



UPPER DECK
ARCHITECTS, INC.

50 MINNESOTA ST. - SUITE 1
RAPID CITY, SD 57701
PH: 605 721-0237
FAX: 605 721-0240

February 4, 2014

Rod Johnson
City of Rapid City
Engineering
300 6th Street
Rapid City, South Dakota 57701

Re: 2011 Storm Damage Recovery Project – Schedule C
Rapid City, South Dakota
UDA Project # 12274

Dear Rod,

Pursuant to our meeting on this date, we are certifying that sufficient cause has been reached in recommending termination of the Standard Form of Agreement Between Owner and Contractor on the above referenced project. Since our initial recommendation to terminate the contract, per our letter dated November 18, 2013, Pendo's Construction has not only failed to complete any substantial work as discussed and outlined with them, they have damaged material installed since that time and has therefore voided the weather-tight warranty required by the contract.

On January 31, 2014 Sheffield Metals International emailed us a letter indicating that the project is no longer eligible for the 15 Year No Dollar Limit Weathertight Warranty due to the inability of Pendo's Construction to install the product specified.

In addition, we have been notified by the steel material supplier, Bridger Steel, which Pendo's Construction has not paid for \$33,356.41 worth of material, dating back to September 2013. We are also aware that Bridger Steel has supposedly indicated to the contractor that they no longer will provide material for this project until their invoices are paid in full.

It is our opinion that the City of Rapid City and Upper Deck Architects has provided Pendo's Construction with every ample opportunity to complete this project but to no avail.

Should you have any questions, please feel free to contact our office.

Sincerely,

Jerry D. Eisenbraun
Project Manager

Encl. Upper Deck Letter dated 11/18/13
Sheffield letter dated 1/31/14