

1 John Deer Backhoe	21 hours	@22.00	=462.00
1 Kawasaki Loader	6 hours	@60.00	=360.00
1 Wacker (Vibrator Plate)	4 hours	@10.00	=40.00
2" Trash Pump with hoses	16 hours	@10.00	=160.00
4 - 10" Test Plugs	2 days	@52.00 each	=208.00
1 Water Buffalo	8 hours	@15.00	=120.00

Total Equipment----------1350.00

Materials:

Temp. Fence (9 panels)	15 days	@6.00 a panel	=810.00
60"Wastewater Monitoring Manhole (Complete)		@6208.00	=6208.00
40' of 10" SDR 35 Pipe		@7.30	=292.00
4 - 10" SDR 90's		@120.00	=480.00
4 - 10" SDR Slip Couplings		@55.00	=220.00
2 - 10" Fernco Rubber Couplings		@25.00	=50.00
1 - Gallon of pipe lube		@4.00	=4.00
2 - 90lb bags of mortar mix		@5.00	=10.00
6 - 90lb bags of 4000psi concrete		@7.00	=42.00

Total Materials----------8116.00

Grand Total----------18,202.00

If you have any questions regarding this Time and Material Ticked please contact me.

Adam Young

ASR CONSTRUCTORS, INC.
5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 1 %

AEW#: _____

Authorization of Extra Work

Job Name: Smith Correctional

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 5-9-11

Day of Week: Monday

Specific Description/Location of Work: Superintendent worked on Design and plans, for wastewater monitoring manhole at Smith Correctional Facility

Contractor's Reference Number & Date: _____

Reference Drawing/Sketch Number & Date: _____

Directed by: _____

Manpower Classification	Hours
1 Super	2

Material Description	Quantity

Equipment Description	Quantity	Hours

5-9-11
Date

Matthew Calvin
Signature

Signature represents verification only of work performed, time expended and material or equipment utilized. Above signature does not however represent inspection of any kind.

ASR CONSTRUCTORS, INC.
5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 2%

AEW#: _____

Authorization of Extra Work

Job Name: Smith Correction

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 5-11-11

Day of Week: Wednesday

Specific Description/Location of Work: ASR Foreman Surveyed manhole site and contacted Dig Alert To Have work area marked For utilities.

Contractor's Reference Number & Date: _____

Reference Drawing/Sketch Number & Date: _____

Directed by: _____

Manpower Classification	Hours
1 Foreman	2

Material Description	Quantity

Equipment Description	Quantity	Hours

5-11-11
Date

Matthew Weiss
Signature

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ASR CONSTRUCTORS, INC.
5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 3%

AEW#: _____

Authorization of Extra Work

Job Name: Smith Correctional

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 5-18-11

Day of Week: Wednesday

Specific Description/Location of Work: ASR Superintendent and Foreman attended a meeting on site Today with The City of Banning, as well as representatives From Smith Correctional Facility.

Contractor's Reference Number & Date: _____

Reference Drawing/Sketch Number & Date: _____

Directed by: _____

Manpower Classification	Hours
1 Superintendent	4
1 Foreman	4

Material Description	Quantity

Equipment Description	Quantity	Hours

5-18-11
Date

Matthew Colvin
Signature

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ASR CONSTRUCTORS, INC.
5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 4%

AEW#: _____

Authorization of Extra Work

Job Name: Smith Correctional

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 5-27-11

Day of Week: Monday

Specific Description/Location of Work: A Operator with a Backhoe Grubbed our work area, and Installed Temp Fence.

Contractor's Reference Number & Date: _____

Reference Drawing/Sketch Number & Date: _____

Directed by: _____

Manpower Classification	Hours
1 Operator	6

Material Description	Quantity
Temp Fence Panels	4

Equipment Description	Quantity	Hours
J.D. Backhoe	1	6

5-27-11
Date

Matthew Weiss
Signature

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ASR CONSTRUCTORS, INC.

