

## CONTRACT

AGREEMENT made this 30th day of October, 2006, between Douglas Asphalt Company, a Georgia corporation, hereinafter called "DAC", and Board of County Commissioners of Nassau County, Florida, a political subdivision of the state of Florida, hereinafter "Owner".

WHEREAS, DAC and Owner entered into an agreement on February 27, 2006 (the "Agreement"), for the performance of certain highway construction work, as defined in that Agreement; and

WHEREAS, DAC partially performed work in accordance with said Agreement, covering approximately 19 miles of roadway from the Duval County/Nassau County line on County Road 121 North; and

WHEREAS, a dispute has arisen between the parties regarding the performance of that work; and

WHEREAS, the parties desire to enter into a new agreement for the performance of additional work on the roadway described above; and

WHEREAS, the parties desire to otherwise resolve and settle their differences regarding the entire Agreement dated February 27, 2006, and to agree to payments to be made to DAC for past work;

NOW, THEREFORE, in consideration of their mutual promises made herein, and for other good and valuable consideration, receipt of which is hereby acknowledged by each party, the parties, intending to be legally bound, hereby agree as follows:

1. Recitals. The parties agree that the foregoing recitals are true and correct and incorporated herein by this reference.

2. Payment for Prior Work. Within five (5) business days of approval of this agreement, Owner will issue a check in the amount of \$937,036.66, which check shall be made payable to DAC and to The Miller Group, representing invoices for applications numbered 5 and 6 in connection with the Agreement.

3. Additional Work. DAC will perform additional repair, milling, and paving work on approximately 19.2 miles of County Road 121 in Nassau County, Florida, in accordance with the quotation dated 10/13/2006 attached hereto and marked as Exhibit A. DAC will commence work on the job no later than five (5) weeks from the date of this Agreement, and shall complete work within 120 working days of commencement. DAC agrees to use a crew or crews on this work consisting principally of its most experienced and competent employees. The work described in Exhibit A shall be referred to as the "Repair Work." The parties will hold a pre-construction meeting after execution of this agreement and at that

time the County, after approval by the Board of County Commissioners, shall determine the scope of work and the portions of the Florida Department of Transportation Red or Green Book which shall govern the conduct of the job, and any other technical requirements. The exact specifications shall be set forth as an exhibit to be attached to this contract as Exhibit "C", and there shall be no increase in cost or expense to the County, based upon the scope set forth in Exhibit "C".

4. Contract Price and Manner of Payment for Repair Work. The total cost for the Repair Work will be \$2,685,016.73. DAC will be paid \$1,342,508.37 for performance of the work but will be obligated to perform all the work described in Exhibit A.

Payments to DAC will be made as follows:

- a. The first invoice will be submitted to the Owner on the first (1st) or fifteenth (15th) of the month after commencement of work by DAC. Copies of invoices for payment shall be simultaneously sent to the Contract Manager for review and recommendation for payment or nonpayment. The Contract Manager shall submit the recommendation to the engineering services director, who shall review the invoice and make a recommendation to the county administrator, who shall review said invoice and make a recommendation and forward same to the Clerk of the Court for review and submission to the Board of County Commissioners. If there is a dispute as to a payment, and if it is not addressed by the contractor and the county's representative, the dispute resolution shall be utilized.
- b. The first invoice will be submitted to Owner on the first (1st) or fifteenth (15th) of the month after commencement of work by DAC. Upon approval of the initial invoice as described in a. above, Owner shall pay 100% of the amount of said invoice to DAC, within the time required by law.
- c. Subsequent invoices for payment shall be made on a twice monthly basis, as of the first (1st) and fifteenth (15th) of each month subsequent to the initial invoice. Upon approval of all invoices subsequent to the initial invoice, as described in a. above, Owner shall pay to DAC an amount representing 50% of the invoice submitted. DAC shall leave un-invoiced an amount of work representing 50% of the initial invoice, at the conclusion of the job and, upon submission of said invoice, owner shall have no obligation to pay, with the intent being that out of the total contract price of \$2,685,016.73, DAC be paid \$1,342,508.37. Owner shall not be obligated to pay an amount greater than 50% of the contract price to DAC.

5. Second Lift to Achieve Rideability. The parties agree that in order to achieve rideability standards set forth in the Florida Department of Transportation ("FDOT") Manual, a second lift of asphalt be placed upon the roadway. DAC agrees to perform the work required by the second lift in accordance with the quotation attached hereto as Exhibit B. The contract price for performance of this work shall be \$1,892,211.12 and Owner will be responsible for payment of the full amount of this contract price.

6. Payment for Second Lift of Asphalt. Payment for the work described in paragraph 5 above shall follow the procedure described in paragraph 4a. above, except that Owner shall pay to DAC 100% of the amount of each such invoice, upon approval of same. Invoices for the "Repair Work" shall be designated as such and paid in accordance with paragraph 4 above. Invoices for the "Second Lift" work shall be designated as such and paid in accordance with this paragraph.

7. Quality Control. DAC agrees that the work described under this Contract will be subject to a DAC-imposed quality control program. DAC will designate a "quality control officer" who will be responsible for insuring the quality of the materials used on this entire job. DAC shall submit quality control reports to Owner on a two-week basis, covering the prior two (2) weeks of performance of this Contract, and the Quality Control Officer will be available for consultation with officials of the Owner at all times.

8. Payment of Retainage. Upon completion of the work described in this Contract (in the opinion of the owner and its third party consultant), Owner shall pay to DAC the total sum (approximately \$373,207.14 presently) which has been retained out of payments previously made to DAC in connection with prior performance of the February 27, 2006, Agreement. Such payment will be within the time required by law.

9. Performance Remaining Under 2/27/06 Agreement. DAC and Owner agree that there are aspects of the Agreement remaining to be performed, including, but not limited to, sodding and guardrail work. DAC and Owner remain obligated, under the terms of the Agreement, to performance of and payment for any such aspects of the Agreement.

With regard to the remaining reciprocal obligations of the parties to each other under the Agreement, they agree that this Agreement is substituted and the obligations of the parties to each other are limited to the obligations contained in this Agreement.

10. Miscellaneous. This Agreement is made in the state of Florida and should be governed by Florida law. This is the entire agreement between the parties and may not be modified or amended except by a written document signed by the party against whom enforcement is sought. This Agreement may be signed in more than one counterpart, in which case each counterpart shall constitute an original of this Agreement.

