

Department of Transportation PW092507-12

Office of Project Development

700 E Broadway Avenue
Pierre, South Dakota 57501-2586 605/773-3268
FAX: 605/773-6608

August 31, 2007

Heavy Constructors, Inc.
PO Box 3239
Rapid City SD 57709

Re: Item 4, August 15, 2007 Letting
SSW05-1469, PCN X00E
Pennington County

Gentlemen:

Enclosed are the original contract, "Proposed Start Date" "Fuel Adjustment Affidavit" forms for the above referenced project, which was awarded to you by the South Dakota Transportation Commission on August 31, 2007.

Please sign and complete (**marked with red "X"**) the "Proposed Start Date", "Fuel Adjustment Affidavit" form, the Contract on page 3 and have the Contract Bond properly executed on pages 3 thru 6 then **forward the entire packet of originals to the City of Rapid City attention Dan Coon, 300 6th St, Rapid City, SD 57701-2724; FAX or Xerox copies WILL NOT be accepted. DO NOT REMOVE ANY DOCUMENTS FROM THE ORIGINAL PACKET.** You will receive a certified copy for your file upon completion by the Department.

In accordance with Section 3.6 of the Standard Specifications, most recent edition, the executed contracts are to be returned within twenty (20) days after receipt of this **NOTICE OF AWARD**. A Certificate of Insurance, issued in accordance with Section 7.15 of the Standard Specifications, shall be filed with this office prior to commencing work on this project.


In accordance with Section 8.2 of the Standard Specifications, **NOTICE TO PROCEED**, is herewith given. The contract time shall start thirty (30) calendar days following the receipt of this notice or the first working day thereafter. Working days are defined in Section 8.6 of the Standard Specifications.

YOU ARE EXPECTED TO CONTACT THE AREA ENGINEER TO SCHEDULE A PRECONSTRUCTION MEETING PRIOR TO COMMENCING WITH THE WORK ON THIS PROJECT.

Within the next few days, ten (10) complimentary sets of plans, proposals, and addenda will be sent for your field and office use. An electronic copy will also be provided. Any additional copies required will be the responsibility of the contractor.

Sincerely,

OFFICE OF PROJECT DEVELOPMENT
Tim Bjorneberg
Project Development Engineer


Connie Johnson
Transportation Analyst

CERTIFIED RETURN RECEIPT

cc: Todd Seaman, Rapid City Region Engineer / Gary Engel, Rapid City Area Engineer
Ops. Support / Denise Voorhes
Sharon Jakober, Dept of Labor
James F Preston, 300 6th St Rapid City, SD 57701-2724 City Finance Officer
Dan Coon, 300 6th St Rapid City, SD 57701-2724 City Engineer

CONTRACT

This AGREEMENT, made by and between the City of Rapid City, State of South Dakota acting by and through its City Council, party of the first part, and Heavy Constructors, Inc. of Rapid City SD party of the second part, hereinafter called the Contractor.

WITNESSETH, that the said Contractor has agreed and by these presents does agree, for and in consideration of the covenants herein contained and payments to be made as hereinafter provided, to furnish all the materials, appliances, tools, food, and labor of every kind and to construct in the most substantial and workmanlike manner and in accordance with the plans and specifications therefore, the various items of work awarded the said Contractor on the August 31, 2007, according to the foregoing proposal and consisting of all work called for on the plans in connection with the construction and improvement of a portion of SD Highway 44 in Pennington County, South Dakota. LOCATION: SD44 southeast from Long View Road

The following is a description of the work: Utilities Reconstruction.

The said work shall be performed in accordance with the true intent and meaning of the plans and specifications therefore, including the special provisions, which plans and specifications, including the special provisions, are hereby referred to and made an essential part of this contract as fully and to the same effect as if the same had been set forth and shown at length in the body of this contract. The party of the first part, however, reserves the right to make such alterations, additions or deductions as are in said specifications provided for and this contract shall in no way be invalidated thereby.

