

GENERAL RELEASE AND SETTLEMENT AGREEMENT

THIS AGREEMENT (“Agreement”) is made as of this 9th day of September 2026, by and between **HALL COUNTY, GEORGIA** (the “County”), acting by and through its duly elected **BOARD OF COMMISSIONERS OF HALL COUNTY, GEORGIA** (the “Board”), as governing authority in and for Hall County, Georgia, and **THE SCRUGGS COMPANY, d/b/a SUNBELT ASPHALT SURFACES, INC.**, (hereinafter referred to as “Scruggs” and/or “Plaintiff”).

RECITALS

WHEREAS, the parties are currently involved in certain litigation in the Superior Court of Hall County, Georgia known as The Scruggs Company, d/b/a Sunbelt Asphalt Surfaces, Inc v. Hall County, Georgia, et al., Superior Court of Hall County, Georgia, Civil Action Number 2026CV001442 (the “Litigation”), arising with respect to Hall County’s evaluation of Plaintiff’s response to Request for Qualifications (hereinafter “RFQ”) # 47-004 dated April 29, 2026;

WHEREAS, Hall County released the evaluation results on June 22, 2026, indicating that Scruggs was not among the bidders that were to be prequalified and subsequently voted to confirm Plaintiff’s disqualification at its regular Commissioners meeting on June 25, 2026;

WHEREAS, on July 2, 2026, Plaintiff sent a letter to the purchasing manager protesting its disqualification. Verified Compl. at ¶ 73. On July 30, 2026, Defendant responded with a letter declining to “take any steps to reverse or amend the results of the prequalification process.” Verified Compl. at ¶ 75; Ex. 11 to Verified Compl.;

WHEREAS, on August 4, 2026, Plaintiff filed a Verified Complaint in the Superior Court of Hall County, alleging that Hall County violated Plaintiff’s substantive and procedural due process rights and alleging that Hall County had failed to comply with its procurement ordinances in scoring Plaintiff’s RFQ submission. Verified Compl. at ¶ 80-91, 94-97. Specifically, Plaintiff alleged that Hall County arbitrarily and capriciously (a) failed to evaluate Plaintiff’s RFQ submission based upon Hall County’s ordinance-mandated criteria; (b) failed to apply the ordinance-mandated criteria to Plaintiff’s RFQ submission; and (c) failed to provide a meaningful opportunity to be heard prior to or following the rejection of Plaintiff’s RFQ submission. Verified Compl. at ¶ 89, 94-97. Plaintiff sought declaratory relief due to Defendant’s alleged violations of its legal rights. Verified Compl. at ¶ 99.

WHEREAS, Plaintiff also sought a temporary restraining order and interlocutory injunction under which “the County may not lawfully let paving work under the RFQ.” Verified Compl. at ¶ 108. Further, Plaintiff requested a permanent injunction under which Hall County “must consider Plaintiff pre-qualified under the RFQ and, therefore, permitted to compete for work that is let under the RFQ or, in the alternative, re-score Plaintiff’s RFQ submission by applying the RFQ criteria in compliance” with the applicable ordinances. Verified Compl. at ¶ 109;

WHEREAS, the parties hereto now desire to enter into a negotiated settlement of each and every dispute between and among them arising from the RFQ and/or asserted in the Litigation, entered into voluntarily, for the purpose of resolving the Litigation without further trouble and expense, and to provide for a release of claims by the Plaintiff arising from the RFQ and/or asserted in the Litigation, all as hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Consideration for Release of Plaintiff's Claims.** Contemporaneously with the execution and delivery of this Agreement, the Board and County shall enter into and deliver to **BAKER DONELSON**, Monarch Plaza, Suite 1500, 3414 Peachtree Road, N.E., Atlanta, Georgia 30326, Attn: John Hinton IV, Esq., as attorneys for the Plaintiff, and Plaintiff hereby agrees to accept, in satisfaction of any and all claims arising with respect to the Litigation, the acts and agreements set forth herein to be followed by a Consent Order of dismissal of the Litigation as described in Paragraph 5 (hereinafter referred to as the "Consent Order," and intended to be in substantially the form attached hereto as Exhibit "A").