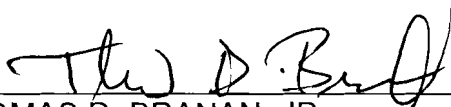
Headings are for convenience only and are not intended to expand or restrict the scope or substance of the provisions of this Agreement. Wherever used, the singular

shall include the plural, the plural shall include the singular, and pronouns shall be read as masculine, feminine, or neuter as the context requires. The parties agree to submit any dispute regarding the terms of this Agreement to mediation and, if unsuccessful, to arbitration. Nassau County, Florida, will be the proper venue for any litigation or arbitration involving this Agreement. This Agreement may not be assigned or delegated by either party without the prior written consent of the other party.

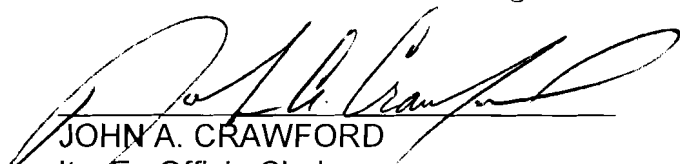
In witness whereof, the parties have signed this Agreement as of the day and year first above written.

OWNER:

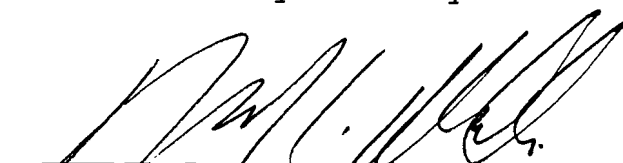
BOARD OF COUNTY COMMISSIONERS  
OF NASSAU COUNTY, FLORIDA

  
\_\_\_\_\_  
THOMAS D. BRANAN, JR.  
Its: Chairman

ATTEST: as to Chairman's signature:

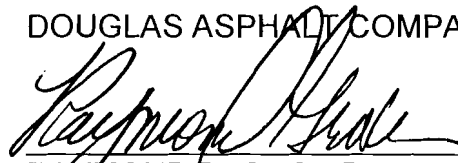
  
\_\_\_\_\_  
JOHN A. CRAWFORD  
Its: Ex-Officio Clerk

Approved as to form by the  
Nassau County Attorney

  
\_\_\_\_\_  
MICHAEL S. MULLIN, Esquire

CONTRACTOR:

DOUGLAS ASPHALT COMPANY

  
\_\_\_\_\_  
RAYMOND R. GRODE  
Its: Division Manager

**D  
A  
C**

# Douglas Asphalt Company

Joel Spivey, *President*  
Kyle Spivey, *Vice President*  
& *Operations Manager*

**To:** NASSAU COUNTY B.O.C.C.  
96430 NASSAU PLACE  
YULEE, FL 32097

**Project:**  
19.2 MILES REPAIR - MILL & PAVE  
ALTERATE QUOTATION - PAGE 1

**Attn:** MIKE MULLIN / B.O.C.C.

**Location:**  
CR 121, NASSAU COUNTY, FL

## QUOTATION

**Date:** 10/13/2006

Item #	Description of Work	Quantity	Units	Rate	Amount
1	MOBILIZATION / TESTING	1.0	L.S.	\$ 70,150.00	\$ 70,150.00
2	MAINTENANCE OF TRAFFIC	1.0	L.S.	\$ 113,346.88	\$ 113,346.88
3	MILLING 2" AVE. DEPTH	269,912.0	S.Y.	\$ 2.43	\$ 655,886.16
4	PRIME COAT W/ SAND	88,894.0	GALS	\$ 1.50	\$ 133,341.00
5	ASPH 1 1/2" SP 12.5 W/TACK	23,617.0	TONS	\$ 71.78	\$ 1,695,228.26
6	STRIPING TEMPORARY ONLY	100,379.0	L.F	\$ 0.17	\$ 17,064.43

- NOTES:**
- \* All milling /asphalt work to parrallel the Test Strip Section performed at SR 2.
  - \* Douglas Asphalt Company to have ownership of milled materials; a portion of the milled material will be negotiated for use by Nassau Co. Road Dept.
  - \* D.A.C.'s Work and schedule not subject to damages for delays to the project.
  - \* Striping to be performed with LATEX PAINT (no thermoplastic paint).

<b>TOTAL AMOUNT =</b>	<b>\$ 2,685,016.73</b>
<b>50% AGREEMENT CONTRIBUTION =</b>	<b>\$ 1,342,508.37</b>

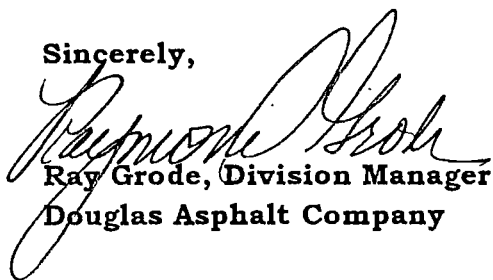
**INCLUDES:**

1. 2 Asphalt Mobilization(s), each additional at \$1,500.00
- 2 Milling Mobilization(s), each additional at \$750.00

**EXCLUSIONS:**

1. Performance and payment bonds (Add 1%).
2. Provision of Traffic Officers.

Sincerely,



Ray Grode, Division Manager  
Douglas Asphalt Company

**ACCEPTED:** NASSAU COUNTY B.O.C.C.

**BY:** \_\_\_\_\_  
Name/Title  
DATE \_\_\_\_\_

<b>EXHIBIT</b>
A

**D  
A  
C**

# Douglas Asphalt Company

Joel Spivey, *President*  
Kyle Spivey, *Vice President*  
& *Operations Manager***To:** NASSAU COUNTY B.O.C.C.  
96430 NASSAU PLACE  
YULEE, FL 32097**Project:**  
19.2 MILES REPAIR - MILL & PAVE  
ALTERATE QUOTATION - PAGE 2**Attn:** MIKE MULLIN / B.O.C.C.**Location:**  
CR 121, NASSAU COUNTY, FL**QUOTATION****Date:** 10/13/2006

Item #	Description of Work	Quantity	Units	Rate	Amount
<b>1 1/2" SURFACE COURSE - SECOND LIFT</b>					
1	MOBILIZATION / TESTING	1.0	L.S.	\$ 61,410.00	\$ 61,410.00
2	MAINTENANCE OF TRAFFIC	1.0	L.S.	\$ 97,056.25	\$ 97,056.25
3	ASPH 1 1/2" SP 12.5 W/TACK	23,617.0	TONS	\$ 70.89	\$ 1,674,209.13
4	STRIPING W/ R.P.M.s	1.0	L.S.	\$ 59,535.79	\$ 59,535.79

- NOTES:** \* D.A.C.'s Work and schedule not subject to damages for delays to the project.  
 \* Striping to be performed with LATEX PAINT (no thermoplastic paint); RPMs placed only on final surface.  
 \* Guardrail (\$212,546.94) and Sodding (\$106,413.00) to be removed from work items (per Nassau County).  
 \* 1 1/2" Surface Course - Second Lift is not subject to 50% contribution to county.

