

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

378



FORM APPROVED COUNTY COUNSEL
DATE 7/17/13
BY: MARSHAL VICTOR
Departmental Concurrence

By: Dave Runke, CFO
Douglas Bagley, Hospital Director
Riverside County Regional Medical Center

By:

Policy

Consent

Consent

FROM: Economic Development Agency

SUBMITTAL DATE:
July 18, 2013

SUBJECT: Riverside County Regional Medical Center Trauma / Custody / Urgent Care / Sexual Assault Response Team Expansion Phase 1, 2 and 3 – Project Closeout

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file the voluntary Notice of Default and Assignment 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;

REVIEWED BY CIP

Christopher Hans
Christopher Hans

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: *Samuel Wong 7/18/13*
SAMUEL WONG

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 177,207	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2013/14

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: RCRMC Enterprise Fund	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY: *Jennifer L. Sargent*
County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: July 30, 2013

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

2013 JUL 30 53 AM RECEIVED RCRMC, Auditor, CIP

Prev. Agn. Ref.: 3.47 of 10/16/12; 3.24 of 6/05/12 | District: 5/5 | Agenda Number: 3-25

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

RECOMMENDED MOTION: (Continued)

3. Ratify Change Order No. 11 in the amount of \$92,397 to complete the construction of the Riverside County Regional Medical Center (RCRMC) Trauma / Custody / Urgent Care / Sexual Assault Response Team Expansion Phase 1, 2 and 3 project site development and find the work integral to the project and that competitive bidding would not produce an advantage and be impractical for the work;
4. Ratify Amendment No. 2 to the architectural and engineering services agreement between the County of Riverside and Hammel, Green, and Abrahamson, Inc. (HGA) of Los Angeles, California in the amount of \$84,810 and authorize the Chairman of the Board to execute the agreement on behalf of the county;
5. Authorize the Assistant County Executive Officer/EDA to administer Amendment No. 2 for HGA, Inc. in accordance with applicable Board policies; and
6. Authorize EDA to issue payment to Federal pursuant to the Notice of Default and Assignment and the contract terms, and to work with ASR and Federal on completion of the project, including performance items and clearing up any remaining stop notices.

BACKGROUND:

On February 8, 2011, the Board of Supervisors approved the construction agreement between ASR Constructors, Inc. of Riverside, California and the County of Riverside for the RCRMC Trauma / Custody / Urgent Care / Sexual Assault Response Team Expansion Phase 1, 2, and 3, in the amount of \$7,280,000.

Change Order No. 11, in the amount of \$92,397, addresses temporary lighting needed to promptly open portions of parking; encasement of electrical infrastructure, modifications in sewer lines, additional signs, adding vehicle loop detectors and card readers, downsizing a water meter, reforming of concrete, temporary fencing surrounding the future education building, re-flushing of water lines, purchasing of sand bags for semi-permanent use, and the settlement of extended general conditions in exchange of credits for work not completed.

The work performed was not part of the original scope of work but vital to the project. The aggregate total of the change order described does not exceed the 10% contingency allowance. ASR has the necessary means to complete the change order work. Having already been on site, ASR is familiar with the project which helped expedite and complete the additional scope of work within a timely manner. Therefore the Board of Supervisors is asked to approve Change Order No. 11 due to the work being integral to the project and competitive bidding and advertisement would be impractical. The change order would compensate ASR in the amount not-to-exceed \$92,397.

(Continued)

BACKGROUND: (Continued)

On June 16, 2009, the Board of Supervisors approved the architectural and engineering services agreement between the County of Riverside and HGA in the amount of \$4,854,906 plus a \$300,000 reimbursable allowance. On May 4, 2012, the Board of Supervisors approved Amendment No. 1 in the amount of \$868,527, plus a reimbursable allowance of \$42,926 to design additional parking areas, revitalize landscaping and add programmatic functions to the emergency department.

The original agreement and Amendment No. 1 did not include redesigning the transformer location due to the delayed construction of the operations building, a fifth construction bid package for the education building's interim building pad, and for designing a water quality management system that helped save the county \$1,200,000 in construction costs. As a result of these changes in design, Amendment No. 2 will compensate HGA in the amount not-to-exceed \$84,810.