5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 10 %

AEW#: _____

Authorization of Extra Work

Job Name: Smith Correctional

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 5-31-11

Day of Week: Tuesday

Specific Description/Location of Work: ASR Foreman and Operator Trenched 10' x 10' x 8' Square For new manhole. All Spoil's were moved away with loader and Temp Fence Installed around Hole

Contractor's Reference Number & Date: _____

Reference Drawing/Sketch Number & Date: _____

Directed by: _____

Manpower Classification	Hours
1 Foreman	8
1 Operator	8

Material Description	Quantity
Temp Fence Panels	9

Equipment Description	Quantity	Hours
J.D. Backhoe	1	4
Kawasaki loader	1	6

5-31-11
Date

Matthew Colin
Signature

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ASR CONSTRUCTORS, INC.
5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 15%

AEW#: _____

Authorization of Extra Work

Job Name: Smith Correctional

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 6-1-11

Day of Week: Wednesday

Specific Description/Location of Work: 2 man ASR crew Re-located The existing 10" Sewer main To accomidate The new waste water monotoring manhole.

Contractor's Reference Number & Date: _____

Reference Drawing/Sketch Number & Date: _____

Directed by: _____

Manpower Classification	Hours
1 Foreman	8
1 Journeyman	4

Material Description	Quantity
10" SDR 35	40'
10" SDR 90°	4
Temp Fence Panels	9

Equipment Description	Quantity	Hours
10" Test Plug	1	8
2" Trash Pump	1	8
2" Hoses	100'	8

6-1-11
Date

Matthew Weiss
Signature

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ASR CONSTRUCTORS, INC.
5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 20 %

AEW#: _____

Authorization of Extra Work

Job Name: Smith Correctional

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 6-7-11

Day of Week: Tuesday

Specific Description/Location of Work: Installed 10" SDR 35 pipe that will service new manhole. I ordered and picked up a water buffalo Today which I will deliver to the site tomorrow.

Contractor's Reference Number & Date: _____

Reference Drawing/Sketch Number & Date: _____

Directed by: _____

Manpower Classification	Hours
1 Foreman	8

Material Description	Quantity
Temp Fence	9

Equipment Description	Quantity	Hours
wacker	1	4

6-7-11
Date

Matthew Colvin
Signature

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ASR CONSTRUCTORS, INC.
5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 30 %

AEW#: _____

Authorization of Extra Work

Job Name: Banning Correctional

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 6-8-11

Day of Week: Wednesday

Specific Description/Location of Work: Oldcastle precast poured the Base of The wastewater monotoring manhole Today at approx 9:00 Am. Banning City Inspector stopped By at approx 10:00 Am.

Contractor's Reference Number & Date:

Reference Drawing/Sketch Number & Date:

Directed by:

Manpower Classification	Hours
1 Foreman	8
1 Journeyman	8
Oldcastle Concrete	
Crew. 2 men	4

Material Description	Quantity
1 - 15' Long 2x4	1
1 - 15' Long 2x6	1
Temp Fence	9

Equipment Description	Quantity	Hours
Concrete Truck	1	

6-8-11
Date

Matthew Weiss
Signature

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ASR CONSTRUCTORS, INC.
5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 50%

AEW #: _____

Authorization of Extra Work

Job Name: Smith Correctional

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 6-9-11

Day of Week: Thursday

Specific Description/Location of Work: Inland Concrete came back Today at 8:00 To Stack Manhole Shafts and Ring and Cover. ASR crew Re-connected The 10" Sewer main at approx 2:30

Contractor's Reference Number & Date:

Reference Drawing/Sketch Number & Date:

Directed by:

Manpower Classification	Hours
1- Foreman	8
1- Journeyman	8
2 Man	4
Oldcastle	
Concrete Crew	

Material Description	Quantity
Temp. Fence	9

Equipment Description	Quantity	Hours
10" Test Plug	3	8
2" Trash Pump	1	8
2" Hoses	100'	8

6-9-11
Date

Matthew Cohen
Signature

Signature represents verification only of work performed, time expended and material or equipment utilized. Above signature does not however represent inspection of any kind.