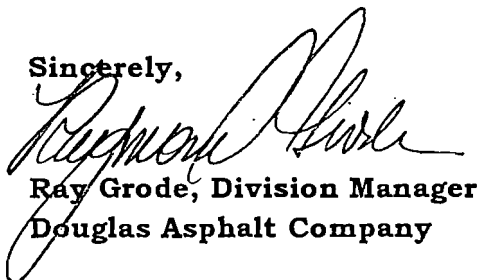
**TOTAL AMOUNT =****\$ 1,892,211.17****INCLUDES:**

1. 2 Asphalt Mobilization(s), each additional at \$1,500.00
2. 2 Milling Mobilization(s), each additional at \$750.00

**EXCLUSIONS:**

1. Performance and payment bonds (Add 1%).
2. Provision of Traffic Officers.

Sincerely,



Ray Grode, Division Manager  
Douglas Asphalt Company

**ACCEPTED:****NASSAU COUNTY B.O.C.C.****BY:** \_\_\_\_\_

Name/Title

DATE \_\_\_\_\_

**EXHIBIT****B**

MR. MIKE MULLIN, P. A.  
Nassau County Capital Projects  
96161 Nassau Place  
Yulee, FL 32097

10/27/2006

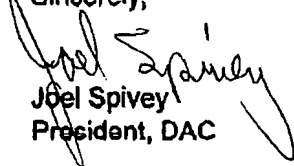
Re: Authorization for Contract Signature  
CR 121 19.2 Mile Repair Work

Dear Mr. Mullin:

On behalf of Douglas Asphalt Company, I would like authorize Raymond Grode, Division Manager, Florida Operations, to sign the contract agreement between Nassau County and Douglas Asphalt Company concerning the remedial work contract for the project captioned above.

Thank you (and Nassau Co. Staff) for all of your efforts to expedite this agreement and the draw remittance subsequent to it's approval.

Sincerely,

  
Joel Spivey  
President, DAC

**AMENDMENT # ONE**  
**TO ORIGINAL CONTRACT DATED FEBRUARY 27, 2006**

AMENDMENT made this 8<sup>th</sup> day of November, 2006, between **Douglas Asphalt, a Georgia corporation**, hereinafter called "DAC", and **Board of County Commissioners of Nassau County, Florida, a political subdivision of the State of Florida**, hereinafter "Owner".

WHEREAS, DAC and Owner entered into an agreement on February 27, 2006 (the "Agreement"), for the performance of certain highway construction work, as defined in that Agreement; and

WHEREAS, DAC partially performed work in accordance with said Agreement, covering approximately 19 miles of roadway from the Duval County/Nassau County line on County Road 121 North; and

WHEREAS, a dispute has arisen between the parties regarding the performance of that work; and

WHEREAS, the parties executed an agreement on October 30, 2006, which was intended to be an amendment, but was inadvertently entitled a new "Contract", and, therefore, the parties hereby clarify that by rescinding that "Contract" and executing this Amendment; and

WHEREAS, based upon this amendment, the parties desire to otherwise resolve and settle their differences by executing this amendment to the original Agreement dated February 27, 2006, and agree to payments to be made to DAC for past work.

NOW, THEREFORE, in consideration of their mutual promises made herein, and for other good and valuable consideration, receipt of which is hereby acknowledged by each party, the parties, intending to be legally bound, hereby agree to the amendment as follows:

1. Recitals. The parties agree that the foregoing recitals are true and correct and incorporated herein by this reference.

2. Payment for Prior Work. Within two (2) days of approval of this **agreement amendment**, Owner will issue a check in the amount of \$937,036.66, which check shall be made payable to DAC and to The Miller Group, representing invoices for applications numbered 5 and 6 in connection with the Agreement.

3. Additional Work. DAC will perform additional repair, milling, and paving work on approximately 19.2 miles of County Road 121 in Nassau County, Florida, in accordance with the quotation dated 10/13/2006 attached hereto and marked as Exhibit A. DAC will commence work on the job no later than five (5) weeks from the date of this Agreement,



and shall complete work within 120 working days of commencement. DAC agrees to use a crew or crews on this work consisting principally of its most experienced and competent employees. The work described in Exhibit A shall be referred to as the "Repair Work". The parties will hold a pre-construction meeting after execution of this agreement and at that time the County, after approval by the Board of County Commissioners, shall determine the scope of work and the portions of the Florida Department of Transportation Red or Green Book, which shall govern the conduct of the job, and any other technical requirements. The exact specification shall be set forth as an exhibit to be attached to this contract as Exhibit "C", and there shall be no increase in cost or expense to the County, based upon the scope set forth in Exhibit "C".

4. Contract Price and Manner of Payment for Repair Work. The total cost for the Repair Work will be \$2,685,016.73. DAC will be paid \$1,342,508.37 for performance of the work but will be obligated to perform all the work described in Exhibit A.