ASR has experienced financial difficulties and assigned their rights to Federal on March 14, 2013. Federal, pursuant to their obligations under the project bonds, has been arranging for resolution of outstanding stop notices and completion of project performance items. The EDA project team has been working with ASR, Federal and the Surety's agent, Sage Associates, to bring the project to completion.

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 apparently 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 and Assignment issued to the county from ASR and Federal. The monies will then be paid out by the county to Federal as assignee of ASR in accordance with the terms of the contract as the project is completed.

All costs associated with this agreement will be fully funded by the RCRMC Enterprise Fund, thus no net county cost will be incurred.

Attachments:

Copy of Change Order No. 11
Amendment No. 2 for HGA, Inc.
Notice of Default and Assignment

**AMENDMENT NO. 2 TO OWNER/ARCHITECT AGREEMENT
BETWEEN COUNTY OF RIVERISDE AND
WITH HAMMEL, GREEN AND ABRAHAMSON INC.**

The County of Riverside and Hammel, Green, and Abrahamson Inc. of Santa Monica, previously from Los Angeles, California, hereby agree to amend that certain agreement for architectural and engineering services associated with Riverside County Regional Medical Center Emergency Department/Trauma Expansion (FM0830003953) originally approved on June 16, 2009, Agenda Item 3.30 and first amended on May 4, 2010, is amended for the second time as follows:

- Section II. SCOPE OF WORK shall be modified by adding the following sentence in the first paragraph to read as follows:
“ARCHITECT shall provide additional services as outlined and specified in Exhibit A-2 dated 3/15/2013 consisting of Two pages(s) attached hereto and incorporated herein by this reference.”

- Section III. ARCHITECT’S SERVICES shall be modified by adding Paragraph I. as follows:
“The term of this Agreement shall be from the date of execution and continue in effect until the Riverside County Medical Center Emergency Department/Trauma Expansion project is complete, unless terminated as specific in Section X. All applicable indemnification provisions in this Agreement shall remain in effect following the termination of this Agreement.”

- Section IV. ARCHITECT’S COMPENSATION shall be modified in the first paragraph by adding the following sentences:
“The COUNTY shall pay the ARCHITECT for services performed and expenses incurred in accordance with the terms of Exhibit A-2 dated 3/25/2013. The total amount of additional compensation paid to the ARCHITECT under this Agreement for services under Exhibit A-2 shall not exceed the sum of \$84,810 unless a written amendment to this Agreement is executed by both parties prior to performance of additional services.”

- All other terms and conditions of the Agreement not modified herein shall remain in full force and effect.

ATTEST:

Kecia Harper-Ihem, Clerk of the Board

By: 
Deputy

County of Riverside

By: 
Chairperson Board of Supervisors

JOHN J. BENOIT

Hammel, Green and Abrahamson, Inc.

By: 
Joe Krugelund, Principal

FORM APPROVED COUNTY COUNSEL

BY:  7/18/13
MARSHA L. VICTOR DATE

JUL 30 2013 3-25



Architecture | Engineering | Planning

REQUEST FOR ADDITIONAL SERVICES

Riverside County Regional Medical Center
Emergency Department Expansion
26520 Cactus Avenue, Moreno Valley, California

Date: March 25, 2013

It is intended that this proposal serve as an update to the Architecture and Engineering Design Services Agreement #FM08430003953, dated June 16, 2009 and all applicable Amendments to that Agreement including the rates and resources previously approved.

SCOPE OF SERVICES:

1.	Revise transformer layout at OPS building and covered conex storage site:		
	Hammel, Green and Abrahamson, Inc. (HGA)	-	\$ 1,590
	Penco Engineering Inc.	-	\$ 5,200
	<u>M-E Engineers, Inc.</u>	-	<u>\$10,700</u>
	Sub Total:		\$17,490
2.	Revise approved SWPPP Report:		
	Penco Engineering Inc.	-	\$ 4,370
3.	Revise water quality management plan (WQMP) flood control district:		
	Hammel, Green and Abrahamson, Inc. (HGA)	-	\$ 1,500
	<u>Penco Engineering Inc.</u>	-	<u>\$28,500</u>
	Sub Total:		\$30,000
4.	Submit NAHEB interim condition package:		
	Hammel, Green and Abrahamson, Inc. (HGA)	-	\$ 1,500
	<u>Penco Engineering Inc.</u>	-	<u>\$31,450</u>
	Sub Total:		\$32,950

