MEMORANDUM

TO: District Structures Design Engineers
   (Gerard Moliere, Rod Nelson, Keith Shores, John Danielsen,
    Neil Kenis, Kim Saing, Jose Rodriguez, and Agnes Spielmann)
District Construction Engineers
   (Jon Sands, Henry Haggerty, Steve Benak, Jennifer Olson, Frank O’Dea, Mark Croft, Jim
    Moulton, Jr., Thomas Driscoll)

FROM: William N. Nickas, P.E., State Structures Design Engineer
      Ananth Prasad, P.E., State Construction Engineer

COPIES: Assistant Secretary Ken Morefield,
        State Highway Engineer Freddie Simmons,
        Director Office of Design, Bob Greer,
        State Specifications Engineer Duane Brautigam
        Structures Design Engineers (William Domico, Bob Nichols, and Jack Evans),
        State Geotechnical Engineer Larry Jones

SUBJECT: Temporary Design Bulletin CO3-11
         Construction Memorandum Number 27-03
         Use of Temporary and Permanent Retaining Wall Systems
         by Hilfiker Retaining Wall and T & B Structural Systems, Inc.

REFERENCE: Design Standard Index No. 5021 (Retaining Wall System-Hilfiker Square Panel), and Design Standard
           Index No. 5120 (Retaining Wall System-Hilfiker Welded Wire Wall)

Please be advised by this Memorandum that this office has become aware of patent irregularities that have existed
between the subject vendors who jointly supply the systems represented by the referenced two Design Standard Indexes.

Please also note that both referenced standards require the combined effort of the two subject companies in order to
supply retaining wall systems on FDOT construction projects. In both instances, T & B Structural Systems, Inc. is the
approved vendor that supplies retaining wall components for use with Hilfiker Retaining Wall Systems.

The potential patent irregularities and problems with the use of either of the systems contained in the Department’s
standards surfaced last month and is briefly summarized in the following correspondence chronology:
Use of Temporary and Permanent Retaining Wall Systems by Hilfiker Retaining Wall and T & B Structural Systems, Inc.
September 26, 2003
Page TWO

December 16, 2002:

Although unknown to FDOT at the time, a letter this date from Hilfiker notified T & B that the contract between the two companies had been breached by T & B, and that Hilfiker would no longer provide or permit utilization of their wall panel system by T & B on any future projects.

August 21, 2003:

Knowledge of the potential improper use of the systems approved by the referenced standards came from the attached letter of this date from T & B Structural Systems, Inc. to Mr. William Nickas wherein the company stated that it was no longer associated with the trade name of Hilfiker (Please make note of the fact that this letter inadvertently refers to Design Standard Index No. 5121 instead of the correct reference of Index No. 5021.) T & B further requested that the FDOT remove any reference to the Hilfiker name from any specifications or standard drawings and replace in with the name T & B’s name instead.

August 27, 2003:

By letter this date, Mr. William Nickas advised Hilfiker of the August 21, 2003 letter from T & B and attached a copy of the letter. Mr. Nickas’ letter required Hilfiker to respond within seven days of explaining their relationship with T & B by confirming, refuting, or modifying the statements made in the T & B letter. The letter was copied to T & B.

September 8, 2003:

By letter this date to Mr. William Nickas, Hilfiker notified the FDOT that their contract with T & B was terminated in December 2002 or January 2003 (confirmation letter to follow) for a “material breach” and the T & B’s name should no longer be affiliated with Hilfiker in any way.

September 10, 2003:

By letter this date, Mr. William Nickas notified T & B that the Department cannot abide by the requests of their August 21, 2003 letter and that the issue between the two companies must be resolved before either company can supply products to the Department. The letter was copied to Hilfiker.

September 19, 2003:

Mr. Duane Brautigam, State Specifications Engineer, issued this date a Special Provision to the FDOT’s Specifications suspending the use of Design Standard Index Nos. 5021 and 5120 on projects let effective the October 2003 Bid Letting.

