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February 22, 2010

RECEIVED

FEB 22 2010

PUBLIC SERVICE
COMMISSION

Mr. Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

RE: Case No. 2008-00371

Dear Mr. Derouen:

Enclosed you will find an original and five (5) copies of the response to the Commission Staff's Supplemental Data Request on the revised application of South Kentucky RECC's certificate of convenience and necessity to construct a new headquarters facility in Somerset, Kentucky.

Should you require further information, please let us know.

Sincerely,

A handwritten signature in cursive script that reads 'Allen Anderson'.

Allen Anderson
President & CEO

Enclosures

JB:F:CaseNo2008-00374

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 22 2010

**PUBLIC SERVICE
COMMISSION**

IN THE MATER OF:

APPLICATION OF SOUTH KENTUCKY)
RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR A CERTIFICATE)
OF CONVENIENCE AND NECESSITY TO) CASE NO.
CONSTRUCT A NEW HEADQUARTERS) 2008-00371
FACILTIY IN SOMERSET, KENTUCKY)

RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST

Comes South Kentucky Rural Electric Cooperative Corporation ("South Kentucky" or "SKRECC") and files with the Commission an Original and five (5) copies of the attached response to the Commission Staff's Supplemental Data Request to South Kentucky Rural Electric Cooperative Corporation dated and served on February 10, 2010. Each copy has been placed in a bound volume with each item separately tabbed.

CERTIFICATION

The undersigned, Allen Anderson, stated that he is the President and Chief Executive Officer of South Kentucky Rural Electric Cooperative Corporation; that he supervised the preparation to the within response; and certifies that the within response is true and accurate to the best of his knowledge, information and belief formed after reasonable inquiry.

Allen Anderson

ALLEN ANDERSON
PRESIDENT & CEO
SOUTH KENTUCKY RURAL ELECTRIC
COOPERATIVE CORPORATION
SOMERSET, KENTUCKY 42501
(606) 451-4123

Darrell Saunders

DARRELL SAUNDERS
ATTORNEY FOR SOUTH KENTUCKY
RURAL ELECTRIC COOPERATIVE
CORPORATION
700 MASTER STREET
P.O. BOX 1324
CORBIN, KENTUCKY 40702
(606) 523-1720 TELEPHONE
(606) 523-1372 FACSIMILE

CERTIFICATE OF SERVICE

I hereby certify that the original and five (5) copies true and correct copies of the above and foregoing were on this 22nd day of February, 2010, personally delivered to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, KY 40602-0615. I further certify that I have received no notice from the Public Service Commission that any other party is involved in this action.

Darrell Saunders

ATTORNEY FOR SOUTH KENTUCKY RURAL
ELECTRIC COOPERATIVE CORPORATION



**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

**Item No. 1
Page 1 of 9
Witness: Margaret Jacobs
Witness: Ruby Patterson**

**RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST**

- Q.1. Refer to "Issue 1" of the revised application, which states that "the total square footage designed for South Kentucky's future growth is 3,869 square feet representing 3.2% (3,869/122,312)."
- a. Does the 3,869 sq. ft. also represent the space designed for future growth based on the original headquarters proposal of 134,112 sq. ft? If not, provide the total square footage designed for growth based on the original plans as well as an explanation of how this figure was derived.
 - b. Explain in detail how South Kentucky arrived at the 3,869 sq. ft. figure. Provide any and all supporting documentation.
 - c. What areas of the proposed headquarters complex, as revised, are designed to accommodate South Kentucky's growth? Provide a breakdown of the space designed for growth for each respective area identified, including a detailed explanation of the specific reasons why such space is needed with supporting analysis, and the number of additional employees each area is designed to accommodate.
- R. 1(a) 3,869 SF represents the space designed for future growth for both the original proposal (134,112) and the revised proposal (122,312).
- R. 1(b) Refer to Pages 2 thru 9 of 9 updated Building Area Analysis and Floor Plans.
- R. 1(c) The breakdown provided in Response 1b represents the space designed for future growth. The 2008 Facilities Analysis which was provided in the original filing was used as a guideline for the design of the space specific for future growth.

