

TENDER AGREEMENT

This Tender Agreement ("Agreement") is between North American Specialty Insurance Company ("Surety") and the City of Lee's Summit, Missouri ("Lee's Summit" or "Obligee"), and is effective on the 16th day of June, 2021. Surety and Lee's Summit are collectively referred to herein as the Parties.

Recitals

WHEREAS, on or about August 12, 2020, the Obligee awarded Blue Nile Contractors, Inc. ("Blue Nile") a Contract Agreement (the "Contract") in connection with the Stormwater Improvements: SW 34th Street and SW Pinnell Drive project located in Lee's Summit, Missouri (the "Project"), in the amount of \$435,214.03 ("Contract Sum"); and

WHEREAS, on or about August 12, 2020, as required by the Contract, Blue Nile requested, and Surety agreed to issue Performance Bond No. 2309106 in the penal sum of \$435,214.03 ("Performance Bond") and issued it effective the date of the Contract, naming Blue Nile as "Principal" (hereinafter "Principal") and Lee's Summit, Missouri, a constitutionally chartered municipal corporation as "Owner" and as "Obligee," in connection with the Project; and

WHEREAS, on February 9, 2021, Principal signed a Voluntary Letter of Default issued to Surety, in which Principal indicated that it was unable to perform the Contract, and thus it was in default of the Contract (the "Default"); and

WHEREAS, Obligee made demand upon Surety to perform the Contract, and Obligee and Surety resolved the Default pursuant to which the Obligee agreed to takeover and complete the work of Principal and to release the Performance Bond, pursuant to the terms of this Agreement.

NOW THEREFORE, it is further agreed by and between Surety and Obligee that:

1. The Performance Bond issued for the Contract is attached hereto as EXHIBIT 1.

2. Principal signed the Voluntary Letter of Default ("Letter of Default") which is attached hereto as EXHIBIT 2. Immediately upon the execution of this Agreement by Obligee, the Letter of Default, EXHIBIT 2, shall be effective to release Obligee from its obligations under the Performance Bond which require the Obligee to declare Principal in default and to notify the Surety of the same.

3. Surety has tendered to Obligee a completion contractor, Radmacher Brothers Excavating Co., Inc. ("Completing Contractor"), and arranged for Obligee to enter into a contract with the Completing Contractor ("Contractor Agreement"). The terms of the Contractor Agreement will require the Completing Contractor to: (1) complete the work described in the Contractor Agreement (which reflects a lump sum

price of \$285,264.71 (“Total Completion Contract Sum”); (2) accept payment of the Total Completion Contract Sum (which is described in more detail in Paragraph 6 below) in accordance with the Contractor Agreement, in exchange for performing the work described in the Contractor Agreement; (3) warrant all of the work for the Project, including any work performed by the Principal and all of the work to be performed by the Completing Contractor; (4) provide its own general liability insurance and payment and performance bonds for Obligee, the cost of which shall be paid by Completion Contractor and is included in the Total Completion Contract Sum; and (5) comply with all other requirements for the Project, including WBE, MBE and other Obligee contracting requirements.

4. Administration, licensing, insuring, permitting, management, and inspection of the Project shall be the exclusive responsibility of and shall remain with Obligee upon its execution of this Agreement. Surety shall have no other obligations as it pertains to the Project or the Contract upon the execution of this Agreement.

5. There is remaining a contract sum owed to Principal of \$249,488 (including retainage) (“Contract Sum”). Except as set forth in Paragraph 8, below, Surety shall release any claim or right to the Contract Sum, \$249,488, upon the discharge and return of the Performance Bond to Surety as set forth in Paragraph 10 below.