October 2, 2003

By letter this date, William K. Hilfiker has indicated to the Department that there is pending litigation between Mr. Hilfiker and T&B with regard to royalties which Mr. Hilfiker alleges that T&B owes him under the terminated license. Further, Mr. Hilfiker has stated, “Please be advised that Mr. Hilfiker agrees to limit any claim for royalties to T&B and will look solely to T&B for royalties for any work performed by T&B, using the Retaining Wall Patents, under contract with FDOT from December 16, 2002 to the date of your receipt of this letter.”
Use of Temporary and Permanent Retaining Wall Systems by Hilfiker Retaining Wall and T & B Structural Systems, Inc.
September 26, 2003
Page THREE

By virtue of the above listed correspondence, be further advised that Hilfiker Retaining Wall will honor their past contract with T & B Structural Systems, Inc. and provide the Hilfiker system for all FDOT projects bid on or before T & B’s receipt of the December 16, 2002; however, neither company can bid or provide products on any FDOT project subsequent to October 2003 Bid Letting. Construction on all FDOT projects bid between these two dates that utilize either of the subject indexes must be administered on a project-by-project basis. In this event, the State Construction Office shall be contacted for proper direction and assistance.

WNN/Ir

Enclosures (7)
December 16, 2002

VIA CMRRR # 7002 0860 0004 9286 8486 and FAX (817) 280-9864
Mr. Thomas Taylor, President
T & B Structural Systems
637 W. Hurst Blvd.
Hurst, TX 76053

Re: April 13, 1995 William K. Hilfiker License Agreement

Dear Mr. Taylor,

My firm and I represent William K. Hilfiker with regard to the above licensing agreement ("License Agreement") between Mr. Hilfiker ("Licenser") and T & B Structural Systems, Inc. ("Licensee").

Pursuant to Paragraph IV(C) of the License Agreement, Licensee was required to furnish Licenser annual auditor's statement reporting all sales subject to the Hilfiker Earth Retention systems and components. Although Licenser, as recently as September 26, 2002, brought these defaults to your attention, you, as Licensee, have failed to cure that default and to furnish the required auditor's statements for the years 1995 through 2001. As you are aware without the auditor's statements, Licenser is unable to confirm the accuracy and completeness of the royalty payments due and payable under the License.

Therefore as a result of Licensee's defaults, the License is hereby terminated immediately upon receipt of this letter. As to contracts and projects that Licensee is in the process of completing, Licensee will be permitted to complete them, subject to the full identification of the contract or project including an estimate of when the contract or project is to be completed.
Letter to Mr. Thomas Taylor, President
T & B Structural Systems, Inc.
December 16, 2002
Page 2 of 2

Further, Licensor, hereby demands that Licensee within ten (10) days of this letter provide a full accounting of all sales from February 22, 1995 to date by Licensee incorporating the Hilfiker Earth Retention systems and components covered by the License. Also, Licensor demands that Licensee deliver to Licensor within ten (10) days of this letter all confidential and trade secret information incorporating any design, engineering concepts, research and field applications of the Hilfiker Earth Retention systems and components disclosed to Licensee by Licensor during the term of the License. Finally, Licensee must immediately cease the use of the Hilfiker logo and trademark.

Please direct all future correspondence and communication to me as attorney for William K. Hilfiker.

Sincerely yours,

Ben Idzik

cc: William K. Hilfiker
August 21, 2003

William Nickas
State Structures Design Engineer
605 Suwannee Str. MS-33
Tallahassee, FL 32399-0450

Re: Standard Index Numbers 5120 and 5121

Subject: Removal of Hilfiker trade name

Dear Mr. Nickas:

T&B Structural Systems, Inc. is no longer associated with the trade name Hilfiker. We request that the name Hilfiker be removed from any specifications referring to our standard indexes 5120 and 5121, and be replaced with the names used below.

Index 5120 (temp. welded wire wall) was resubmitted and approved several months back and the name Hilfiker was removed from that index. The new product title on the index is “T&B Structural Systems, Inc. Gabion Wire Wall System”, which can be shortened to “TBSS Wire Wall” for convenience.

Index 5121 (perm. Square panel wall) was resubmitted recently (July 23) with Hilfiker removed as well as other changes still in review by Mr. Domico. The product title for this index was changed to “TBSS Segmental Panel Wall System”.

Sincerely,

SCOTT BAGWELL
Vice President, T&B Structural Systems, Inc.

Sent via fax, original to follow in regular mail
Hilfiker Retaining Walls
P. O. Box 2012
Eureka, CA 95502-2012

REFERENCE: Florida Department of Transportation (FDOT) Design Standards, Index Nos. 5021 and 5120.

SUBJECT: FDOT-Approved Earth Retaining Wall Systems

Dear Sirs:

We are enclosing a copy of a letter from T & B Structural Systems, Inc. dated August 21, 2003 wherein we were requested to remove the trade name of Hilfiker from the referenced, approved standard indexes. The enclosed letter states that T & B Structural Systems, Inc. is no longer associated with the name of Hilfiker.