June 3, 2009 - UPDATED JANUARY 2010
SKRECC Warehouse Building Area Analysis

Total Department Net Area	ROOM	Wrhse Covered Dock	Wrhse Enclosed	Wrhse Offices	Wrhse Garage	Current Employees	Future Employees	Future Employee Area (SF)
35,553	WAREHOUSE							
	Outside Transformer Storage	4,710						
	Covered Storage	1,898						
	Forklift Circulation	8,355						
	TOTAL NET AREA DOCK / TOTAL EMPL	14,963						
	TOTAL GROSS AREA - 99%	15,053						
	ETS Storage	487						
	Water Heaters	722						
	Shipping & Receiving	1,892						
	Loading Dock	7,523						
	Meter Base Assembly	258						
	Coiled Materials	2,065						
	Storage	6,055						
	Corridor	609						
	TOTAL NET AREA ENCL WRHSE / TOTAL EMPL	19,611						
	TOTAL GROSS AREA - 94%	20,844						
	Warehouse Leader			173		1		
	Warehouse Office			615		3		
	Secure ETS Storage			191				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES			979		4		
1,893	CONSTRUCTION							
	Construction Open Offices			1,359		23	8	350
	Construction Leader			178		1		
	Storage			165				
	Contract Auditor			191		1		
	SUBTOTAL NET AREA / TOTAL EMPLOYEES			1,893		25	8	
2,458	METERING							
	Meter Warehouse			580				
	Parts Storage			424				
	Secure Storage			366				
	Meter Parts			400				
	Meter Leader			180		1		
	Meter Shop			508		2	2	254
	SUBTOTAL NET AREA / TOTAL EMPLOYEES			2,458		3	2	
3,658	SAFETY							
	Safety Open Office			598		1	1	299
	Safety Leader			179		1		
	Safety Storage			1,970				
	Safety/Cargo Trailers			911				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES			3,658		2	1	
1,155	RIGHT OF WAY							
	Right of Way Leader			187		1		
	Right of Way Open Office			845		6		
	Storage			123				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES			1,155		7	0	

June 3, 2009 - UPDATED JANUARY 2010
SKRECC Warehouse Building Area Analysis

Total Department Net Area	ROOM	Wrhse Covered Dock	Wrhse Enclosed	Wrhse Offices	Wrhse Garage	Current Employees	Future Employees	Future Employee Area (SF)
1,613	BUILDINGS AND GROUNDS							
	B&G Leader Office			180		1		
	B&G Open Office			392		1	1	196
	B&G Storage			133				
	Tractor and Salt			816				
	Warehouse Custodial Closet			92				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES			1,613		2	1	
3,102	OTHER							
	MECHANICAL & ELECTRICAL			750				
	RESTROOMS / SHOWERS			811				
	CORRIDOR			1,541				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES			3,102				
10,090	VEHICLE MAINTENANCE							
	Leader Office			184		1		
	Open Office			373		2		
	Vehicle Maintenance			5,336				
	Restroom/shower			86				
	Parts Storage			1,458				
	Liquid Storage			147				
	Wash Room			255				
	Air Compressor			154				
	Wash Bay			2,097				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES			557	9,533	3	0	
	TOTAL NET AREA WAREHOUSE GARAGE				9,533			
	TOTAL GROSS AREA GARAGE - 96%				9,920			