ASR CONSTRUCTORS, INC.
5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 80 %

AEW#: _____

Authorization of Extra Work

Job Name: Smith Correctional

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 6-10-11

Day of Week: Friday

Specific Description/Location of Work: ASR Had a 3 man crew on site Today To BackFill and compact around The new wastewater monitoring manhole.

Contractor's Reference Number & Date:

Reference Drawing/Sketch Number & Date:

Directed by:

Manpower Classification	Hours
1 Foreman	8
1 Operator	8
1 Journeyman	8

Material Description	Quantity
Temp Fence	9

Equipment Description	Quantity	Hours
J.D. Backhoe	1	8
Water Buffalo	1	8

6-10-11
Date

Matthew Colvins
Signature

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ASR CONSTRUCTORS, INC.
5230 Wilson Street
Riverside, CA 92509
909 779-6580 ~ 909 779-6588 (FAX)

% Complete: 90 %

AEW#: _____

Authorization of Extra Work

Job Name: Smith Correctional

Job Number: 867

Location: Banning

Contractor: ASR

Date Performed: 6-13-11

Day of Week: Monday

Specific Description/Location of Work: ASR Had 1 Journeyman on site Today To Install Manhole Grade Rings. Once Installed we poured a concrete Ring around The Ring and Cover.

Contractor's Reference Number & Date:

Reference Drawing/Sketch Number & Date:

Directed by:

Manpower Classification	Hours
1 - Journeyman	8

Material Description	Quantity
90 lb Bags Mortar	2
90 lb 4000psi Concrete	6

Equipment Description	Quantity	Hours
J.D. Backhoe	1	3

6-13-11
Date

Matthew Weiss
Signature

Signature represents verification only of work performed, time expended and material or equipment utilized. Above signature does not however represent inspection of any kind.

ATTORNEYS AT LAW

3 PARK PLAZA, 17TH FLOOR IRVINE, CALIFORNIA 92614-8540
www.sedgwicklaw.com 949.852.8200 phone 949.852.8282 fax

Sedgwick LLP

(949) 567-7817
jonathan.dunn@sedgwicklaw.com

March 14, 2013

Via Certified Mail, Return Receipt Requested
Clerk of the Board of Supervisors
County of Riverside
4080 Lemon Street, 1st Floor
Riverside, California 92501

County of Riverside EDA as Successor Agency
to the Redevelopment Agency for the County
of Riverside
3043 Tenth Street, Suite 500
Riverside, California 92501

Re: Principal: ASR Constructors, Inc.
Project: Larry D. Smith Correctional Facility Support Project Warehouse Building
Obligee: County of Riverside
Bond No.: 8220-00-49
NOTICE OF DEFAULT AND ASSIGNMENT
File No.: 00355-006596

To Whom It May Concern:

By way of introduction, Sedgwick LLP ("Sedgwick") represents Federal Insurance Company ("Federal") who is surety for its principal ASR Constructors, Inc. ("ASR"), with respect to the Larry D. Smith Correctional Facility Support Project Warehouse Building ("Project") for the County of Riverside ("Obligee"). Please be advised ASR informed Federal that it is unable to perform its remaining obligations in connection with the Project. Enclosed please find a copy of the voluntary Notice of Default that ASR provided to Federal in connection with the Project, and please be advised that ASR has assigned all of its rights to Federal regarding the Project.

