

January 29, 2019

NM Contracting, L.L.C.  
Attn: Noel Munoz  
2022 Orchid Avenue  
McAllen, Texas 78504

Philadelphia Indemnity Insurance Company  
Attn: Senior Vice President and Director of Surety  
One Bala Plaza, Suite 100  
Bala Cynwyd, PA 19004

re: Hidalgo County Precinct No. 2 County Wide Service Shop C-17-027-07-25  
Contract dated July 25, 2017 (the "Contract")

Performance Bond No. PB 11509801136 (the "Performance Bond")

#### **OWNER'S NOTICE OF INTENT TO TERMINATE FOR CAUSE**

Ladies and Gentlemen:

This letter shall serve as Written Notice of Intent to Terminate the Contract by and between NM Contracting, L.L.C. (the "Contractor") and Hidalgo County ("Owner") for cause after seven (7) calendar days of the date of this letter.

In accordance with Article 14.2.1. of the Contract Document A201-2007, General Conditions of the Contract for Construction the Owner has concluded based on the performance of the Contractor, that the Contractor has repeatedly refused or failed to supply enough properly skilled workers or proper materials to complete the project which is the subject of the Contract. Repeated attempts by Owner's staff, the Architect, and Project Manager to bring the Contractor's performance of the work into compliance with the Contract Documents have been unsuccessful.

As evidence of the above Contractor failed to install special systems conduits for fire alarm and security systems, failed to complete punch list items within the allotted contract time, failed to submit shop drawings for relocation of crane, failed to relocate crane, failed to complete contract on time and failed to provide on-site supervision for 113 days of the Work.

The Owner will exercise its right to finish the Work by whatever reasonable method or methods the Owner may deem expedient if the Contractor does not complete the Work in accordance with the Contract Documents after seven (7) calendar days of the date of this letter.

Furthermore, the Owner will withhold any further payment until the work is finished. If the Owner incurs additional costs in carrying out the Contract that exceed the Contract Amount, the Owner will seek reimbursement from the Contractor and the Surety through the Performance Bond listed above. Additionally, the Owner has the right to collect all damages due the Owner including, without limitation, the full amount of liquidated damages and actual damages available within the Contract Documents to offset any damages the Owner will incur.

To begin to resolve these issues, please contact the project manager, Carlos Del Angel with B2Z Engineering at once at (956) 802-9979, or Stephen Crain, Atlas Hall & Rodriguez, L.L.P. at (956) 682-5501.

Sincerely,

Richard F. Cortez  
Hidalgo County Judge

cc: The Warren Group Architects, Inc.  
1801 S. 2<sup>nd</sup> Street, Ste. 330  
McAllen, Texas 78503

B2Z Engineering  
900 S. Stewart Rd, Ste 4  
Mission, Texas 78572

Atlas Hall & Rodriguez, LLP  
818 Pecan Blvd.  
McAllen, Texas 78501

Hidalgo County Purchasing Department  
2812 S. Business Hwy 281  
Edinburg, Texas 78539