Payments to DAC will be made as follows:

- a. The first invoice will be submitted to the Owner on the first (1st) or fifteenth (15th) of the month after commencement of work by DAC. Copies of invoices for payment shall be simultaneously sent to the Contract Manager for review and recommendation for payment or nonpayment. The Contract Manager shall submit the recommendation to the engineering services director, who shall review the invoice and make a recommendation to the county administrator, who shall review said invoice and make a recommendation and forward same to the Clerk of the Court for review and submission to the Board of County Commissioners. If there is a dispute as to a payment, and if it is not addressed by the contractor and the county's representative, the dispute resolution shall be utilized.
- b. The first invoice will be submitted to Owner on the first (1st) or fifteenth (15th) of the month after commencement of work by DAC. Upon approval of the initial invoice as described in a. above, Owner shall pay 100% of the amount of said invoice to DAC, within the time required by law.
- c. Subsequent invoices for payment shall be made on a twice monthly basis, as of the first (1st) and fifteenth (15th) of each month subsequent to the initial invoice. Upon approval of all invoices subsequent to the initial invoice, as described in a. above, Owner shall pay to DAC an amount representing 50% of the invoice submitted. DAC shall leave un-invoiced an amount of work representing 50% of the initial invoice, at the conclusion of the job and, upon submission of said invoice, owner shall have no obligation

to pay, with the intent being that out of the total contract price of \$2,685,016.73, DAC be paid \$1,342,508.37. Owner shall not be obligated to pay an amount greater than 50% of the contract price to DAC.

5. Second Lift to Achieve Rideability. The parties agree that in order to achieve rideability standards set forth in the Florida Department of Transportation ("FDOT") Manual, a second lift of asphalt be placed upon the roadway. DAC agrees to perform the work required by the second lift in accordance with the quotation attached hereto as Exhibit B. The contract price for performance of this work shall be \$1,892,211.12 and Owner will be responsible for payment of the full amount of this contract price.

6. Payment for Second Lift of Asphalt. Payment for the work described in paragraph 5 above shall follow the procedure described in paragraph 4a. above, except that Owner shall pay to DAC 100% of the amount of each such invoice, upon approval of same. Invoices for the "Repair Work" shall be designated as such and paid in accordance with paragraph 4 above. Invoices for the "Second Lift" work shall be designated as such and paid in accordance with this paragraph.

7. Quality Control. DAC agrees that the work described under this ~~Contract~~ Amendment will be subject to a DAC-imposed quality control program. DAC will designate a "quality control officer" who will be responsible for insuring the quality of the materials used on this entire job. DAC shall submit quality control reports to Owner on a two-week basis, covering the prior two (2) weeks of performance of this Contract, and the Quality Control Officer will be available for consultation with officials of the Owner at all times.

8. Payment of Retainage. Upon completion of the work described in this ~~Contract~~ Amendment (in the opinion of the owner and its third party consultant), Owner shall pay to DAC the sum (approximately \$373,207.14 presently) , which sum has been retained out of payments previously made to DAC in connection with prior performance of the February 27, 2006, Agreement. Such payment will be within the time required by law.

9. Performance Remaining Under 2/27/06 Agreement. DAC and Owner agree that there are aspects of the Agreement remaining to be performed, including, but not limited to, sodding and guardrail work. DAC and Owner remain obligated, under the terms of the Agreement, to performance of and payment for any such aspects of the Agreement.

With regard to the remaining reciprocal obligations of the parties to each other under the Agreement, they agree that this Amendment One to the Agreement dated February 27, 2006, is substituted and the obligations of the parties to each other are limited to the obligations contained in this Agreement.

10. Miscellaneous. This ~~Agreement~~ amendment is made in the State of Florida and should be governed by Florida law. This is the entire agreement between the parties and may not be modified or amended except by a written document signed by the party


against whom enforcement is sought. This Agreement may be signed in more than one counterpart, in which case each counterpart shall constitute an original of this Agreement.

Headings are for convenience only and are not intended to expand or restrict the scope or substance of the provisions of this Agreement. Wherever used, the singular shall include the plural, the plural shall include the singular, and pronouns shall be read as masculine, feminine, or neuter as the context requires. The parties agree to submit any dispute regarding the terms of this Agreement to mediation and, if unsuccessful, to arbitration. Nassau County, Florida, will be the proper venue for any litigation or arbitration involving this Agreement. This Agreement may not be assigned or delegated by either party without the prior written consent of the other party.

In witness whereof, the parties have signed this Agreement as of the day and year first above written.

OWNER:

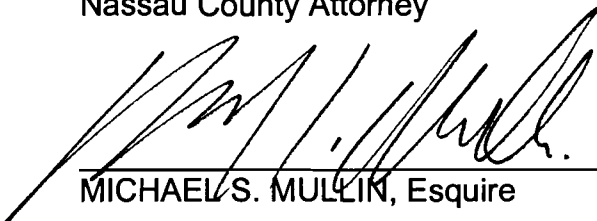
BOARD OF COUNTY COMMISSIONERS  
OF NASSAU COUNTY, FLORIDA

  
\_\_\_\_\_  
THOMAS D. BRANAN, JR.  
Its: Chairman

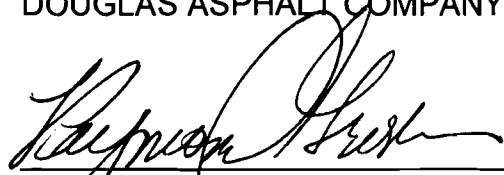
ATTEST:

  
\_\_\_\_\_  
JOHN A. CRAWFORD  
Its: Ex-Officio Clerk

Approved as to form by the  
Nassau County Attorney

  
\_\_\_\_\_  
MICHAEL S. MULLIN, Esquire

CONTRACTOR:  
DOUGLAS ASPHALT COMPANY

  
\_\_\_\_\_  
RAYMOND R. GRODE  
Its: Division Manager

**D  
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C**

# Douglas Asphalt Company

Joel Spivey, *President*  
Kyle Spivey, *Vice President*  
& *Operations Manager*

**To:** NASSAU COUNTY B.O.C.C.  
96430 NASSAU PLACE  
YULEE, FL 32097

**Project:**  
19.2 MILES REPAIR - MILL & PAVE  
ALTERATE QUOTATION - PAGE 1

**Attn:** MIKE MULLIN / B.O.C.C.

**Location:**  
CR 121, NASSAU COUNTY, FL

## QUOTATION

**Date:** 10/13/2006

Item #	Description of Work	Quantity	Units	Rate	Amount
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2	MAINTENANCE OF TRAFFIC	1.0	L.S.	\$ 113,346.88	\$ 113,346.88
3	MILLING 2" AVE. DEPTH	269,912.0	S.Y.	\$ 2.43	\$ 655,886.16
4	PRIME COAT W/ SAND	88,894.0	GALS	\$ 1.50	\$ 133,341.00
5	ASPH 1 1/2" SP 12.5 W/TACK	23,617.0	TONS	\$ 71.78	\$ 1,695,228.26
6	STRIPING TEMPORARY ONLY	100,379.0	L.F	\$ 0.17	\$ 17,064.43

- NOTES:** \* All milling /asphalt work to parrallel the Test Strip Section performed at SR 2.  
 \* Douglas Asphalt Company to have ownership of milled materials; a portion of the milled material will be negotiated for use by Nassau Co. Road Dept.  
 \* D.A.C.'s Work and schedule not subject to damages for delays to the project.  
 \* Striping to be performed with LATEX PAINT (no thermoplastic paint).