6. Because the Total Completion Contract Sum amount to be charged by the Completing Contractor to complete the Contract (including Principal’s punch list and/or warranty work at the Project) is more than the Contract Sum, the Surety will pay \$35,776 to the Obligee (“Surety Payment”). The Surety Payment is calculated as follows:

Total Completion Contract Sum	\$ 285,264
Less Total Contract Sum	<u>-\$ 249,488</u>
Total Surety Payment	\$ 35,776

7. Obligee will use the Total Completion Contract Sum to pay Completing Contractor to perform the work of the Project. Obligee shall have the financial responsibility to pay Completing Contractor all that it is owed for its work on the Project, including for any extras, unanticipated expenses and costs, etc. The Surety shall have no liability whatsoever to either the Completing Contractor or Obligee for the work of the Completing Contractor, including for any unanticipated costs or fees beyond the Total Completion Contract Sum. The purpose of this Agreement is to discharge and release the Surety from the Performance Bond and to pay the Surety Payment in order for Obligee to complete the Contract work that Principal was otherwise required to perform.

8. In the event Obligee does not engage Completing Contractor or any other contractor to perform the work of the Project, and the Project is otherwise abandoned or

cancelled, then Surety shall not be required to pay the Surety Payment and is entitled to prompt payment of the Contract Sum. The parties agree and acknowledge that the sole basis for Surety's agreement to tender payment of Total Completion Contract Sum to Obligee, is for the Obligee to use those funds to perform the work that Blue Nile was otherwise required to perform under its Contract that is the basis for the Surety having issued its Performance Bond.

9. Any payment requests by the Completing Contractor, or change orders issued by Obligee to the Completing Contractor, shall be a matter between Completing Contractor and Obligee and shall not be the liability of, or otherwise affect, Surety, except as may be provided herein.

10. Upon Obligee's execution of this Agreement, this Agreement shall be effective to release, acquit and forever discharge the Performance Bond and the Surety and Surety's parents, successors, affiliates, employees, attorneys', agents and assigns of and from any and all claims, demands, causes of action, payments and/or liability to Obligee and/or any other party or entity, which Obligee or such third parties have or may have in the future, including those known and unknown, arising out of or relating in any way to the Project, the Performance Bond or the Contract, except for Surety's obligations pursuant to this Agreement. The Performance Bond shall be returned to the Surety within 5 days from the date the Surety Payment clears Obligee's banking channels.

11. As additional consideration to and for the Surety, and for and in consideration of Obligee's receipt of the Total Completion Contract Sum, Obligee further hereby assigns unto Surety, its successors and assigns, any and all rights, demands, claims and/or causes of action which Obligee has or may have against Principal under the Contract. Obligee further grants to Surety, its successors and assigns, full power and authority for Surety's own use and benefit (but at Surety's own cost), to ask, demand, collect and/or release and, in Obligee's name or otherwise, to prosecute any claims, suits or proceedings at law or in equity, against the Principal.

12. Upon completion of each of the following (a) the full execution of this Agreement; and (b) Obligee's return to Surety of the Performance Bond (in the event only a copy of the Performance Bond is available, the copy must be accompanied by an affidavit attesting that the copy being returned is a true and accurate copy of same), Surety agrees to release, acquit and forever discharge Obligee and its directors, commissioners, divisions, employees, and attorneys of and from any and all claims, demands, causes of action, payments, and/or liability to Surety, which Surety has or may have in the future, including those known and unknown, arising out of or relating in any way to the Project, the Performance Bond or the Contract.

13. Nothing contained in this Agreement shall be deemed as an admission by the Surety of any fault or obligation to Obligee, or to enlarge Surety's obligations under

the Performance Bond which is being discharged and released by Obligee immediately upon its execution of this Agreement. The Parties hereby further represent, covenant and warrant that the execution of this Agreement and the full performance of this Agreement shall not result in an admission of liability on the part of either party.

