

Statement of Agreement

In December 2009, Gila County ("County") entered into an agreement with J.E. Bowen Construction LLC to construct a women's dormitory facility for the Gila County Jail. J.E. Bowen Construction LLC then subcontracted with SAK Electric & Plumbing ("SAK") to perform work on the project. In March 2010, Gila County discovered that some of the concrete work SAK completed on the project was defective. Gila County demanded that J. E. Bowen Construction LLC correct the defective work. That work was corrected and approved by the County. In March 2011, Gila County discovered that additional work of SAK (underground plumbing work) was defective and demanded that the J.E. Bowen Construction LLC correct the defective work. This work was corrected and approved by the County, as well.

Gila County understands that SAK has presented a claim (Claim Number 553874) for their work on March 28, 2012 for the underground plumbing work that needed to be corrected subject to the conditions of their policy(TC3148529) to SECURA Insurance. Gila County also understands that SECURA's intent is to settle the claim for \$52,737.06 directly *with its insured* (SAK) if the County can agree that the work has been completed and no other claims are pending or anticipated.

As of the date of this letter, the County agrees that SAK has completed the work to correct all the underground plumbing. Gila County agrees that the work has been completed and Gila County is aware of no other claims, pending or anticipated, that would involve work on the project provided by SAK. Notwithstanding, Gila County reserves the right to claim damages related to work on the project furnished by SAK in the event latent or undiscovered defects are discovered within the warranty period. SAK agrees that no further claims will be processed by SECURA Insurance in regard to this project.

BOARD OF SUPERVISORS

Tommie C. Martin
Chairman of the Board of Supervisors

Date _____

ATTEST

Marian Sheppard
Chief Deputy Clerk

APPROVED AS TO FORM

Bryan B. Chambers, Chief Deputy County Attorney
For Daisy Flores, Gila County Attorney

COMPANY


S.A.K. Representative

Date 4/17/12