TOTAL CURRENT EMPLOYEES	TOTAL FUTURE EMPLOYEES	TOTAL AREA FUTURE EMPLOYEES
46	12	1,099

TOTAL NET AREA WAREHOUSE OFFICE	15,415
TOTAL GROSS AREA WAREHOUSE OFFICE - 92%	16,845

June 3, 2009 - UPDATED JANUARY 2010
SKRECC Office Building Area Analysis

DEPARTMENT	TOTAL NET AREA	ROOM	Office First Floor	Office Second Floor	Current Employees	Future Employees	Future Employee Area (SF)
3,960	COMMUNITY ROOM						
		Community Room 147	2,152				
		AV Storage 146	180				
		Table/Chair Storage 148	184				
		Pre-Function 138	933				
		Cater 144	310				
		Storage 141	134				
		Supply Storage 142	67				
		TOTAL NET AREA / TOTAL EMPLOYEES	3,960		N/A	N/A	
9,945	MEMBER SERVICES & PUBLIC RELATIONS	(see Warehouse for additional areas)					
	VP & Assistant						
		VP 136	261		1		
		VP Assistant 135	351		1		
		Storage 137	88				
		SUBTOTAL NET AREA / TOTAL EMPLOYEES	700		2		
	Customer Service Representatives						
		Representatives 103	779		5	0	
		Reception/Waiting/Circulation 102 (partial)	1,472		1		
		Group Service Center Leader 122	128		1		
		Collections Coordinator 121	137		1		
		Service Center Team Leader 120	181		1		
		Vault 105	277				
		SUBTOTAL NET AREA / TOTAL EMPLOYEES	2,974		9	0	
	Call Center						
		Call Center 106	484		4	1	97
		Call Center Leader 107	137		1		
		SUBTOTAL NET AREA / TOTAL EMPLOYEES	621		5	1	
	Cashiers						
		Cashiers 108	940		4	2	313
		Cashier Leader 109	113		1		
		Cashier Vault 110	152				
		Reception	877				
		SUBTOTAL NET AREA / TOTAL EMPLOYEES	2,082		5	2	
	Energy Advisors						
		Meeting 119	223				
		Energy Advisor 118	135		1		
		Energy Advisor 117	132		1		
		Energy Advisor 116	131			1	131
		Energy/Marketing Workroom 111	627				
		Team Leader 115	180		1		
		Market Record Coordinator 114	134		1		
		Business Accounts 113	136		1		
		Marketing Storage 112	206				
		SUBTOTAL NET AREA / TOTAL EMPLOYEES	1,904		5	1	
	Corporate Communications						
				305	1		

June 3, 2009 - UPDATED JANUARY 2010
SKRECC Office Building Area Analysis

DEPARTMENT TOTAL NET AREA	ROOM	Office First Floor	Office Second Floor	Current Employees	Future Employees	Future Employee Area (SF)
Human Resources						
	Reception 129	210				
	Benefits 133	130		1		
	Benefits 132	129			1	129
	Benefit Leader 131	178		1		
	Files 130	60				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	707		2	1	
	Meter Readers	364		3		
Building & Grounds (see warehouse for main offices)						
	Custodial 154	70				
	Custodial Storage 155	122				
	Custodial 143	54				
	Custodial 211		42			
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	246	42			
7,447	ENGINEERING & OPERATIONS					
VP & Assistant						
	VPEO 173	250		1		
	Assistant 174	210		1		
	Closet 173A	15				
	Closet 174A	19				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	494		2		
Dispatch						
	Dispatch 176 - 3 workstations / shifts	1,034		5		
	Leader	181		1		
	War Room	272				
	Restroom	48				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	1,535		6	0	
Inspection						
	Inspection 123	514		4	1	103
	Leader Office 124	181		1		
	Storage 125	58				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	753		5	1	
Engineering						
	Engineering Leader 187	186		1		
	Open Offices 181	2,605		7	1	325
	Systems Engineer 185	133			1	133
	Design Engineer 184	133		1		
	Workroom 186	288				
	Meeting 183	272				
	Map Room 188	618		2	2	309
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	4,235		11	4	
Surveying						
	Survey Team Leader 182	180		1		
	Survey Open Offices	250		4		
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	430		5		

June 3, 2009 - UPDATED JANUARY 2010
SKRECC Office Building Area Analysis

DEPARTMENT TOTAL NET AREA	ROOM	Office First Floor	Office Second Floor	Current Employees	Future Employees	Future Employee Area (SF)
6,917	FINANCE					
	VP & Assistant					
	VP Finance 223	232		1		
	VPF Assistant 225	138			1	138
	Closet 223A	16				
	Closet 225A	16				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	402		1	1	
	Finance and Accounting					
	Finance Assistant 222	186		1		
	Break 221	90				
	Records Coord. 220	179		1		
	Account Team Leader 219	180		1		
	Accounting Workroom 562	746		1	1	373
	Account Assist. 216	141		1		
	Payroll 212	177		1		
	Meeting 210	180				
	Print / Shred 217	134				
	Finance Vault 215	274				
	Storage 213	134				
	Corridor 205	826				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	3,247		6	1	
	Information Management					
	Server 164	475				
	Server 162	61				
	Communications 163	298				
	Open Offices 161	950		2	2	475
	Set-Up 165	244			1	244
	Print 166	213				
	IM Leader 167	180		1		
	Paper Storage 168	134				
	General Storage 169	157				
	Training 170	379				
	IT 150	43				
	IDF 214	134				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	3,134	134	3	3	
1,084	PRESIDENT & CEO					
	CEO 200 / Meeting Area	438		1		
	Executive Assistant 201	340		1		
	Workroom/Storage 203	306				
	SUBTOTAL NET AREA / TOTAL EMPLOYEES	1,084		2		