14. Surety acknowledges and agrees that the Payment Bond it issued for Principal at the Project shall continue to remain in full force and effect in accordance with its terms. Unless required by law, Obligee acknowledges that it is not authorized to, and agrees not to, make any representations or promises regarding payment by Surety to suppliers and/or subcontractors of the Principal. Obligee shall refer all inquiries about payment of Principal's subcontractors and suppliers to Surety, and Surety shall have the sole and exclusive right to settle, compromise, defend, appeal, pay or dispute such claims as Surety, in its sole and complete discretion, may deem appropriate in accordance with the terms of the Payment Bond and applicable law.

15. Blue Nile, Aman Construction, Inc., Henok Tekeste and Radiy Hassen (collectively "Indemnitors") each signed a General Indemnity Agreement dated April 18, 2012 in favor of the Surety ("GIA"). Nothing in this Agreement is, nor shall anything in this Agreement be construed to be, a waiver or release of any of Surety's rights against the Indemnitors and/or under the GIA. The Surety continues to preserve all rights, claims and defenses it has or may have as it relates to each and every Indemnitor, the GIA, and any other written agreement between the Surety and Indemnitors.

16. This Agreement is solely for the benefit of the Parties and shall not create any rights, including any third-party beneficiary rights, in or to any person or entity that is not a party hereto. Nor does this Agreement increase the rights of third persons, or increase the obligations of the Parties to any third person or entity, or increase the liability or obligations of Surety to Obligee. Principal and the other Indemnitors are not third-party beneficiaries of this Agreement.

17. Both of the Parties have had the advice of counsel with respect to all matters pertaining to or arising out of this Agreement. It is agreed and understood by the Parties that there have been no oral or other agreements of any kind whatsoever between the Parties as a condition precedent to, or to induce the execution of, this Agreement by either of the Parties or to induce Obligee to enter into a contract with Completing Contractor. It is further agreed that no change, addition or amendment shall be made to any of the terms, covenants or conditions hereto except by writing signed by the Parties. No waiver of any of Surety's rights, powers and/or remedies shall be effective unless such waiver is in writing and signed by Surety.

18. All notices concerning any dispute over the terms of this Agreement shall be in writing and sent to the receiving party at the address stated below (or to such other address or email as either Party may specify to the other, in writing), and shall be

presumed to have been given three (3) calendar days after having been properly addressed to the recipient and mailed, provided mailing was made via certified mail return receipt requested, with a copy to also be provided via email:

To Surety: North American Specialty Insurance Company
c/o Marcelo Virgili, Vice President
1450 American Lane, Suite 1100
Schaumburg, IL 60173

With a copy to: Heather F. Shore, Esq.
Brown & Ruprecht, PC
2323 Grand Blvd, Suite 1100
Kansas City, MO 64108
hshore@brlawkc.com

To Obligee: City of Lee's Summit, Missouri
Mike Anderson, P.E.
Interim Deputy Director of Public Works
220 SE Green Street
Lee's Summit, MO 64063

With a copy to:

19. This Agreement may be executed by the Parties independently in one or more counterparts, all of which together shall constitute and be deemed to be a valid and effective agreement. This Agreement may be executed by facsimile or e-mail signatures which shall be deemed to have the same force and effect as an original signature.

20. No waiver shall be effective unless in writing and executed by the party against whom enforcement of the waiver is sought. No failure or delay on the part of any Party to exercise any right hereunder shall operate as a waiver thereof. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provisions hereof.

21. This Agreement shall be construed and governed by the laws of the State of Missouri without regard to Missouri's conflict of law rules.

22. This Agreement shall inure to the benefit of and shall bind the respective representatives, assignees and successors in interests of the Parties.