2. **Representations, Warranties, and Covenants of the Plaintiff.** The Plaintiff hereby covenants, agrees, represents, and warrants with and to the Board and to the County, each such covenant, agreement, representation, and warranty being a material inducement to the Board and the County to enter into and accept the terms of this Agreement, that it has the power and authority to enter into, execute, deliver, and perform all obligations under the terms of this Agreement; that the representative executing this Agreement on behalf of Plaintiff is of sound legal mind and has attained the age of 21 years; that the execution and delivery of this Agreement is free from duress, coercion, and all other defenses to its proper execution (including, without limitation, any defense premised on any provision of the United States Bankruptcy Code, 11 U.S.C. § 101 et seq.), and that this Agreement shall constitute the legal, valid, and binding obligation of Plaintiff, enforceable in accordance with its terms.

3. **Representations, Warranties, and Covenants of the Board and County.** The Board and County each hereby covenant, agree, represent, and warrant with and to the Plaintiff, each such covenant, agreement, representation, and warranty being a material inducement to the Plaintiff to enter into and accept the terms of this Agreement, that the County is a political subdivision of the State of Georgia, and, acting by and through the Board, has the corporate power and authority to enter into, execute, deliver, and perform its obligations under the terms of this Agreement, that the Board has taken all action legally required to authorize the execution, delivery, and performance of this Agreement and to authorize its counsel of record, Kevin S. Kovalchik, to execute and deliver this Agreement on behalf of the Board and the County, as evidenced by the resolution of the Board attached hereto as Exhibit "B," that this Agreement has been duly executed and delivered on behalf of the Board and the County by its duly authorized counsel, that such action constitutes all of

the action necessary with respect to the execution and delivery of this Agreement by the Board and County, and that this Agreement shall constitute the legal, valid, and binding obligation of the Board and County, enforceable in accordance with its terms.

4. **Acceptance of Consent Order by Plaintiff.** In consideration of the granting and entry of the Consent Order described in Paragraph 5, below, and the covenants and agreements of the Board and the County set forth herein, the Plaintiff hereby accepts the terms of this Settlement Agreement in full and complete satisfaction of any and all claims, demands, rights, and causes of action of whatsoever kind and nature, which the Plaintiff ever had or now has upon or by reason of the RFQ against the Board and the County, their respective officers, elected and appointed officials, agents, successors, heirs, personal and legal representatives, and assigns, including, but not limited to any and all claims that were asserted or could have been asserted in the Litigation, and any claims relating directly or indirectly to the subject matter of the Litigation.

The Plaintiff intends that its acceptance of this Settlement Agreement and the terms set forth herein shall be deemed and construed as an absolute bar to any claim by the Plaintiff that the Board and/or the County are liable to the Plaintiff for any claims whatsoever relating to the RFQ except for future claims, if any, that arise from the provisions in this Settlement Agreement, and shall extend and apply to, cover, and include all presently existing but unknown, unforeseen, unanticipated, and unsuspected injuries, damages, losses, and liabilities, and the consequences thereof, as well as those known or suspected by any person to exist. In that regard, and to the extent applicable, the provisions of any law or statute providing that a release shall not extend to claims, demands, and injuries or damages which are unknown or unsuspected to exist at the time to the person executing such release are hereby expressly waived.

5. **Entry of Consent Order of Dismissal.** Within three (3) days from the full and complete execution and delivery of this Agreement and formal approval of same by the Board on behalf of the County, the parties shall jointly file a Consent Order of Dismissal dismissing with prejudice the Verified Complaint and all claims set forth therein.

6. **Provision for RFQ and Bidding Pool.** Pursuant to this Agreement, the Board of Commissioners of Hall County, Georgia shall hereby admit Plaintiff into the pool of qualified bidders and contractors pursuant to the RFQ # 47-004 subject to the following conditions:

- a. Scruggs shall not be permitted to and expressly agrees to refrain from submitting bids for any Hall County fiscal year 2027¹ jobs for any Task Orders offered exclusively to the 2027 pool (including but not limited to the county fiscal year 2027 annual repaving contract and any other job for fiscal year 2027 offered to the pool)
- b. Scruggs is permitted to bid on any fiscal year 2027 paving jobs that are **not** let through or restricted to the current pool

¹ Hall County's 2027 fiscal year begins on July 1, 2026, and ends on June 30, 2027.