It is mutually agreed by and between the parties to this contract that the notice to contractors, the foregoing proposal and the contract bond, shall be bound herewith and are hereby made a part of this contract.

The said Contractor further agrees to pay all just claims for materials, supplies, food, tools, appliances, labor and all persons who shall supply him or any of his sub-contractors with provisions or supplies for carrying out this contract, and further agrees that the contract bond shall be held to cover all such claims. Provided, however, notwithstanding anything in the said contract, or this bond to the contrary, the surety shall not be liable for any money loaned or advanced to any such contractor or other person in the performance of said contract.

It is further understood and agreed by and between the parties to this contract that the work embraced under this contract shall be completed **ON OR BEFORE OCTOBER 15, 2008** unless such date of completion be set at a later date as is specifically provided for in the specifications, and that the time of completion of said work is of the essence of this contract.

In consideration of the faithful performance of the work embraced under this contract, according to the terms hereof and to the satisfaction of the party of the first part, said party of the first part agrees to pay the Contractor, such unit or lump sum prices for the work actually done as are set forth in the proposal accompanying this contract, and in the manner and subject to the conditions as set forth in the said specifications.

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IN WITNESS WHEREOF, the parties hereof have caused this agreement to be executed on the September 1, 2007.

CITY OF Rapid City
A Municipal Corporation

BY: _____
MAYOR

ATTEST:

City Finance Officer

X HEAVY CONSTRUCTORS INC (an individual)
CONTRACTOR (a partnership)
(a corporation)

X BY: Ty Jones

X TITLE: VICE PRES.

X
CONTRACT BOND

X
BOND # 104902851

KNOW ALL MEN BY THESE PRESENTS, that we

Heavy Constructors, Inc. of Rapid City SD

hereinafter called the Principal, and X Travelers Casualty & Surety Company of
America

of X Connecticut

hereinafter called the Surety, are held and firmly bound unto the State of South Dakota in the amount of

One Hundred Ninety Eight Thousand Seven Hundred Ninety and 00/100

_____ Dollars (\$198,790.00)

good and lawful money of the United States of America, to the payment of which amount of money, well to be made and done the said principal binds himself, his heirs, executors, administrators or assigns and the Surety binds itself, its successors, or assigns jointly and severally, firmly by all these presents.

X X
Signed, sealed and dated this 10th day of September, 2007.

WHEREAS, said Principal has entered into a certain written contract bearing date on the September 1, 2007 with the State of South Dakota for the performance of certain work in connection with the construction and improvement on a portion of SD Highway 44 in Pennington County, South Dakota. LOCATION: SD44 southeast from Long View Road

NOW THEREFORE, the condition of the foregoing obligations such that if the said Principal shall well, truly and faithfully comply with and perform all the terms, covenants and conditions of said contract, on his part to be kept and performed according to the terms and tenor of said contract and shall protect the said City of Rapid City against and pay any excess of costs as provided in said contract, and all amounts, damages, costs, judgments which may be recovered against said State or its officers or agents, or which the said Rapid City may be called upon to pay to any person or corporation by reason of any damages arising or growing out of the doing of said work or the repair thereof or the manner of doing same, or the neglect of said Principal or

his agent or servants, or the improper performance of the said work by the said Principal or his servants or agents or from any other cause growing out of the said contract, and if the above bounden Principal, his heirs, executors, administrators or assigns, shall and will and truly pay or cause to be paid the wages stipulated and agreed to be paid each and every laborer employed by the Principal, his agent, subcontractor and all claims incurred for materials, supplies, food, tools, appliances, in carrying out the provisions of said contract, then this obligation is null and void, otherwise to remain in full force and virtue.

And the said Surety hereby stipulates and agrees that no change, extension, alteration, deduction or addition in or to the terms of said contract or the plans or the specifications accompanying the same, shall in any wise affect the obligation of said Surety on this bond.