IN WITNESS WHEREOF, the Parties have subscribed their names as evidence and consent to their agreement with these terms:

NORTH AMERICAN SPECIALTY

INSURANCE COMPANY

By: Marion's Verry

Vice President

Its: _____

NORTH AMERICAN SPECIALTY

INSURANCE COMPANY

By: J W COO

Vice President

Its: _____

CITY OF LEE'S SUMMIT, MISSOURI

By: Mark Doring

Its: Acting City Manager

Lurita Fowler Arcini
Attest - City Clerk






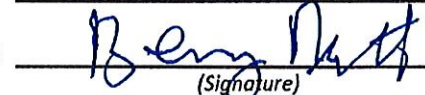
Approved as to Form:

[Signature]

Office of the City Attorney

PERFORMANCE BOND

BOND NO: 2309106

<p>Contractor Name: Blue Nile Contractors, Inc. Address (principal place of business): 601 Spratley Avenue Birmingham, MO 64161</p>	<p>Surety Name: North American Specialty Insurance Company Address (principal place of business): 1450 American Lane, Suite 1100 Schaumburg, IL 60173 Phone No. 603-644-6600</p>
<p>Owner Name: City of Lee's Summit, Missouri Mailing address (principal place of business): 220 SE Green Lee's Summit, Missouri 64063</p>	<p>Contract Description (name and location): Stormwater Improvements: SW 34th Street and SW Pinnell Drive Lee's Summit, Missouri Contract Price: \$435,214.03 <small>Four Hundred Thirty Five Thousand Two Hundred Fourteen Dollars and 03/100</small> Effective Date of Contract:</p>
<p>Bond Bond Amount: \$435,214.03 <small>Four Hundred Thirty Five Thousand Two Hundred Fourteen Dollars and 03/100</small> Date of Bond: <i>(Date of Bond cannot be earlier than Effective Date of Contract)</i> Modifications to this Bond form: <input checked="" type="checkbox"/> None <input type="checkbox"/> See Paragraph 16</p>	
<p>Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth in this Performance Bond, do each cause this Performance Bond to be duly executed by an authorized officer, agent, or representative.</p>	
<p>Contractor as Principal Blue Nile Contractors, Inc. <small>(Full formal name of Contractor)</small></p>	<p>Surety North American Specialty Insurance Company <small>(Full formal name of Surety) (corporate seal)</small></p>
<p>By:  <small>(Signature)</small></p>	<p>By:  <small>(Signature)(Attach Power of Attorney)</small></p>
<p>Name: Henok Tekeste <small>(Printed or typed)</small></p>	<p>Name: Linda L. Nutt <small>(Printed or typed)</small></p>
<p>Title: President</p>	<p>Title: Attorney-in-Fact</p>
<p>Attest:  <small>(Signature)</small></p>	<p>Attest:  <small>(Signature)</small></p>
<p>Name: Lacey Ognibene <small>(Printed or typed)</small></p>	<p>Name: Benny Nutt <small>(Printed or typed)</small></p>
<p>Title: office Manager</p>	<p>Title: Surety Witness</p>
<p><small>Notes: (1) Provide supplemental execution by any additional parties, such as joint venturers. (2) Any singular reference to Contractor, Surety, Owner, or other party is considered plural where applicable.</small></p>	

SWISS RE CORPORATE SOLUTIONS

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Kansas City, Missouri, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Kansas City, Missouri, each does hereby make, constitute and appoint: Linda L. Nutt

Principal: Blue Nile Contractors, Inc. Bond Number: 2309106
Obligee: City of Lee's Summit MO Bond Amount: See Bond Form
Bond Description: Project No. 543-32272C Stormwater Improvements: SW 34th Street and SW Pinnell Drive, Lee's Summit, Missouri

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of: FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 9th of May, 2012:

"RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By [Signature]
Steven P. Anderson, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company



By [Signature]
Michael A. Ito, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 1st day of February, 2019.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Cook ss:

On this 1st day of February, 2019, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and Michael A. Ito, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature]
M. Kenny, Notary Public

I, Jeffrey Goldberg, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this ___ day of ___, ___.