- c. Scruggs is permitted as part of the pool to submit bids for any jobs to be performed in Hall County fiscal year 2028² or during the remainder of the time that the pool remains in effect
- d. There shall be no prejudice to Scruggs due to or as a result of the Litigation with respect to any future Hall County RFQ submission (i.e., Scruggs shall not be required to answer in the affirmative any question asking if they have been in litigation with Hall Co. due to the Litigation and/or answer in the affirmative any question asking if they have ever failed to qualify pursuant to any prior RFQ, and any such future answer shall be reviewed and scored by the County according to such answer). It is expressly understood and agreed that this provision applies only to the Litigation at hand and not to any future litigation nor would it apply to any subsequent or future RFQ as to which Scruggs failed to qualify, if any.

Nothing set forth herein shall require Plaintiff to submit bids for any job, and nothing set forth herein shall limit or restrict the manner in which Hall County offers or lets jobs.

The Board hereby represents that it is duly authorized and empowered to approve, adopt, enter into, execute, deliver, and perform this Agreement, that the signatures of the members of the Board of Commissioners shall be conclusive evidence of its action taken in accordance with the authority conferred under the terms of this Agreement, and that all actions heretofore taken by or on behalf of the Board and County in connection with the Litigation have been expressly ratified and approved.

7. **Attorneys' Fees; Specific Performance.** Each party shall bear and be solely responsible for its own attorneys' fees and expenses. In any action or proceeding brought to enforce any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the successful party shall be entitled to recover reasonable attorneys' fees and costs in addition to any other remedy. Furthermore, it is expressly agreed between the parties that money damages are inadequate to compensate any of the parties for any breach of this Agreement and that a non-breaching party shall also be entitled to specific enforcement of its rights under the terms of this Agreement.

8. **General Provisions.** The parties agree that this Agreement is made and entered into for purposes of terminating or avoiding litigation between the parties and to compromise and settle disputed claims, that any action taken in accordance with the terms of this Agreement is not an admission of liability on the part of any party released under the terms of this Agreement, and that each party released hereunder specifically denies liability and intends merely to buy its peace. The parties further agree that this Agreement has been jointly prepared by the parties hereto and reviewed and approved, if approval is required, by appropriate persons, including counsel for all parties.

All notices required or permitted to be given hereunder shall be in writing, delivered in person or mailed postage prepaid by certified or registered mail, return receipt requested,

² Hall County's 2028 fiscal year begins on July 1, 2027, and ends on June 30, 2028.

and shall be effective from the date of mailing or upon delivery by hand. Notices shall be directed as follows:

To the Board or
to the County:

Hall County Board Commissioners
Attn: [Justin R. Lawhon](#) and Nathaniel R.
Anderson
2875 Browns Bridge Road
[P.O. Drawer 1435](#)
Gainesville, Georgia 30503-1435

With copy to:

Jack A. Samuels, Esq.
Kevin S. Kovalchik, Esq.
Lucy Mae Ahmann, Esq.
Dale R. "Bubba" Samuels, Esq.
278 West Main Street
Buford, Georgia 30518

To Plaintiffs:

The Scruggs Company, d/b/a Sunbelt Asphalt
Surfaces, Inc.
Jeremy Heidl
Division President
Sunbelt Asphalt Surfaces
1410 Sunbelt Way, Auburn, GA 30011

With copy to:

Steven G. Hall, Esq.
John Hinton IV, Esq.
Andrei Ionescu
BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ, P.C.
1500 Monarch Plaza
3414 Peachtree Road
Atlanta, Georgia 30326

The parties shall be responsible for notifying each other of any change of address.

This Agreement sets forth the entire agreement among the parties and all previous discussions, understandings, and agreements with respect to the matters included in this Agreement are merged herein. This Agreement may not be changed orally but only in writing, signed by the parties hereto, and shall be binding upon and inure to the benefit of the parties, their respective heirs, successors, assigns, affiliates, partnerships, corporations, legal representatives, shareholders, directors, officers, employees, agents, contractors, attorneys, and insurers.

