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January 24, 2011

CERTIFIED MAIL NO.
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Jacqueline Beaudry
Ann Arbor City Clerk
City Center Building
First Floor
220 East Huron
Ann Arbor MI 48104

NOTICE OF ASSIGNMENT

Re: Principal: Ferguson Enterprises, Inc.
Surety: International Fidelity Insurance Company
(Bond No. CP-15931)
Obligee: City of Ann Arbor, Michigan
Project: Plymouth Road Water Main Replacement

Greetings:

I represent International Fidelity Insurance Company which as surety issued the payment and performance bonds for Ferguson Enterprises, Inc., with regard to the above referenced project. Claims for payment have been asserted against my client's payment bond by suppliers of principal. One of the claims is an action at law against both the principal and my client. We are in communication with the principal and investigating the facts concerning these matters.

As a consequence of these circumstances and events, International Fidelity Insurance Company is being exposed to actual losses under its payment bond furnished for this project.

International Fidelity Insurance Company, pursuant to its indemnity agreement, hereby gives notice of assignment by Ferguson Enterprises, Inc., to International Fidelity Insurance Company of any and all percentages retained and any and all sums that may be due or hereafter become on account of any and all contracts referred to in the bonds and all other contracts

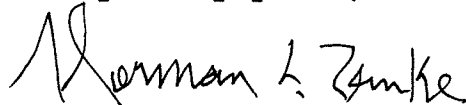
Ann Arbor
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whether bonded or not in which International Fidelity Insurance Company has an interest, including any and all contracts between Ferguson Enterprises, Inc., and the City of Ann Arbor. Accordingly, no further funds may be released under the above referenced contract between the principal and the City of Ann Arbor without the written consent and direction of International Fidelity Insurance Company.

This notice of assignment and demand is being made on the basis of and to protect International Fidelity Insurance Company's rights and interests under the bonds furnished for this project. Please note that any failure or refusal to observe the foregoing notice and demand will be prejudicial to International Fidelity Insurance Company, and may result in serious legal consequences.

Should you have any questions please contact me. Your cooperation is appreciated.

Very truly yours,



Norman L. Zemke

NLZ/dm
ccs: Stephen Postema, City Attorney

Igor Kotlyar, Project Engineer

Donald Samhat, Attorney for Ferguson

Bobby Ferguson and
Ferguson Enterprises, Inc.