[Signature]
Jeffrey Goldberg, Vice President & Assistant Secretary of
Washington International Insurance Company & North American Specialty Insurance Company

1. The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.
2. If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Paragraph 3.
3. If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond will arise after:
 - 3.1. The Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice may indicate whether the Owner is requesting a conference among the Owner, Contractor, and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Paragraph 3.1 will be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor, and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement does not waive the Owner's right, if any, subsequently to declare a Contractor Default;
 - 3.2. The Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
 - 3.3. The Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.
4. Failure on the part of the Owner to comply with the notice requirement in Paragraph 3.1 does not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.
5. When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:
 - 5.1. Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;
 - 5.2. Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;
 - 5.3. Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owners concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or
 - 5.4. Waive its right to perform and complete, arrange for completion, or obtain a new contractor, and with reasonable promptness under the circumstances:

- 5.4.1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
 - 5.4.2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.
6. If the Surety does not proceed as provided in Paragraph 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Paragraph 5.4, and the Owner refuses the payment, or the Surety has denied liability, in whole or in part, without further notice, the Owner shall be entitled to enforce any remedy available to the Owner.
7. If the Surety elects to act under Paragraph 5.1, 5.2, or 5.3, then the responsibilities of the Surety to the Owner will not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety will not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication for:
 - 7.1. the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
 - 7.2. additional legal, design professional, and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 5; and
 - 7.3. liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.
8. If the Surety elects to act under Paragraph 5.1, 5.3, or 5.4, the Surety's liability is limited to the amount of this Bond.
9. The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price will not be reduced or set off on account of any such unrelated obligations. No right of action will accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors, and assigns.
10. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.
11. Any proceeding, legal or equitable, under this Bond must be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and must be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum periods of limitations available to sureties as a defense in the jurisdiction of the suit will be applicable.
12. Notice to the Surety, the Owner, or the Contractor must be mailed or delivered to the address shown on the page on which their signature appears.
13. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement will be deemed deleted therefrom and provisions conforming to such

statutory or other legal requirement will be deemed incorporated herein. When so furnished, the intent is that this Bond will be construed as a statutory bond and not as a common law bond.

14. Definitions

- 14.1. *Balance of the Contract Price*—The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made including allowance for the Contractor for any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.
 - 14.2. *Construction Contract*—The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.
 - 14.3. *Contractor Default*—Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.
 - 14.4. *Owner Default*—Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.
 - 14.5. *Contract Documents*—All the documents that comprise the agreement between the Owner and Contractor.
15. If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond will be deemed to be Subcontractor and the term Owner will be deemed to be Contractor.
16. Modifications to this Bond are as follows: None



Feb 9
January __, 2021

City of Lee's Summit, Missouri
220 SE Green Street
Lee's Summit, MO 64063

Re: Principal: Blue Nile Contracting, Inc.
Obligee: City of Lee's Summit
Project: Stormwater Improvements: SW 34th Street and SW Pinnell Drive
Bond No.: 2309106
Surety: North American Specialty Insurance Company

Dear Sir or Ma'am,

This letter is to advise you that the Principal and contractor, Blue Nile Contracting, Inc., on the above-referenced Project, is financially unable to perform or complete the performance of the work or comply with its contractual obligations on the above Project, and is in default under the above Contract for the Project. Therefore, the Principal hereby irrevocably and voluntarily abandons and terminates its contract on the above-referenced Project effective upon your receipt of this letter. All amounts due and owing on the contract to Blue Nile Contracting, Inc. or its subcontractors and suppliers are hereby assigned to Blue Nile Contracting, Inc.'s surety, North American Specialty Insurance Company ("Surety"), which provided the above-referenced Bond for this Project.

Sincerely,
Blue Nile Contracting, Inc.

A handwritten signature in blue ink, appearing to read "Henok W. Tekeste".

Henok W. Tekeste
By Radiy M. Hassen pursuant to
Appointment as Agent under General
Power of Attorney for Henok Tekeste

cc: Marcelo Virgili, Vice President, North American Specialty Insurance Company, via email:
Marcelo_Virgili@swissre.com