Attachments:

Penco Engineering Inc. proposal letters dated 08/25/2011; 08/16/2011; 02/15/2013
M-E Engineers Inc. proposal letter dated 08/19/2011

COMPENSATION FOR PROFESSIONAL SERVICES:

For Additional Services, the Owner shall compensate the Architect on a Stipulated Sum basis as follows:

<u>Discipline</u>	<u>Firm</u>	<u>Fee</u>
Architectural	HGA	\$ 4,590
Civil	Penco Engineering Inc.	\$69,520
<u>MEP</u>	<u>M-E Engineers, Inc.</u>	<u>\$10,700</u>
Total Fee (including expenses)		\$84,810

Hammel, Green and Abrahamson, Inc.
10220 Wilshire Boulevard, Suite 1000
Beverly Hills, California 90210
HGA Architecture and Engineering, LLC
10220 Wilshire Boulevard, Suite 1000
Beverly Hills, California 90210

1918 Main Street • Third Floor • Santa Monica, California USA 90405-1030
Telephone: 310.557.7600 Facsimile 310.553.1668
Visit our Website: hga.com



Architecture | Engineering | Planning

The Architect's Limits of Liability will be per the Prime Agreement dated 06/16/2009, as modified in 04/01/2010, proposal to County of Riverside.

AUTHORIZATION:

Hammel, Green and Abrahamson, Inc.

Date

County of Riverside

Date

Hammel, Green and Abrahamson, Inc.
HGA and its members are registered architects, engineers, and planners.
HGA and its members are registered architects, engineers, and planners.
HGA and its members are registered architects, engineers, and planners.

1918 Main Street • Third Floor • Santa Monica, California USA 90405-1030

Telephone 310.557.7100 Facsimile 310.553.1668

Visit our Website: hga.com

COUNTY OF RIVERSIDE ECONOMIC DEVELOPMENT AGENCY

FINAL CHANGE ORDER NO. 11

COPY

Date: 2/11/2013
 To Contractor:
ASR Constructors Inc.
5230 Wilson Street
Riverside, CA 92506

Project: RCRMC Trauma/ Custody/ Urgent Care/ Sexual Assault Response Team Expansion
 Project No: FM0843003953

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) Temporary lighting at phase 3 East
COR # 16 | ADD | \$ | 7,317.00 |
| 2) CCD 5, conduit encasement of IT infrastructure
COR # 16 | ADD | \$ | 62,280.09 |
| 3) RFI 57 response, additional sewer
COR # 48 | ADD | \$ | 12,540.71 |
| 4) 4 additional signs
COR # 50 | ADD | \$ | 29,955.08 |
| 5) Credit for Nursing and Allied Health Education Building scope of work
COR # 57 | DED | \$ | (105,897.00) |
| 6) Extended general conditions
COR # 60 | ADD | \$ | 66,593.34 |
| 7) Vehicle loop detector
COR # 67 | ADD | \$ | 609.79 |
| 8) Remove and replace 8" meter
COR # 68 | ADD | \$ | 4,744.73 |
| 9) Additional forming, concrete placement
COR # 69 | ADD | \$ | 5,054.85 |
| 10) Temporary site fencing
COR # 70 | ADD | \$ | 2,800.00 |
| 11) Install stand alone HID card reader
COR # 71 | ADD | \$ | 1,450.00 |
| 12) Flush main line
COR # 72 | ADD | \$ | 3,438.04 |
| 13) Sandbags
COR # 74 | ADD | \$ | 1,509.95 |

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): 0
 Prior Authorized Time Extension (calendar days): 0
 Revised Construction Duration (calendar days): 0
 Original Contract Completion Date:
 Revised Contract Completion Date:

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) [Signature] 3/5/13
 Contractor (signature) Date
[Printed Name]
 Contractor's Printed name

Original Contract \$ 7,280,000.00
 Prior Authorized [x] ADD [] DED \$ 635,603.42
 Total Contract Prior to this Change \$ 7,915,603.42

2) Assistant County Executive Officer EDA Date
 or Designee (signature)