<b>TOTAL AMOUNT =</b>	<b>\$ 2,685,016.73</b>
<b>50% AGREEMENT CONTRIBUTION =</b>	<b>\$ 1,342,508.37</b>

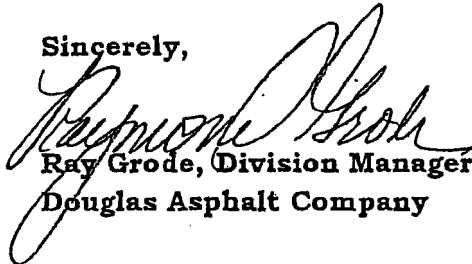
**INCLUDES:**

- 2 Asphalt Mobilization(s), each additional at \$1,500.00
- 2 Milling Mobilization(s), each additional at \$750.00

**EXCLUSIONS:**

- Performance and payment bonds (Add 1%).
- Provision of Traffic Officers.

Sincerely,



Ray Grode, Division Manager  
Douglas Asphalt Company

**ACCEPTED:** NASSAU COUNTY B.O.C.C.

**BY:** \_\_\_\_\_

Name/Title  
DATE

<b>EXHIBIT</b>
A

D  
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C

# Douglas Asphalt Company

Joel Spivey, President  
Kyle Spivey, Vice President  
& Operations Manager

To: NASSAU COUNTY B.O.C.C.  
96430 NASSAU PLACE  
YULEE, FL 32097

Project:  
19.2 MILES REPAIR - MILL & PAVE  
ALTERATE QUOTATION - PAGE 2

Attn: MIKE MULLIN / B.O.C.C.

Location:  
CR 121, NASSAU COUNTY, FL

**QUOTATION**

Date: 10/13/2006

Item #	Description of Work	Quantity	Units	Rate	Amount
<b>1 1/2" SURFACE COURSE - SECOND LIFT</b>					
1	MOBILIZATION / TESTING	1.0	L.S.	\$ 61,410.00	\$ 61,410.00
2	MAINTENANCE OF TRAFFIC	1.0	L.S.	\$ 97,056.25	\$ 97,056.25
3	ASPH 1 1/2" SP 12.5 W/TACK	23,617.0	TONS	\$ 70.89	\$ 1,674,209.13
4	STRIPING W/ R.P.M.s	1.0	L.S.	\$ 59,535.79	\$ 59,535.79

- NOTES: \* D.A.C.'s Work and schedule not subject to damages for delays to the project.  
 \* Striping to be performed with LATEX PAINT (no thermoplastic paint); RPMs placed only on final surface.  
 \* Guardrail (\$212,546.94) and Sodding (\$106,413.00) to be removed from work items (per Nassau County).  
 \* 1 1/2" Surface Course - Second Lift is not subject to 50% contribution to county.

TOTAL AMOUNT =

\$ 1,892,211.17

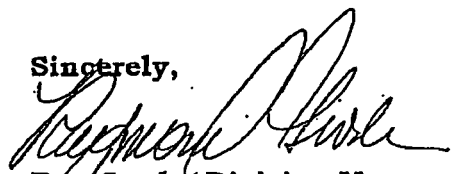
**INCLUDES:**

1. 2 Asphalt Mobilization(s), each additional at \$1,500.00
2. 2 Milling Mobilization(s), each additional at \$750.00

**EXCLUSIONS:**

1. Performance and payment bonds (Add 1%).
2. Provision of Traffic Officers.

Sincerely,



Ray Grode, Division Manager  
Douglas Asphalt Company

ACCEPTED:

NASSAU COUNTY B.O.C.C.

BY: \_\_\_\_\_

Name/Title

DATE \_\_\_\_\_

EXHIBIT

B

MR. MIKE MULLIN, P. A.  
Nassau County Capital Projects  
96161 Nassau Place  
Yulee, FL 32097

10/27/2006

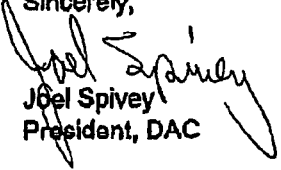
Re: Authorization for Contract Signature  
CR 121 19.2 Mile Repair Work

Dear Mr. Mullin:

On behalf of Douglas Asphalt Company, I would like authorize Raymond Grode, Division Manager, Florida Operations, to sign the contract agreement between Nassau County and Douglas Asphalt Company concerning the remedial work contract for the project captioned above.

Thank you (and Nassau Co. Staff) for all of your efforts to expedite this agreement and the draw remittance subsequent to it's approval.

Sincerely,

  
Joel Spivey  
President, DAC

# Payment Bond

Conforms with the American Institute of Architects, AIA Document A312.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):  
DOUGLAS ASPHALT COMPANY  
10010 NORTH MAIN STREET  
JACKSONVILLE, FLORIDA 32218

SURETY (Name and Principal Place of Business):  
ARCH INSURANCE COMPANY  
3 PARKWAY, SUITE 1500  
PHILADELPHIA, PA 19102

OWNER (Name and Address):  
BOARD OF COUNTY COMMISSIONERS OF NASSAU  
COUNTY, FLORIDA - P. O. BOX 1010  
FERNANDINA BEACH, FLORIDA 32035-1010

### CONSTRUCTION CONTRACT

Date:

Amount: SIX MILLION EIGHT HUNDRED NINETY SEVEN THOUSAND NINE HUNDRED FIFTY FOUR AND 56/100 DOLLARS (\$6,897,954.56)