By this letter, and pursuant to the assignment in the attached letter from ASR, Federal and ASR jointly request that all amounts due or to become due of any nature, including without limitation earned or unearned amounts, extras, change orders, progress, final payments or retained percentages, whether or not held in escrow accounts, Certificates of Deposit or similar accounts or instruments owed on account of the Contract (collectively, "Contract Funds"), be paid to Federal, and mailed directly to:

Federal Insurance Company
c/o Wayne R. Walton, Esq.
15 Mountain View Road
P.O. Box 1616
Warren, New Jersey 07059-1616

This assignment is also irrevocable unless altered or rescinded by representatives of both Federal and ASR. Please, therefore, do not permit any change or deviation from the above direction unless you receive the proper written consent to any suggested change from Federal and do not send any further monies to ASR or to any creditors that may assert claims against such funds.

Wayne R. Walton, Esq., is the Assistant Vice President of Chubb and Son, the authorized representative of Federal, and the claims representative handling this matter on its behalf. Federal has hired Richard E. Tasker of Sage Associates, Inc. ("Sage") to assist it in handling Federal's obligations under the bonds. Someone from Sedgwick, Sage and/or Federal will be in touch with you or the Project personnel in connection with the Project very soon regarding the status of the open issues on the Project, and regarding the next steps, if any.

In the interim, please confirm in writing to our office, the following:

1. The original contract amount;
2. All change orders, including their numbers and amounts;
3. The Revised Contract Amount (1+2);
4. Amounts paid to ASR to date;
5. The contract balance including retainage (3-4);
6. All amounts in retainage and whether you hold such amounts or they are deposited with a bank or in an escrow account; and
7. All pending change orders, whether approved, pending or rejected.

Thank you in advance for your anticipated cooperation. If you have any questions or wish to further discuss this matter, please do not hesitate to contact the undersigned.

Very truly yours,

Jonathan Dunn
Sedgwick LLP

JJD
Enclosure

cc: Andrew Harris, Sedgwick-OC
Richard E. Tasker, Sage Associates, Inc.
Wayne R. Walton, Esq., Federal Insurance Company
John Mannerino, ASR Constructors, Inc.
Alan Regotti, ASR Constructors, Inc.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Clerk of the Board of Supervisors
County of Riverside
4080 Lemon Street, 1st Floor
Riverside, California 92501

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) | C. Date of Delivery 3/19/13

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 3500 0002 7104 7552

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

County of Riverside EDA as Successor
Agency to the Redevelopment Agency
for the County of Riverside
3043 Tenth Street, Suite 500
Riverside, California 92501

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Ruth Andrews | C. Date of Delivery 3/18

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 3500 0002 7104 7569

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

ASR CONSTRUCTORS, INC.

STATE LICENSE NO. 615395
5230 Wilson Street, Riverside, CA 92509
951.779.6580 Fax 951.779.6588

March 13, 2013

Wayne R. Walton, Esq.
Assistant Vice President
Federal Insurance Company
15 Mountain View Road
P.O. Box 1616
Warren, NJ 07059-1616

Re: **Notice of Bonded Projects**
Principal: ASR Constructors, Inc.

Dear Mr. Walton:

As discussed with Federal Insurance Company ("Federal"), ASR Constructors, Inc. ("ASR") is experiencing financing problems and presently unable to meet its current obligations on bonded projects (hereinafter "Bonded Projects"), and its obligations to Federal under the indemnity agreements with Federal. Because we are unable to complete the work and perform our obligations, with respect to both payment and performance on the Bonded Projects, we request that Federal take such steps as it, in its sole discretion, considers necessary or appropriate to perform its obligations as surety, with respect to the Bonded Projects listed below, including, but not limited to, taking over and re-letting the work in an effort to mitigate losses and expenses.

In particular, this voluntary notice of default applies to all Bonded Projects, including but not limited to the projects on the list attached hereto.

We hereby agree to cooperate with Federal, leave all equipment and materials onsite which are necessary for the completion of the Bonded Projects, and to provide any further possible assistance to Federal including execution of further documents, letters, or authorizations, and to cooperate with Federal's review of all payment ledgers, account payables, account receivables, certified payrolls, and other documentation or files relating to the Bonded Projects. Federal is hereby authorized to take whatever action it deems necessary or appropriate to discharge the bonded obligations.