Authorized Changes on this C.O.:
 Addition \$ 198,293.58
 Deduction \$ -105,897.00

Assistant County Executive Officer EDA or Designee
[Signature] 02/12/13
 Architect (signature) Date
JOEL KRAMELINO
 Architect's Printed name

NET: [x] Addition [] Deduction \$ 92,396.58
 Amount of Contract Authorized Including this Change Order \$ 8,008,000.00

[Signature] 3-7-13
 Project Manager (signature) Date
SERGIO PENNA
 Project Manager's Printed name

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

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: RCRMC Trauma / Custody / Urgent Care / Sexual Assault Response Team Expansion,
Phase 1, Phase 2, Phase 3 Project #20063953
Obligee: County of Riverside
Bond No.: 8220-00-47
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 RCRMC Trauma / Custody / Urgent Care / Sexual Assault Response Team Expansion, Phase 1, Phase 2, Phase 3 Project #20063953 ("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

Clerk of the Board of Supervisors

County of Riverside EDA as Successor Agency to the Redevelopment Agency for the County of Riverside

Re: Principal: ASR Constructors, Inc.

Project: RCRMC Trauma / Custody / Urgent Care / Sexual Assault Response Team Expansion,
Phase 1, Phase 2, Phase 3 Project #20063953

Obligee: County of Riverside

Bond No.: 8220-00-47

NOTICE OF DEFAULT AND ASSIGNMENT

March 14, 2013

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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

Clerk of the Board of Supervisors

County of Riverside EDA as Successor Agency to the Redevelopment Agency for the County of Riverside

Re: Principal: ASR Constructors, Inc.

Project: RCRMC Trauma / Custody / Urgent Care / Sexual Assault Response Team Expansion,
Phase 1, Phase 2, Phase 3 Project #20063953

Obligee: County of Riverside

Bond No.: 8220-00-47

NOTICE OF DEFAULT AND ASSIGNMENT

March 14, 2013

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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.

ASR CONSTRUCTORS, INC.

STATE LICENSE NO. 615396
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.

Wayne R. Walton, Esq.
Re: Notice of Default
March 13, 2013
Page 2

In executing this letter, we hereby expressly waive the notice provisions in 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 / Oblige	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.

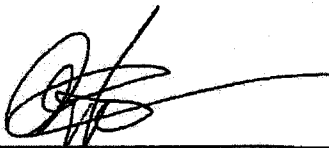
FEDERAL INSURANCE COMPANY

By: Wayne R. Walton
WAYNE R. WALTON

SEALOR 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.

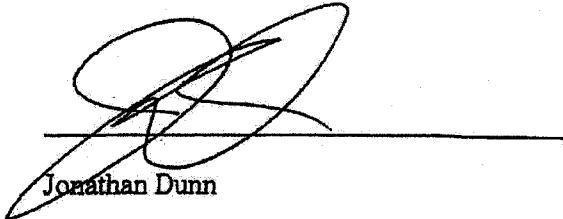
See Notary Attachment

WITNESS my hand and official seal.

Signature _____ Seal
(Notary Public)

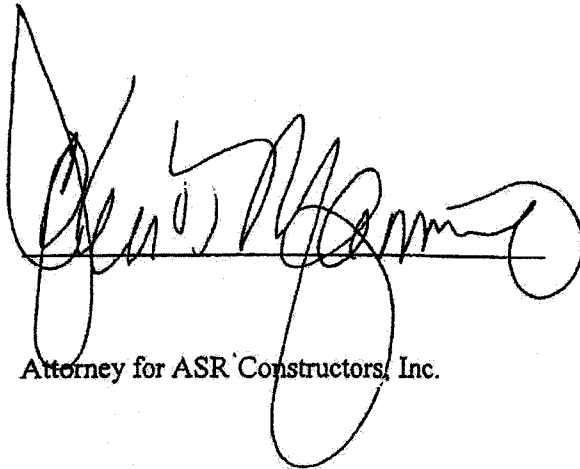
APPROVED AS TO FORM:

SEDGWICK LLP

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke, positioned above a solid horizontal line.

Jonathan Dunn

Attorney for Federal Insurance Company

A handwritten signature in black ink, featuring a large initial 'C' and several loops, positioned above a solid horizontal line.

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)