Description (Name and Location): Full Depth Reconstruction of CR 121 from US 1 to the Duval County Line, Nassau County, Florida (35 miles of Roadway, Widening of existing Roadway to a 25 foot wide base typical section, etc)

### BOND

Date( Not earlier than Construction Contract Date):

Amount: SIX MILLION EIGHT HUNDRED NINETY SEVEN THOUSAND NINE HUNDRED FIFTY FOUR AND 56/100 DOLLARS (\$6,897,954.56)

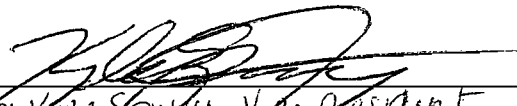
Modifications to this Bond:

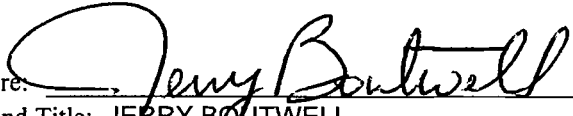
None

See Page 2

CONTRACTOR AS PRINCIPAL  
Company: DOUGLAS ASPHALT COMPANY (Corporate Seal)

SURETY  
Company: ARCH INSURANCE COMPANY (Corporate Seal)

Signature:   
Name and Title: Kyle Spivey, Vice President  
(Any additional signatures appear on page 2.)

Signature:   
Name and Title: JERRY BOUTWELL  
ATTORNEY-IN-FACT

(FOR INFORMATION ONLY - Name, Address and Telephone) AGENT or BROKER: H & H INSURANCE SERVICES, INC. - 3160 CAMPUS DRIVE, SUITE 100 NORCROSS, GEORGIA 30071 (770) 409-0014

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

3 With respect to Claimants, this obligation shall be null and void if the Contractor promptly makes payment, directly or indirectly, for all sums due.

2 With respect to the Owner, this obligation shall be null and void if the Contractor:

4 The Surety shall have no obligation to Claimants under this Bond until:

2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

4.1 Claimants who are employed by or have a direct contract with the Contractor have given notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

2.2 Defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity whose claim, demand, lien or suit is for the payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, provided the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety, and provided there is no Owner Default.

4.2 Claimants who do not have a direct contract with the Contractor:

.1 Have furnished written notice to the Contractor and sent a copy, or notice thereof, to the Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and

*ORIGINAL IN  
FILED IN  
SABRE*

- 2** Have either received a rejection in whole or in part from the Contractor, or not received within 30 days of furnishing the above notice any communication from the Contractor by which the Contractor has indicated the claim will be paid directly or indirectly; and
  - 3** Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the Owner stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the Contractor.
- 5** If a notice required by paragraph 4 is given by Owner to the Contractor or to the Surety, that is sufficient compliance.
- 6** When the Claimant has satisfied the conditions of Paragraph 4, the Surety shall promptly and at the Surety's expense take the following actions:
- 6.1** Send an answer to the Claimant, with a copy to the Owner, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.
  - 6.2** Pay or arrange for payment of any undisputed amounts.
- 7** The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.
- 8** Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and the Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.
- 9** The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.
- 10** The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.
- 11** No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which

the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Subparagraph 4. 1 or Clause 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

**12** Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the Owner or the Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

**13** When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

**14** Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

**15 DEFINITIONS**

**15.1** Claimant: An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

**15.2** Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

**15.3** Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

**MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:**

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL  
Company: \_\_\_\_\_ (Corporate Seal)

SURETY  
Company: \_\_\_\_\_ (Corporate Seal)

Signature: \_\_\_\_\_  
Name and Title:  
Address:

Signature: \_\_\_\_\_  
Name and Title:  
Address:



In Testimony Whereof, the Company has caused this instrument to be signed and its corporate seal to be affixed by their authorized officers, this 1st day of February, 2006.

Arch Insurance Company

Attested and Certified



*Martin J. Nilsen*

Martin J. Nilsen, Secretary

*Edward M. Titus*

Edward M. Titus, Vice President

STATE OF NEW YORK SS

COUNTY OF NEW YORK SS

I Peter J. Calleo, a Notary Public, do hereby certify that Edward M. Titus and Martin J. Nilsen personally known to me to be the same persons whose names are respectively as Vice President and Secretary of the Arch Insurance Company, a Corporation organized and existing under the laws of the State of Missouri, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary acts for the uses and purposes therein set forth.

**PETER J. CALLEO, ESQ.**  
Notary Public, State of New York  
No. 02CA6109336  
Qualified in New York County  
Commission Expires May 3, 2008

*Peter J. Calleo*  
Peter J. Calleo, Notary Public  
My commission expires 5-03-2008

**CERTIFICATION**

I, Martin J. Nilsen, Secretary of the Arch Insurance Company, do hereby certify that the attached Power of Attorney dated on behalf of the person(s) as listed above is a true and correct copy and that the same has been in full force and effect since the date thereof and is in full force and effect on the date of this certificate; and I do further certify that the said Edward M. Titus, who executed the Power of Attorney as Vice President, was on the date of execution of the attached Power of Attorney the duly elected Vice President of the Arch Insurance Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the Arch Insurance Company on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

*Martin J. Nilsen*

Martin J. Nilsen, Secretary

This Power of Attorney limits the acts of those named therein to the bonds and undertakings specifically named therein and they have no authority to bind the Company except in the manner and to the extent herein stated.