X HEAVY CONSTRUCTORS INC. Corporate Seal
(CONTRACTOR) of Principal

BY: [Signature]
TITLE: VICE PRES.

(The Surety Company must be qualified to transact business in South Dakota, under the corporate laws of the State.)

X

Travelers Casualty and Surety Co. (Corporate Seal
(SURETY) of America of Surety)

BY: [Signature: James A. Olson]

NAME & TITLE: James A. Olson, Attorney-in-fact
(PLEASE PRINT)

X

EXECUTING AGENT'S INFORMATION:
(Copy of executed contract will be sent to this location)

James A. Olson
(NAME)

The Olson Group
(COMPANY NAME)

PO Box 89727
(ADDRESS)

Sioux Falls, SD 57109
(CITY STATE ZIP)

605-335-7777
(PHONE NUMBER)

(INDIVIDUAL / PARTNERSHIP ACKNOWLEDGEMENT)

STATE OF _____)

ss

COUNTY OF _____)

On this _____ day of _____, _____, before me, a Notary Public within and for said

county, personally appeared _____ known to me (PLEASE TYPE OR PRINT LEGIBLY)

to be the person(s) described in and who acknowledged to me that he/she/they executed the same as their free act and deed.

(NOTARY SEAL)

Notary Public

My Commission Expires _____

X

(CORPORATE ACKNOWLEDGEMENT)

STATE OF South Dakota)

ss

COUNTY OF Pennington)

On this 10th day of September, 2007, before me, a Notary Public within and for said

county, personally appeared Terry Larson known to me to (PLEASE TYPE OR PRINT LEGIBLY)

be the person(s) described in and who being by me duly sworn, did depose and say that (s)he resides in

Pennington County, that (s)he is the Vice President

of Heavy Constructors, Inc., the corporation described in and which executed the foregoing instrument; that (s)he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that (s)he signed their name thereto by like order.

(NOTARY SEAL)

Gregory K Brown
Notary Public

My Commission Expires May 15, 2012

X

(ACKNOWLEDGEMENT OF CORPORATE SURETY)

STATE OF South Dakota)

SS

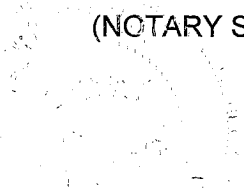
COUNTY OF Lincoln)

On this 10th day of September, 2007, before me, a Notary Public within and for said county, personally appeared James A. Olson known to me to be the person(s) described in and who being duly sworn, did say that (s)he is the aforesaid officer or Attorney in Fact of

(PLEASE TYPE OR PRINT LEGIBLY)

Travelers Casualty and Surety Company of America, a corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by the aforesaid officer, by authority of its Board of Directors; and the aforesaid officer acknowledged said instrument to be the free act and deed of said corporation.

(NOTARY SEAL)



Don H. Moore
Notary Public

My Commission Expires 8/25/10



POWER OF ATTORNEY

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Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 215586

Certificate No. 001870421

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Lori A. Hilmoe, James A. Olson, and Amy Olson-Miller

of the City of Sioux Falls, State of South Dakota, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 1st day of May, 2006

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this the 1st day of May, 2006, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2011.



[Signature]
Marie C. Tetreault, Notary Public

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This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 10th day of September, 2007.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

Kori M. Johanson
Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

FUEL ADJUSTMENT AFFIDAVIT

Project Number SSW05-1469
PCN X00E
County Pennington

The Contractor is not required to notify the Department at the time of submitting bids whether he will or will not participate in the fuel cost adjustment program. The Fuel Adjustment Affidavit shall include the anticipated fuel cost of subcontractors.

Does your company elect to participate in a fuel adjustment for this contract for the fuels that do not have a fixed price? No adjustments in fuel prices will be made if "No" is checked.

Yes No

If yes, then check the box for each fuel type that has a fixed price. No adjustments in fuel price will be made for the boxes that are checked.

Diesel Unleaded Burner Fuel

If yes, provide the total dollars for each of the applicable fuels.