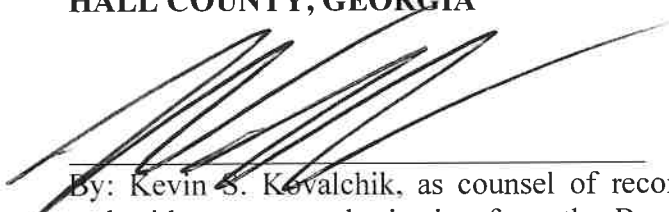
For the convenience of the parties hereto, any number of counterparts hereof may be executed, and each such counterpart shall be deemed to be an original instrument.

The parties hereto each hereby represent and agree with the other parties that this Agreement is given and executed voluntarily and is not based upon any representations by any of the parties, their attorneys, their employees, agents, or officers, as to the merits, the liability, or the value of any claims of any of the parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names and caused their respective seals to be hereunto affixed, all to be effective as of the day and year first above-written.

COUNTY:

HALL COUNTY, GEORGIA



By: Kevin S. Kovalchik, as counsel of record
and with express authorization from the Board
of Commissioners

**THE SCRUGGS COMPANY,
d/b/a SUNBELT ASPHALT
SURFACES, INC:**



By: Jeremy Heidl
Its: Division President

EXHIBIT "A"
CONSENT ORDER

**IN THE SUPERIOR COURT OF HALL COUNTY
STATE OF GEORGIA**

THE SCRUGGS COMPANY, d/b/a	)	CIVIL ACTION FILE
SUNBELT ASPHALT SURFACES,	)	CAFN: 2026CV001442
INC.,	)	
	)	
Plaintiff	)	
	)	
v.	)	
	)	
HALL COUNTY, GEORGIA, a	)	
political subdivision of the State of	)	
Georgia,	)	
	)	
Defendant	)	

CONSENT ORDER

IT APPEARING to the Court that the Plaintiff and Defendant to the above-styled Civil Action have entered into a Release and Settlement Agreement, dated as of September 9, 2026 (the “Settlement Agreement”), showing that a dispute exists with regard to the merits of the claims asserted in this action, and that the parties hereto have agreed, in light of the premises and other consideration mutually agreed upon as set forth in the Settlement Agreement, to effect a negotiated settlement of all such claims, entered into voluntarily, for the purpose of resolving this litigation, all without further trouble and expense;

NOW THEREFORE, upon consideration of this Consent Order and all other matters of record, it is hereby **DETERMINED, DECLARED, ORDERED** and **ADJUDGED**, as a matter of fact and as a matter of law, that this civil action be, and hereby is, **DISMISSED WITH PREJUDICE** to the claims of all parties.

IT IS SO ORDERED, this the _____ day of September, 2026.

Hon. John G. Breakfield
Superior Court of Hall County
Northeastern Judicial Circuit

Prepared, Presented, and Consented to by:

/s/ Jack A. Samuels

JACK A. SAMUELS

Georgia Bar No. 388026

Kevin S. Kovalchik

Georgia Bar No. 428898

Lucy Mae Ahmann

Georgia Bar No. 660925

Dale R. "Bubba" Samuels

Georgia Bar No. 141974

Attorneys for Hall County

278 West Main Street

Buford, Georgia 30518

(678) 482-0208 – telephone

(678) 482-0209 – facsimile

jack@thesamuelsfirm.com

kevin@ksklegal.com

lucy@thesamuelsfirm.com

bubba@thesamuelsfirm.com

/s/ John Hinton IV

Steven G. Hall

Georgia Bar No. 319308

John Hinton IV

Georgia Bar No. 356887

Andrei Ionescu

Georgia Bar No. 105204

Attorneys for Plaintiff

BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ, P.C.

1500 Monarch Plaza

3414 Peachtree Road

Atlanta, Georgia 30326

404-577-6000 / 404-221-6501 fax

shall@bakerdonelson.com

jhinton@bakerdonelson.com

aionescu@bakerdonelson.com