June 3, 2009 - UPDATED JANUARY 2010
SKRECC Office Building Area Analysis

DEPARTMENT TOTAL NET AREA	ROOM	Office First Floor	Office Second Floor
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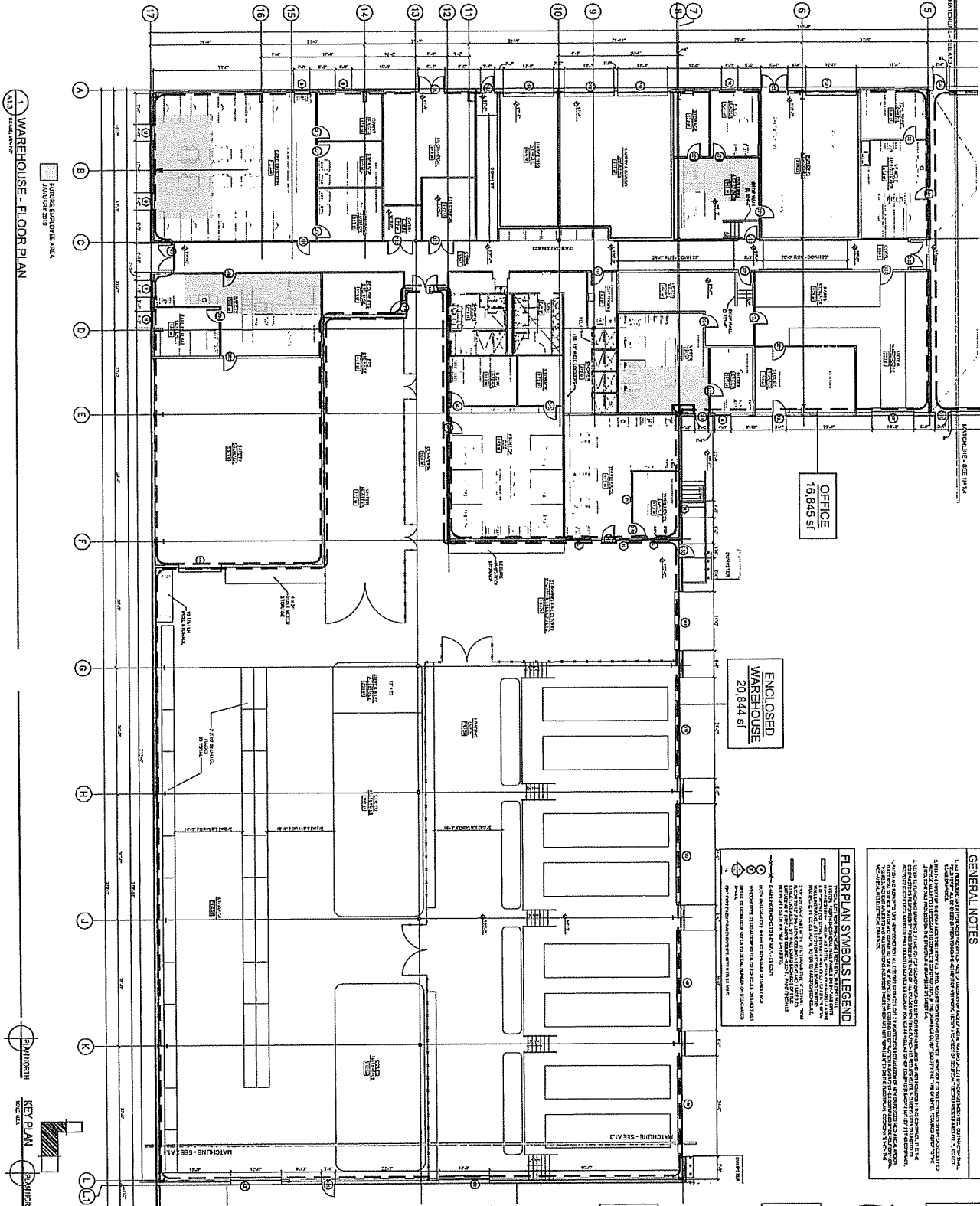
2,049	CONFERENCE CENTER		
	Reception		680
	Board Room 202		1,023
	Cater Kitchen 204		306
	Closet 201A		20
	Closet 201B		20
	TOTAL NET AREA		2,049