We also direct the obliges / owners on the Bonded Projects to direct all checks, vouchers or any further payments due on the Bonded Projects to Federal, as such address as it may designate to the obliges / owners, including amounts due or to become due of any nature, including without limitation earned or unearned amounts, extras, change orders, progress, final payments or retained percentages, whether or not held in escrow accounts, Certificates of Deposit or similar accounts or instruments owed on account of the Contract (collectively, "Contract Funds"), This direction is irrevocable and in accordance with the General Agreements of Indemnity executed between Federal, ASR and other indemnitors.

In executing this letter, we hereby expressly waive the notice provisions ini Sections VI. N,P. and AA. Of the August 7, 2012 Joint Control and Trust Agreement regarding the termination of the Federal's participation in the Joint Control and Trust Agreement and Federal's termination of ASR's completion of the Bonded Projects.

We further hereby waive all statutory and/or contractual notice provisions and herewith authorize the obligees/owners and /or Federal to declare default on the Bonded Projects and to proceed accordingly. We will further cooperate with Federal so as to mitigate any damages for which Federal will seek recovery / indemnity under the indemnity agreements.

Very truly yours,

Alan Regotti
President
ASR Constructors, Inc.

Marc W. Berry
Secretary
ASR Constructors, Inc.

cc: Jonathan Dunn, Sedgwick –OC
John Mannerino, ASR Constructors, Inc.

Bond Number	Owner / Obligee	Principal	Project
8219-26-53	City of Palm Desert	ASR Constructors, Inc.	Palm Desert Aquatic Center, Project No. 722-10, Contract No. C29400A (ASR Job No. 884)
8219-26-54	County of Riverside	ASR Constructors, Inc.	Glen Oaks Fire Station (ASR Job No. 887)
8219-26-57	Riverside County Flood Control and Water Conservation District	ASR Constructors, Inc.	L.I.D. Testing & Demonstration Facility, Parking Lot Renovation 2010, and Water Efficient Landscape Conversion (ASR Job No. 888)
8219-26-63	The Redevelopment Agency for the County of Riverside	ASR Constructors, Inc.	Rancho Jurupa Regional Sports Complex (ASR Job No. 892)
8216-89-15	Victor Valley Union High School District	ASR Constructors, Inc.	Adelanto High School Fencing (ASR Job No. 819)
8216-89-14	Victor Valley Union High School District	ASR Constructors, Inc.	Adelanto High School Landscaping (ASR Job No. 820)
8216-89-21	Menifee Union School District	ASR Constructors, Inc.	Menifee Elementary School #9 (Category 3 work) (ASR Job No. 816)
8216-89-20	Menifee Union School District	ASR Constructors, Inc.	Menifee Elementary School #9 (Category 18 work) (ASR Job No. 817)
8216-89-27	Mojave Water Agency	ASR Constructors, Inc.	Mojave Water Agency Headquarters Facility (ASR Job No. 824)
8216-89-28	Alvord Unified School District	ASR Constructors, Inc.	Hillcrest High School (ASR Job No. 825)
8220-00-47	County of Riverside	ASR Constructors, Inc.	Site Development for Riverside County Regional Medical Center Trauma / Custody / Urgent Care / Sexual Assault Response Team Expansion, Phase 1, Phase 2, Phase 3 Project #20063953 (ASR Job No. 865)
8220-00-49	County of Riverside	ASR Constructors, Inc.	Larry D. Smith Correctional Facility Support Project Warehouse Building (ASR Job No. 867)