**PLEASE SEND ALL CLAIM INQUIRIES RELATING TO THIS BOND TO THE FOLLOWING ADDRESS:**

Arch Surety  
3 Parkway, Suite 1500  
Philadelphia, PA 19102



# Performance Bond

BOND NO.  
SU1016646

Conforms with the American Institute of Architects, AIA Document A312.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):  
DOUGLAS ASPHALT COMPANY  
10010 NORTH MAIN STREET  
JACKSONVILLE, FLORIDA 32218

SURETY (Name and Principal Place of Business):  
ARCH INSURANCE COMPANY  
3 PARKWAY, SUITE 1500  
PHILADELPHIA, PA 19102

OWNER (Name and Address):  
BOARD OF COUNTY COMMISSIONERS OF NASSAU  
COUNTY, FLORIDA - P. O. BOX 1010  
FERNANDINA BEACH, FLORIDA 32035-1010

### CONSTRUCTION CONTRACT

Date:

Amount: SIX MILLION EIGHT HUNDRED NINETY SEVEN THOUSAND NINE HUNDRED FIFTY FOUR AND 56/100 DOLLARS (\$6,897,954.56)

Description (Name and Location): Full Depth Reconstruction of CR 121 from US 1 to the Duval County Line, Nassau County, Florida (35 miles of Roadway, Widening of existing Roadway to a 25 foot wide base typical section, etc)

### BOND

Date (Not earlier than Construction Contract Date):

Amount: SIX MILLION EIGHT HUNDRED NINETY SEVEN THOUSAND NINE HUNDRED FIFTY FOUR AND 56/100 DOLLARS (\$6,897,954.56)

Modifications to this Bond:

None

See Page 2

CONTRACTOR AS PRINCIPAL  
Company: DOUGLAS ASPHALT COMPANY (Corporate Seal)

SURETY  
Company: ARCH INSURANCE COMPANY (Corporate Seal)

Signature: \_\_\_\_\_

Name and Title: *Bulk Spivey, Vice President*  
(Any additional signatures appear on page 2.)

(FOR INFORMATION ONLY - Name, Address and Telephone) AGENT or BROKER: H & H INSURANCE SERVICES, INC. - 3160 CAMPUS DRIVE, SUITE 100 NORCROSS, GEORGIA 30071 (770) 409-0014

Signature: \_\_\_\_\_

Name and Title: *Jerry Boutwell*  
JERRY BOUTWELL  
ATTORNEY-IN-FACT

OWNER'S REPRESENTATIVE (Architect, Engineer or other party):

1 The Contractor and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.

3 If there is no Owner Default, the Surety's obligation under this Bond shall arise after:

3.1 The Owner has notified the Contractor and the Surety at its address described in Paragraph 10 below that the Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with the Contractor and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to

perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default; and

3.2 The Owner has declared a Contractor Default and formally terminated the Contractor's right to complete the contract. Such Contractor Default shall not be declared earlier than twenty days after the Contractor and the Surety have received notice as provided in Subparagraph 3.1; and

3.3 The Owner has agreed to pay the Balance of the Contract Price to the Surety in accordance with the terms of the Construction Contract or to a contractor selected to perform the Construction Contract in accordance with the terms of the contract with the Owner.

4 When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

*Original in  
Financial  
Cuba City*

4.1 Arrange for the Contractor, with consent of the Owner, to perform and complete the Construction Contract; or

4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or

4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and the contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the Owner resulting from the Contractor's default; or

4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, tender payment therefor to the Owner; or
- .2 Deny liability in whole or in part and notify the Owner citing reasons therefor.

5 If the Surety does not proceed as provided in Paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Subparagraph 4.4, and the Owner refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

6 After the Owner has terminated the Contractor's right to complete the Construction Contract, and if the Surety elects to act under Subparagraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the Owner of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

- 6.1 The responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
- 6.2 Additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 4; and
- 6.3 Liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

7 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators or successors.

8 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

9 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the signature page.

11 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

**12 DEFINITIONS**

12.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

12.2 Construction Contract: The agreement between the Owner and the Contractor identified on the signature page, including all Contract Documents and changes thereto.

12.3 Contractor Default: Failure of the Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

12.4 Owner Default: Failure of the Owner, which has neither been remedied nor waived, to pay the Contractor as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

**MODIFICATIONS TO THIS BOND ARE AS FOLLOWS:**

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL  
Company: \_\_\_\_\_ (Corporate Seal)

SURETY  
Company: \_\_\_\_\_ (Corporate Seal)

Signature: \_\_\_\_\_  
Name and Title:  
Address:

Signature: \_\_\_\_\_  
Name and Title:  
Address:

# CHANGE RIDER

Rider to be attached to and a part of Bond Number SU 1016646, dated the 27th day of

February, 2006, executed by Arch Insurance Company

(the "Surety") on behalf of Douglas Asphalt Company

(the "Principal")

in favor of Nassau County Board of Commissioners

(the "Obligee")

The Principal and the Surety hereby consent to changing the attached bond as follows:

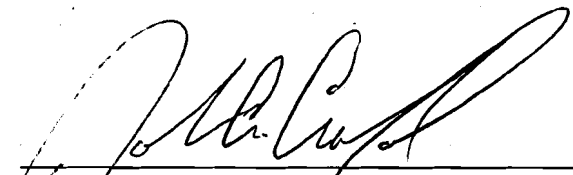
- 1). Increase the penal sum of the bond to \$6,966,790.88; formerly \$6,897,944.56
- 2). Revise the original contract dated February 27, 2006 to include Amendment #One dated November 8, 2006.

This change is effective 8th day of November, 2006.


The attached bond shall be subject to all of its terms, conditions and limitations except as herein modified.

Signed, sealed and dated this 8th day of November, 2006.

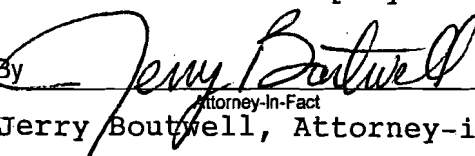
WITNESS or ATTEST:

  
\_\_\_\_\_  
John A. Crawford,  
Ex-Officio Clerk

Douglas Asphalt Company  
(Principal)

By  (Seal)  
Name: KYLE SPIVEY  
Title: VICE-PRESIDENT

Arch Insurance Company

By  (Seal)  
Attorney-In-Fact  
Jerry Boutwell, Attorney-in-Fact

ACCEPTED:

  
\_\_\_\_\_  
Nassau County Board of Commissioners

(Obligee)

Name: Thomas D. Branan. Jr.  
Title: Chairman

Date: \_\_\_\_\_

## POWER OF ATTORNEY

Know All Men By These Presents:

That the Arch Insurance Company, a corporation organized and existing under the laws of the State of Missouri, having its principal office in Kansas City, Missouri (hereinafter referred to as the "Company") does hereby appoint

Leslie A. Paulsen, Christopher B. Wortham, Shirley A. Coleman, Derek Wortham, Jerry Boutwell and Michael A. Jones of Norcross, GA (EACH)

its true and lawful Attorney(s)-in-Fact, to make, execute, seal, and deliver from the date of issuance of this power for and on its behalf as surety, and as its act and deed:

Any and all bonds and undertakings

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver bonds or undertakings that guarantee the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

The Company may revoke this appointment at any time.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Kansas City, Missouri.