10,488	OTHER		
	Mechanical / Electrical		
	Mechanical / Electrical 145	104	
	Mechanical 158	809	
	Electrical 159	384	
	Elevator Machine Room	66	
	Electrical 224		42
	Mechanical 207		617
	SUBTOTAL NET AREA	1,363	659
	Restrooms		
	Women 140	241	
	Men 139	225	
	Women 128	44	
	Men 127	44	
	Women 153	217	
	Men 156	151	
	Women 206		228
	Men 208		228
	SUBTOTAL NET AREA	922	456
	Circulation		
	Corridor 126	549	
	Vestibule 100	103	
	Museum Exhibit 101	1,175	
	Corridor 149	1,543	
	Corridor 160	416	
	Corridor 180	243	
	Corridor 205		665
	Elevator	48	48
	Stair A	260	166
	Stair B	203	154
	SUBTOTAL NET AREA	4,540	1,033
	Mail 152	277	
	Office Supplies 151	258	
	Break Room 171	726	
	Kitchen 172	254	

TOTAL CURRENT EMPLOYEES	TOTAL FUTURE EMPLOYEES	TOTAL AREA FUTURE EMPLOYEES
-------------------------------	------------------------------	-----------------------------------

TOTAL NET AREA FIRST FLOOR	32,479
TOTAL GROSS AREA FIRST FLOOR - 91%	35,500
TOTAL NET AREA SECOND FLOOR	9,411
TOTAL GROSS AREA SECOND FLOOR - 89%	10,560

73 15 2,770



A1

DATE: 01/13/10
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 PROJECT: [Name]

WAREHOUSE - FLOOR PLAN
CORPORATE OFFICE FACILITIES
 SOUTH KENTUCKY
 RURAL ELECTRIC COOPERATIVE CORPORATION
 SOMERSET, KENTUCKY

D.W. Wilburn, Inc.
 Civil Engineers & Consultants
 1000 EAST BROADWAY, SUITE 200
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 606-338-1111

CARMAN
 ARCHITECTS
 1000 EAST BROADWAY, SUITE 200
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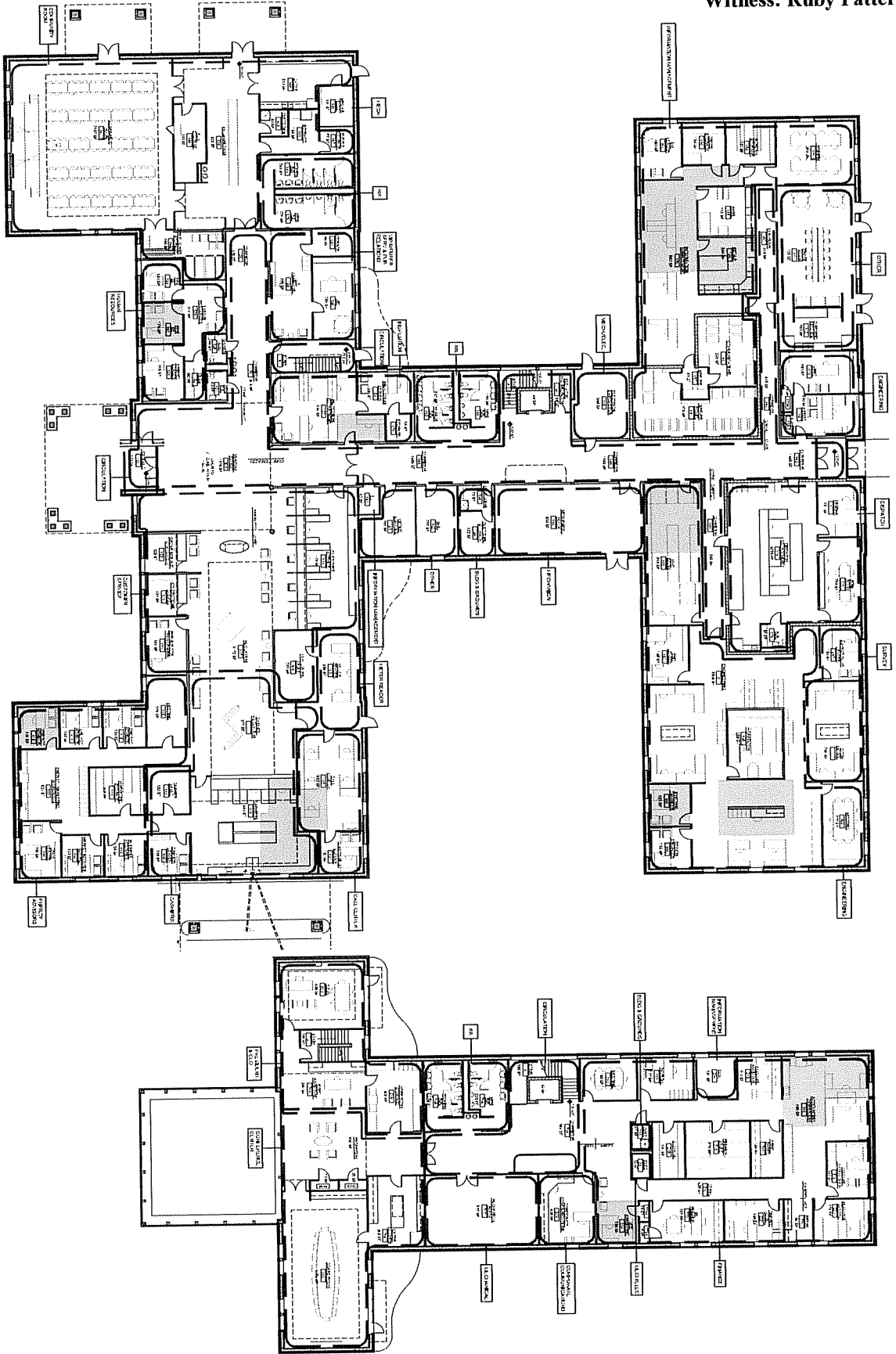
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 MECHANICAL ENGINEERS P.C.
 1000 EAST BROADWAY, SUITE 200
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 1000 EAST BROADWAY, SUITE 200
 COLUMBIANA, KY 40305
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1 OFFICE - FURNISHINGS PLANS
 F0