Bond No.	Owner / Obligee	Principal	Project
8213-56-76	The Redevelopment Agency for the County of Riverside	ASR Constructors, Inc.	Thermal Sheriff Station and Aviation Complex, Thermal, California (ASR Job No. 728)
8215-30-61	Helendale School District	ASR Constructors, Inc.	Rivers Edge Middle School (ASR Job No. 790)
8216-89-12	Victor Valley Union High School District	ASR Constructors, Inc.	Adelanto High School Increment #2 (ASR Job No. 811)
8220-00-54	Adelanto Elementary School District	ASR Constructors, Inc.	El Mirage Elementary School (ASR Job No. 871)
8219-26-44	Barstow Community College District of San Bernardino County, California	ASR Constructors, Inc.	Performing Arts Center, Barstow College, Barstow, California (ASR Job No. 876)
8219-26-49	The Redevelopment Agency for the County of Riverside	ASR Constructors, Inc.	Jurupa VFW Post 10267 (ASR Job No. 881)

ASSIGNMENT AGREEMENT

In consideration of the 60-day forbearance and for other valuable consideration, and pursuant to the Indemnity Agreements between the parties to this agreement, the undersigned, on March ____, 2013, ASR CONSTRUCTORS, INC. ("Assignor") hereby assigns, transfers and sets over to FEDERAL INSURANCE COMPANY ("Surety") all Contract Funds on the public works projects described in Attachment A hereto, of any nature, including but not limited to, progress payments, earned or unearned funds, change orders, extras, claims of any nature, retainages, whether held in escrow accounts, Certificates of Deposit, or similar accounts or instruments, with all the interest accruing thereon, ("Contract Funds") and whether said Contract Funds are due now or in the future under the following described contract:

Assignor hereby constitutes and appoints Surety as its true, lawful and irrevocable attorney-in-fact to demand, receive and enforce payments, to execute estimates, final payments, payment warrants, vouchers, drafts, and/or checks, and to give receipts, releases of any nature, satisfactions for, and to sue for all Contract Funds payable to the Assignor. This may be done either in the name of the Assignor or in the name of the Surety with the same force and effect as the Assignor could do if this assignment had not been made. Any and all moneys or payments which may be received by the Assignor to which Surety is entitled under and by reason of this Assignment will be received by Assignor as trustee for the Surety and will be immediately delivered in kind to Surety without commingling. Assignor hereby represents and warrants to the Surety that the moneys above have not heretofore been alienated or assigned.

This Assignment is irrevocable and shall remain in full force and effect until its release in writing by Surety. Notice of this Assignment may be given at the option of the Surety. This Assignment and all related documents are in furtherance of Surety's right of subrogation and continuing agreement of

indemnity and not in derogation thereof. Pursuant to the Indemnity Agreements, a financing statement was filed on November 28, 2012. This does not affect, rather is intended to supplement Surety's rights to other collateral under the Indemnity Agreements, Joint Control & Trust Agreement, and financing statement.

IN WITNESS WHEREOF, the Parties have executed this Assignment Agreement as of the date and year first set forth above.

FEDERAL INSURANCE COMPANY

By: Wayne R. Walton
WAYNE R. WALTON

SEAL 012 Surety Claims Counsel

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

ASR CONSTRUCTORS, INC.

By: _____
Alan Regotti

President

CERTIFICATE OF ACKNOWLEDGEMENT

(Pursuant to California *Civil Code*, Section 1189)

State of California)
County of _____)

On _____, 20____ before me_____, personally appeared _____, 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.

See Notary Attachment

WITNESS my hand and official seal.

Signature _____ Seal

(Notary Public)

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Riverside

On March 14, 2013 before me, Yvette Aceves, Notary Public,
(Here insert name and title of the officer)

personally appeared Alan Regotti,

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 of Notary Public

(Notary Seal)

YVETTE ACEVES
Commission No. 1935403
NOTARY PUBLIC - CALIFORNIA
SAN BERNARDINO COUNTY
My Comm. Expires MAY 7, 2015

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Assignment Agreement
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☒ Corporate Officer
  President
  (Title)
- ☐ Partner(s)
- ☐ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

APPROVED AS TO FORM:

SEDGWICK LLP

Jonathan Dunn

Attorney for Federal Insurance Company

Attorney for ASR Constructors, Inc.