This Power of Attorney is executed by authority of resolutions adopted by unanimous consent of the Board of Directors of the Company on March 3, 2003, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect.

VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process.

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the unanimous consent of the Board of Directors of the Company on March 3, 2003:

VOTED, That the signature of the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to the resolution adopted by the Board of Directors on March 3, 2003, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company.

In Testimony Whereof, the Company has caused this instrument to be signed and its corporate seal to be affixed by their authorized officers, this 1st day of February, 2006.

Arch Insurance Company

Attested and Certified



Martin J. Nilsen  
Martin J. Nilsen, Secretary

Edward M. Titus  
Edward M. Titus, Vice President

STATE OF NEW YORK SS

COUNTY OF NEW YORK SS

I Peter J. Calleo, a Notary Public, do hereby certify that Edward M. Titus and Martin J. Nilsen personally known to me to be the same persons whose names are respectively as Vice President and Secretary of the Arch Insurance Company, a Corporation organized and existing under the laws of the State of Missouri, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary acts for the uses and purposes therein set forth.

**PETER J. CALLEO, ESQ.**  
Notary Public, State of New York  
No. 02CA6109336  
Qualified in New York County  
Commission Expires May 3, 2008

Peter J. Calleo  
Peter J. Calleo, Notary Public  
My commission expires 5-03-2008

**CERTIFICATION**

I, Martin J. Nilsen, Secretary of the Arch Insurance Company, do hereby certify that the attached Power of Attorney dated on behalf of the person(s) as listed above is a true and correct copy and that the same has been in full force and effect since the date thereof and is in full force and effect on the date of this certificate; and I do further certify that the said Edward M. Titus, who executed the Power of Attorney as Vice President, was on the date of execution of the attached Power of Attorney the duly elected Vice President of the Arch Insurance Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the Arch Insurance Company on this 8th day of November, 2006

Martin J. Nilsen  
Martin J. Nilsen, Secretary

This Power of Attorney limits the acts of those named therein to the bonds and undertakings specifically named therein and they have no authority to bind the Company except in the manner and to the extent herein stated.

**PLEASE SEND ALL CLAIM INQUIRIES RELATING TO THIS BOND TO THE FOLLOWING ADDRESS:**

Arch Surety  
3 Parkway, Suite 1500  
Philadelphia, PA 19102



# ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE  
12/29/2006

<b>PRODUCER</b> 877-945-7378  Willis North America, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 372305191		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
<b>INSURED</b> Douglas Asphalt Company, Inc. P.O. Box 2320 Attn: Richard Meeks Douglas, GA 31534		<b>INSURERS AFFORDING COVERAGE</b>	<b>NAIC#</b>
		INSURER A: Zurich American Insurance Company	27855-002
		INSURER B: Interstate Fire & Casualty Co.	22829-000
		INSURER C: Zurich American Insurance Company (IP)	27855-003
		INSURER D: Safety National Casualty Corporation	15105-091
		INSURER E:	

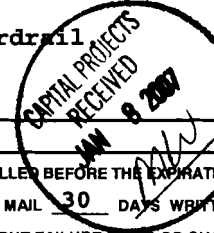
## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	GL0937710803	10/31/2006	10/31/2007	EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10,000
					PERSONAL & ADV INJURY	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE	\$ 2,000,000
	<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC				PRODUCTS - COMP/OP AGG	\$ 2,000,000
A	AUTOMOBILE LIABILITY	BAP937710703	10/31/2006	10/31/2007	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS				AUTO ONLY - EA ACCIDENT	\$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS				OTHER THAN AUTO ONLY: EAACC	\$
					AGG	\$
B	GARAGE LIABILITY	UMO1607205	10/31/2006	10/31/2007	EACH OCCURRENCE	\$ 1,000,000
	<input type="checkbox"/> ANY AUTO				AGGREGATE	\$ 1,000,000
	EXCESS LIABILITY					\$
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE					\$
	<input type="checkbox"/> DEDUCTIBLE					\$
	<input type="checkbox"/> RETENTION \$					\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WC489529503	12/31/2006	10/31/2007	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	\$ 1,000,000
	If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
					E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
D	OTHER	SP1B98GA	12/31/2006	12/31/2007	WC-Statutory \$1,000,000. Limit Each Accident \$1,000,000. Limit Each Employee Excess of SIR of \$750,000.	

### DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Job Name: C.R. 121 - Reclaim Paving  
 Job Location: Nassau CO., FL  
 New Job No.: 06477  
 Scope of Work: Base Reclaiming, Asphalt Paving, Shoulder Gradework, Striping & Guardrail



### CERTIFICATE HOLDER

### CANCELLATION

Nassau County B.O.C.C  
 Attn: Jose Deliz  
 P.O. Box 1010  
 Fernandina Beach, FL 32035

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE  
*Eric B. Smith*

## **IMPORTANT**

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

## **DISCLAIMER**

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



**NOTICE TO PROCEED**

To: Douglas Asphalt Company

Date: 03/21/07

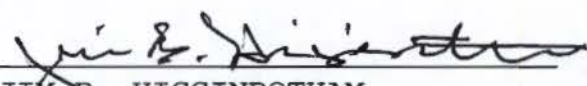
10010 N. Main Street  
Jacksonville, FL 32218

Project: CR 121 - Repair  
Work (19.2 miles)

You are hereby notified to commence work in accordance with the Agreement dated the 8th day of November, 2006, on or before the 16th day of April, 2007 and you are to fully complete the Project within a total of 120 working days of commencement. The Date of Completion of all Work is therefore September 28, 2007.

OWNER:

BOARD OF COUNTY COMMISSIONERS  
NASSAU COUNTY, FLORIDA

  
JIM B. HIGGINBOTHAM  
Its: Chairman

ATTEST AS TO CHAIRMAN'S SIGNATURE:

  
JOHN A. CRAWFORD  
Its: Ex-Officio Clerk

REVIEWED BY GENE KNAGA  
DEPUTY COMPTROLLER

 DATE 3/24/07

Approved as to form by the  
Nassau County Attorney

  
DAVID A. HALLMAN