



Arkansas

THE NATURAL STATE

November 1, 2013

Tom Groseclose
Construction Services Claim
Travelers Bond and Financial Products
300 Arboretum Place, Suite 390
Richmond, VA 23236

Re: Queen Wilhelmina State Park (QWSP) Lodge Renovation Project

Dear Mr. Groseclose:

I am in receipt of your October 28th e-mail regarding Wade Abernathy, Inc.'s (WAI) preference for completing the subject project with the Arkansas Department of Parks and Tourism (ADPT). From our original meetings and discussions, as recommended by Travelers, I stated ADPT would consider the option of Travelers completing the project with WAI via an independent construction manager and/or construction management company who would supervise the completion of the project. Based on our discussions and your initial proposal, we were awaiting draft agreements for WAI, Travelers and ADPT to review. From your e-mail WAI does not wish to pursue that alternative.

It remains ADPT's position that WAI was in default of the contract, was given a reasonable amount of time to cure default, and failed to do so. ADPT's default justification is clearly stated and supported by documentation supplied to Travelers. WAI proposing to work directly with ADPT in completing the subject project is not an acceptable option to ADPT.

The contract with WAI was terminated August 30, 2013. In a good faith effort, ADPT has been willing to consider Travelers' options in completing the project. As it has been 62 days since WAI's contract was terminated and no work has been done on the lodge, ADPT has incurred a loss of an average of \$3,500 per day while the lodge remains closed. As we spoke early on in our discussions, delaying the completion of the lodge project is and will have a serious economic impact on the communities and businesses surrounding QWSP. This has been communicated to my agency on a regular basis by area legislators speaking on behalf of their constituents, along with disgruntled citizens and visitors wanting to experience the lodge's services and facilities. The lodge is also crucial in generating essential revenues, which collectively provide the majority of the Arkansas State Park system's day to day maintenance and operation funding.

**DEPARTMENT OF
PARKS & TOURISM**

1 Capitol Mall
Little Rock, AR 72201
501-682-7777

Great River Road Division
501-682-1120
Arkansas.com

History Commission
501-682-6900 (TDD)
Ark-ives.com

Human Resources Section
501-682-7742 (TDD)

Keep Arkansas
Beautiful Division
501-682-3507 (TDD)
KeepArkansasBeautiful.com

State Parks Division
501-682-1191 (TDD)
ArkansasStateParks.com

Tourism Division
501-682-7777 (TDD)
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Robert Phelps
KEEP ARKANSAS
BEAUTIFUL

**AN EQUAL
OPPORTUNITY/
AFFIRMATIVE ACTION/
AMERICANS WITH
DISABILITIES ACT
EMPLOYER**

Travelers' responsibility is to insure the project under the terms and conditions of the contract. Under Article 14.2.1 of the contract between WAI and ADPT, ADPT has elected not to use its own forces in completing the subject work. By the contract, the "surety shall furnish a competent licensed contractor within 10 working days from the written notice to surety." Travelers has not complied with Article 14.2.1. This letter will serve as notice that Travelers is to provide an alternate licensed contractor within the terms and conditions of the subject contract by November 18, 2013. Travelers' failure to meet the new deadline will result in ADPT taking further action to remedy the situation. There are numerous competent licensed Arkansas contractors who are capable of completing the lodge project and we'd be glad to provide your company with a list and contact information.

Should you have any questions or if I can be of assistance, please contact me at greg.butts@arkansas.gov, 501-682-7743 (W), or 501-837-3070 (C).

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Butts", with a long horizontal line extending to the right.

Greg Butts, Director
Arkansas State Parks

GGB/khr

cc: Jay Bradford, Commissioner, Arkansas Insurance Department
Richard W. Davies, Executive Director, Arkansas State Parks
Ka Tina R. Hodge, Assistant Attorney General
Susan Wilson, Attorney, Arkansas Building Authority
Doran White, Construction Administrator, Arkansas Building Authority
Randy Roberson, P&D Manager, Arkansas State Parks
William Cheek, P&D Architect, Arkansas State Parks
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