



P&C 877 282 1625  
Bonds 800 933 7444

225 South Fifth Street  
PO Box 2683  
Waco, Texas 76702-2683

January 8, 2018

Ms. Martha L. Salazar, CPPB  
Hidalgo County Purchasing Agent  
2812 S. Business Hwy. 281  
Edinburg, TX 78539

CMRRR 70000520002371511107  
& Regular Mail

RE: Principal: Bearkat Construction, LLC  
Bond Number: CNB-22657-00  
Obligee: Hidalgo Count  
Project: Hidalgo Co. Precinct No. 1 Paving & Drainage Improvements -  
Mile 9 Road

Dear Ms. Salazar:

Insurors Indemnity Companies is the Surety to Bearkat Construction, LLC in regards to the above referenced Project.

**At this time Insurors Indemnity respectfully requests that all current and future payments due the Principal on this Project be directed to and payable solely to Insurors Indemnity. Insurors Indemnity will use the balance of the contact funds to settle outstanding Payment Bond claims against the Payment Bond.**

Insurors Indemnity is making this demand under our rights as stated in the General Indemnity Agreement signed by our Principals and Indemnitors on February 9, 2016. Per that agreement, under paragraph VI, it states, in part:

VI. When BOND(S) secure the performance and fulfillment of contracts, PRINCIPAL, with the consent of the UNDERSIGNED, agrees that:

- (A) (1) The SURETY has the right of Exoneration and Subrogation; and (2) SURETY'S rights of Exoneration and Subrogation may be enforced as provided by applicable law or, at option of the SURETY, as follows:
  - (a) with respect to each specific contract secured by BONDS(S) all money and property representing the consideration for the contract is dedicated for: (i) the performance of the contract; (ii) the payment of obligation(s) to subcontractor(s), laborer(s) and (supplies(s) and services(s) incurred or to be incurred in the performance of the contract for which SURETY is liable under BOND(S) and, (iii) the satisfaction of the obligation herein and all other indebtedness and liability for PRINCIPAL and SURETY.

January 8, 2018

Pg. 2

Insurors Indemnity is aware of outstanding Payment Bond claims against the Principal on this project. Pending the settlement of these claims, Insurors Indemnity invokes its rights under the General Indemnity Agreement, as stated above, and will use the remaining project funds in settlement of these debts.

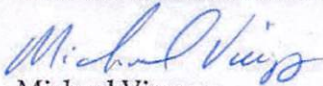
We understand that there is currently one payment due the Principal that was in reserve for the claim filed by ACT Pipe and Supply. Insurors has been in contact with the attorney representing ACT Pipe and will issue payment to them upon receipt of the payment. Please forward all addition funds due on this project when due.

Please forward that check to our office at the address listed above. Please forward to my attention.

Should you have any questions, please contact my office.

Yours truly,

INSURORS INDEMNITY COMPANY



Michael Viereg  
Claims Manager

[mviereg@insurorsindemnity.com](mailto:mviereg@insurorsindemnity.com)

254-759-3859

cc. Mr. Omar Villarreal/Smith Reagan Insurance  
via email only:

Bearkat Construction, LLC  
3317 Alberta St.  
Edinburg, TX 78539