Diesel (x) \$ _____

Unleaded (y) \$ _____

Burner Fuel (z) \$ _____ Type of Burner Fuel Used: _____

Sum (x + y + z) = _____

Note: The sum of the x, y, and z may not exceed 15% of the original contract amount.

Under the penalty of law for perjury or falsification, the undersigned, TERRY LARSON,
(Printed Name)
VICE PRES. of HEAVY CONSTRUCTORS INC.,
(Title) (Contractor)

hereby certifies that the documentation is submitted in good faith, that the information provided is accurate and complete to the best of their knowledge and belief, and that the monetary amount identified accurately reflects the cost for fuel, and that they are duly authorized to certify the above documentation on behalf of the company.

I hereby agree that the Department or its authorized representative shall have the right to examine and copy all Contractor records, documents, work sheets, bid sheets, and other data pertinent to the justification of the fuel costs shown above.

Dated 9/10/07 Signature Tj Larson

Notarization is required only when the Contractor elects to participate in the fuel adjustment affidavit

Subscribed and sworn before me this 10th day of Sept., 2007.

Margaret K. Brown My Commission Expires May 15, 2012
Notary Public

PCNs: X00E

Project: SSW05-1469

PW092507-12

Contract: 2364

Contractor: Heavy Constructors, Inc.

Bid Schedule

Line No.	Standard Bid Item No.	Approximate Quantity	Items	Unit	Unit Bid Price	Amount Bid
1	009E0010	1.000	Mobilization	LS	4,000.000	4,000.00
2	009E3200	1.000	Construction Staking	LS	8,570.000	8,570.00
3	110E5750	6.000	Salvage Fire Hydrant with Valve and Box	Each	625.000	3,750.00
4	250E0010	1.000	Incidental Work	LS	6,000.000	6,000.00
5	451E0124	208.000	24" Steel Encasement Pipe	Ft	135.000	28,080.00
6	451E0606	64.000	6" PVC Water Main	Ft	33.000	2,112.00
7	451E2231	3.000	12"x6" Pipe Tee	Each	775.000	2,325.00
8	451E3412	3.000	6" Pipe Plug	Each	155.000	465.00
9	451E4212	3.000	12" Gate Valve with Box	Each	2,000.000	6,000.00
10	451E4400	760.000	Pipe Insulation	SqFt	25.000	19,000.00
11	451E4506	3.000	6" Fire Hydrant Extension	Each	625.000	1,875.00
12	451E4512	1.000	12" Fire Hydrant Extension	Each	775.000	775.00
13	451E4580	6.000	Standard Fire Hydrant	Each	3,150.000	18,900.00
14	451E4901	100.000	Type 1 Bedding Material	Ton	16.000	1,600.00
15	451E4903	100.000	Type 2 Foundation Material	Ton	19.250	1,925.00
16	451E4904	100.000	Type 3 Foundation Material	Ton	21.200	2,120.00
17	451E4908	150.000	Select Trench Backfill	Ton	15.000	2,250.00
18	451E4912	50.000	Controlled Low Strength Backfill	CuYd	106.000	5,300.00
19	451E6080	3.000	Adjust Water Valve Box	Each	215.000	645.00
20	451E6085	9.000	Extend Water Valve Box	Each	215.000	1,935.00
21	451E6107	1.000	Temporary Water Main Bypass	Each	6,000.000	6,000.00
22	451E7012	5.000	Reconstruct Sewer Vent	Each	675.000	3,375.00
23	462E0200	83.000	Controlled Density Fill	CuYd	106.000	8,798.00
24	632E2540	20.000	Flexible Object Marker Post	Each	46.000	920.00
25	634E0120	1.000	Traffic Control, Miscellaneous	LS	7,100.000	7,100.00
26	671E8000	17.000	Reconstruct Manhole	Each	3,185.000	54,145.00
27	900E2090	5.000	AASHTO T-180 Soil Test	Each	165.000	825.00
Total Bid Amount						\$198,790.00