OFFICE OF THE CITY ATTORNEY ROBERT E. SHANNON, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664

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NOTICE OF TERMINATION OF CONTRACT NO. 31981

31981

THIS NOTICE is provided as of August 31, 2012 for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting held on August 21, 2012, by the CITY OF LONG BEACH, a municipal corporation ("City"), to EDGE DEVELOPMENT, INC., a California corporation ("Contractor"), whose address is Vista Office Centre, 43460 Ridge Park Drive Suite 170, Temecula, California 92590.

- Contractor is hereby notified that Contract No. 31981 ("Contract") entered into on or about December 22, 2010, between City and Contractor for the Construction of Phase I Improvements to the Terminal Area at the Long Beach Airport in the City of Long Beach, California, is terminated in its entirety in accordance with the Contract Documents.
- 2. This notice is the result of Contractor's voluntary default as indicated by Contractor's letter sent to the City on or about August 30, 2012 (a copy attached hereto).
- 3. The surety, Safeco Insurance Company of America and Liberty Mutual Insurance Company, has assumed responsibility for completion of the work.
- 4. Contractor is hereby instructed that its rights to proceed further with the performance of the Contract and any other rights, including assertions to unpaid prior earnings, are terminated. Contractor is instructed to immediately stop all work, terminate all subcontracts, and order no further supplies or equipment. Contractor is instructed to provide similar instructions to all of its subcontractors and suppliers.

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	3	CITY OF LONG BEACH, a municipal corporation
	4	9.17 Assistant City Manager
	5	City Manager Pursuant
	6	TO SECTION 301 OF THE CITY CHARTER.
	7.	Approved as to form on 9/12, 2012.
	8	ROBERT E. SHANNON, City Attorney
	9	By
	10	Deputy
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	13	ATTEST:
	14	By: Joshan
	15	LARRY HERRERA
	16	City Clerk
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General Contracting ♦ Engineering ♦ Construction Management ♦ Design/Build

August 30, 2012

Fax: (562) 570-6012

City of Long Beach 333 West Ocean Blvd., 9th Floor Long Beach, CA 90808

Attn: Jeffrey Sedlak

RE: Project: Phase 1 Improvements to the Terminal Area at the Long Beach Airport

Project No. 10021

Surety: Safeco Insurance Company and Liberty Mutual Insurance Co.

Principal: EDGE Development, Inc.

Bond No.: 6474087

Dear Mr. Sedlak:

EDGE Development, Inc. as Contractor on the project mentioned above, acknowledges its inability to pay for the completion of or perform the Contract between the City of Long Beach, as Owner, and EDGE Development, Inc., as Contractor, dated December 14, 2010, because of financial difficulties.

Accordingly, EDGE Development, Inc. notifies you of its voluntary default on this construction contract. You are at liberty to call upon the surety to arrange for the completion of the performance of the construction project.

EDGE Development, Inc. hereby irrevocably directs that all contract funds be paid to Liberty Mutual Insurance Company at Liberty Mutual Insurance Company, PO Box 34670, Seattle, WA 98124-1670, telephone (206) 473-6390 and that this direction to pay shall be irrevocable without the in-advance express written consent of the Surety.

Very Truly Yours

EDGE Development, Inc.,

Dayne Wagoner Chief Executive Officer

Steve Prophet

Chief Operating Officer

cc;

Jason Stonefeld, Diberty Mutual Insurance Company Linda Trang, City Attorney