ATTACHMENT A TO ASSIGNMENT AGREEMENT

Bond No.	Owner / Obligee	Principal	Surety	Project
8213-56-76	The Redevelopment Agency for the County of Riverside	ASR Constructors, Inc.	Federal Insurance Company	Thermal Sheriff Station and Aviation Complex, Thermal, California (ASR Job No. 728)
8215-30-61	Helendale School District	ASR Constructors, Inc.	Federal Insurance Company	Rivers Edge Middle School (ASR Job No. 790)
8216-89-12	Victor Valley Union High School District	ASR Constructors, Inc.	Federal Insurance Company	Adelanto High School Increment #2 (ASR Job No. 811)
8216-89-15	Victor Valley Union High School District	ASR Constructors, Inc.	Federal Insurance Company	Adelanto High School Fencing (ASR Job No. 819)
8216-89-14	Victor Valley Union High School District	ASR Constructors, Inc.	Federal Insurance Company	Adelanto High School Landscaping (ASR Job No. 820)
8216-89-21	Menifee Union School District	ASR Constructors, Inc.	Federal Insurance Company	Menifee Elementary School #9 (Category 3 work) (ASR Job No. 816)
8216-89-20	Menifee Union School District	ASR Constructors, Inc.	Federal Insurance Company	Menifee Elementary School #9 (Category 18 work) (ASR Job No. 817)
8216-89-27	Mojave Water Agency	ASR Constructors, Inc.	Federal Insurance Company	Mojave Water Agency Headquarters Facility (ASR Job No. 824)
8216-89-28	Alvord Unified School District	ASR Constructors, Inc.	Federal Insurance Company	Hillcrest High School (ASR Job No. 825)
8220-00-47	County of Riverside	ASR Constructors, Inc.	Federal Insurance Company	Site Development for Riverside County Regional Medical Center Trauma / Custody / Urgent Care / Sexual Assault Response Team Expansion, Phase 1, Phase 2, Phase 3 Project #20063953 (ASR Job No. 865)

Bond No.	Owner / Obligee	Principal	Surety	Project
8220-00-49	County of Riverside	ASR Constructors, Inc.	Federal Insurance Company	Larry D. Smith Correctional Facility Support Project Warehouse Building (ASR Job No. 867)
8220-00-54	Adelanto Elementary School District	ASR Constructors, Inc.	Federal Insurance Company	El Mirage Elementary School (ASR Job No. 871)
8219-26-44	Barstow Community College District of San Bernardino County, California	ASR Constructors, Inc.	Federal Insurance Company	Performing Arts Center, Barstow College, Barstow, California (ASR Job No. 876)
8219-26-49	The Redevelopment Agency for the County of Riverside	ASR Constructors, Inc.	Federal Insurance Company	Jurupa VFW Post 10267 (ASR Job No. 881)
8219-26-53	City of Palm Desert	ASR Constructors, Inc.	Federal Insurance Company	Palm Desert Aquatic Center, Project No. 722-10, Contract No. C29400A (ASR Job No. 884)
8219-26-54	County of Riverside	ASR Constructors, Inc.	Federal Insurance Company	Glen Oaks Fire Station (ASR Job No. 887)
8219-26-57	Riverside County Flood Control and Water Conservation District	ASR Constructors, Inc.	Federal Insurance Company	L.I.D. Testing & Demonstration Facility, Parking Lot Renovation 2010, and Water Efficient Landscape Conversion (ASR Job No. 888)
8219-26-63	The Redevelopment Agency for the County of Riverside	ASR Constructors, Inc.	Federal Insurance Company	Rancho Jurupa Regional Sports Complex (ASR Job No. 892)