Before taking any action to modify the existing standards, we require an immediate response from your company either confirming, refuting, or supplementing the statements made by T & B Structural Systems, Inc. in the enclosed letter. Once we receive your response, the FDOT will take appropriate action to clarify the use of the referenced standards and any and all future construction projects.

In light of the immediate, potential impact on the use of the referenced standards, please furnish us your requested response within seven (7) days after receipt of this letter.

If you have any questions in this regard, please call me at (850) 414-4260 or Robert E. Nichols at (850) 414-4283.

Sincerely,

[Signature]

William N. Nickas, P.E.
State Structures Design Engineer

WNN/REN:lr

Enclosure

cc: Robert E. Nichols, P.E.
    William Domico, P.E.
    T & B Structural Systems, Inc.  www.dot.state.fl.us
Dear Mr. Nickas:

Thank you for the opportunity to reply to your 08.27.03 letter, received this office on 09.02.03. In summary of our telephone conversation from Thursday the 4th, I would like to confirm the following:

T & B Structural Systems' [aka TBSS] Master License to sell the patented, proprietary Hilfiker retaining wall systems was terminated for a material breach. Their name should no longer be affiliated with the Hilfiker name in any way. They have been instructed to cease use of the inventions covered by the Hilfiker patents and cease using the Hilfiker trademarks. This occurred in December 2002 or January 2003. The exact dates and additional documentation will be provided to you by William K. Hilfiker, patent holder and Licensor. We were asked by Bill, Sr., to continue servicing the Florida market and other Eastern states, utilizing the approved Hilfiker systems. In that regard, we bid the SR 9 (T 5033) on 07.30.03 to all bidders with the full intent of supplying the approved 5210 Temporary Welded Wire Wall, utilizing the same manufacturing firm as previously used by TBSS in Hurst, TX. If I understood our conversation correctly, Hilfiker [California] would not be allowed by FDOT to supply the 5210 or 5021 [square panel] system, since those systems are approved for use by TBSS only.

Hilfiker Retaining Walls, Eureka, CA, is a 4th-generation, family-owned business, founded in 1902 by William K.'s grandfather. Our firm is now owned and operated by his sons, Harold and William B. We have been involved in the design and supply of thousands of MSE structures since their introduction in the U.S. in the early 70's. We would very much like to work with FDOT to some resolution of the use of the Hilfiker MSE systems. I believe Mr. William K. Hilfiker will be contacting you direct to discuss the patent and intellectual rights issues I was not able to address. Thank you for your time.

Best Regards,

Suzanne C. Blackburn
Vice President

suzanne@hilfiker.com

Via: fax and regular mail

c: William K. Hilfiker
Harold K. Hilfiker
William B. Hilfiker

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Scott Bagwell, Vice President
T & B Structural Systems, Inc
637 West Hurst Blvd.
Hurst, Texas  76053

REFERENCE:  Florida Department of Transportation (FDOT) Design Standards, Index Nos. 5021 and 5120.

SUBJECT:  FDOT-Approved Earth Retaining Wall Systems

Dear Mr. Bagwell

Based on the attached letter from Hilfiker Retaining Walls, dated September 8, 2003, FDOT cannot abide by the requests outlined in your August 2, 2003 letter.

FDOT cannot knowingly allow a vendor to violate patent rights. T & B’s verbal claim of “patent enforcement” and “patent expiration” cannot meet the test of responsibilities when the approved standards depict “Hilfiker hardware” and/or “Hilfiker Logos.”

Before T & B or Hilfiker can supply any further products to FDOT, this legal matter must be resolved. (Re: Standard 5021 & 5120). Until we are notified that this issue has been resolved, the approvals and/or use of Standards 5021 & 5120 are suspended.

Sincerely,

Florida Department of Transportation

William N. Nickas, P.E.
State Structures Design Engineer

WNN/RVR:1a
Enclosure

cc Clay McGonagill
Robert Robertson, P.E.
Hilfiker Retaining Walls
MEMORANDUM

DATE: September 19, 2003

TO: Freddie Simmons, State Highway Engineer

FROM: Robert W. Greer, Director, Office of Design
       Bill Albaugh, Director, Office of Highway Operations

COPIES: Ken Morefield and Duane Brautigam

SUBJECT: Mandatory Specification Revision No. 2

I approve the implementation plan of the subject Specification for all projects let effective with the October, 2003 Letting.

Robert W. Greer                     September 19, 2003
Director, Office of Design           Date

Bill Albaugh                        September 19, 2003
Director, Office of Highway Ops      Date
MEMORANDUM

DATE: September 19, 2003

TO: District Specifications Engineers and Central Office Staff

FROM: Duane F. Brautigam, P.E., Specifications Engineer

SUBJECT: MANDATORY SPECIFICATIONS REVISIONS
           Workbook dated February 12, 2003: Mandatory Revision No. 2

The following specification revisions must be made to all projects let effective with the referenced letting date:

<table>
<thead>
<tr>
<th>Specification Number</th>
<th>Heading</th>
<th>Revision Date</th>
<th>Effective Letting Date</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>D005001E</td>
<td>Design Standards (English Units)</td>
<td>9-18-03</td>
<td>10-03</td>
<td>Add this Special Provision</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Usage Note: English Jobs with 548 Pay Items</td>
</tr>
<tr>
<td></td>
<td>(Metric Units)</td>
<td></td>
<td></td>
<td>Usage Note: Metric Jobs with 2548 Pay Items</td>
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June 11, 2003

Workbook dated February 12, 2003: Mandatory Revision No. 1

The following specification revisions must be made to all projects let effective with the referenced letting date:
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<th>Revision Date</th>
<th>Effective Letting Date</th>
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</thead>
<tbody>
<tr>
<td>D0070002</td>
<td>Discharge to or Work or Structures in Navigable Waters of the U.S., Waters of the U.S., and Waters of the State</td>
<td>2-21-01</td>
<td>7-03</td>
<td>Delete this Special Provision</td>
</tr>
<tr>
<td>D0070002</td>
<td>Discharge to or Work or Structures in Navigable Waters of the U.S., Waters of the U.S., and Waters of the State</td>
<td>6-9-03</td>
<td>7-03</td>
<td>Add this Special Provision. Usage note: When DEP Generic Permit is required.</td>
</tr>
<tr>
<td>D1040005</td>
<td>Prevention, Control, and Abatement of Erosion and Water Pollution</td>
<td>6-10-03</td>
<td>7-03</td>
<td>Add this new Special Provision. Usage note: All Jobs</td>
</tr>
<tr>
<td>D1040071</td>
<td>Maintenance of Erosion Control Features</td>
<td>2-21-01</td>
<td>7-03</td>
<td>Delete this Supplemental Specification</td>
</tr>
</tbody>
</table>
ARCHIVED

DESIGN STANDARDS (ENGLISH UNITS).
(REV 9-18-03) (10-03)

SUBARTICLE 5-1.1 (Page 26). The “Design Standards” booklet for English Units, dated January 2002, is modified as follows:

Index 5021 (Sheets 1-13 of 13) - Index Deleted.
Index 5120 (Sheets 1-4 of 4) - Index Deleted.
ROADWAY AND TRAFFIC DESIGN STANDARDS (METRIC UNITS).
(REV 9-18-03) (10-03)

SUBARTICLE 5-1.1 (Page 26). The “Roadway and Traffic Design Standards” booklet for Metric Units, dated January 2000, is modified as follows:

Index 5021 (Sheets 1-13 of 13) - Index Deleted.
Index 5120 (Sheets 1-4 of 4) - Index Deleted.
Dear Mr. Prasad,

I and my firm represent William K. Hilfiker, the owner of a number of U. S. Patents related to earth retaining wall systems including but not limited to U. S. Patent No. 5,722,879 and U. S. Patent No. 4,993,879 ("Retaining Wall Systems Patents").

Until December 16, 2002, T & B Structural Systems, Inc. ("T & B") was a licensee of the Retaining Wall Systems Patents from Mr. Hilfiker pursuant to a Master License. On that date the Master License was terminated. T & B is no longer authorized to use the Retaining Wall Patents from that date forward. Currently there is pending litigation between Mr. Hilfiker and T & B with regard to royalties which Mr. Hilfiker alleges that T & B owes him under the terminated license.

Recently, you requested that Mr. Hilfiker communicate his position with regard to work performed by T & B under contracts with FDOT after the termination of the Master License on December 16, 2002. Please be advised that Mr. Hilfiker agrees to limit any claim for royalties to T & B and will look solely to T & B for royalties for any work performed by T & B, using the Retaining Wall Patents, under contracts with the FDOT from December 16, 2002 to the date of your receipt of this letter.

It is Mr. Hilfiker’s desire that his disputes with T & B do not create a problem for FDOT or any delay in the completion of its highway projects. If you have any questions or comments, please contact Mr. Hilfiker through me.

Sincerely yours,

Ben Idzik

cc: Mr. William K. Hilfiker