FUTURE EMPLOYEE AREA
 JANUARY 2010



F0

SK RECC
 South Kentucky
 RURAL ELECTRIC COOPERATIVE CORPORATION

OFFICE BUILDING - FURNISHINGS PLANS

CORPORATE OFFICE FACILITIES
 SOUTH KENTUCKY
 RURAL ELECTRIC COOPERATIVE CORPORATION
 SOMERSET, KENTUCKY

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 General Contractor & Construction Services
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 (502) 253-2427

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 ARCHITECTS
 115 OLD EAST ONE STREET, LEXINGTON, KY 40502
 (502) 253-2427

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 ARCHITECTS
 123 WYOMING STREET, LEXINGTON, KY 40502
 (502) 253-2427

cd engineers
 200 HILLTOP PARKWAY, LEXINGTON, KY 40502
 (502) 253-2427



**RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST**

- Q. 2. Refer to "Issue 2," Attachment A, Table A, of the revised application, which provides a comparison of the headquarters complex as originally proposed and as revised.
- a. Table A shows the revised square footage of the proposed headquarters complex has been reduced from 134,112 sq. ft. to 122,312 sq. ft. Provide a full explanation of how South Kentucky arrived at this reduction of 11,800 sq. ft. Include in this explanation the rationale and any and all factors and alternative designs which South Kentucky considered in analyzing how to revise its proposed headquarters project.
 - b. Explain and justify in detail why the design of the proposed office building was not revised.
 - c. Explain and justify in detail why the design of the proposed warehouse was revised to be reduced by 1,800 sq. ft.
 - d. Provide the papers, worksheets, calculations, and any and all documentation supporting the decision to scale down the size of the fleet storage structure as opposed to other building areas.
 - e. Was 11,800 sq. ft. the maximum amount of space that South Kentucky was able to formulate in reducing the size of the originally proposed headquarters facility? Provide a thorough explanation for this response.
- R. 2(a) The reduction in total square feet for the proposed headquarters is accomplished by reducing the overall length of the Fleet Storage Facility, eliminating the wash bay, and eliminating one bay in the Garage. This reduction in program square feet has the least impact on design and achieves the appropriate cost savings compared to the other avenues investigated. The other avenues investigated were; reduction in corridor width, front wing reductions, engineering reduction, IT reduction, and reduction in the transformer deck.
- R. 2(b) Four potential area reductions were analyzed including:
1. Reduced corridor widths
 2. Reduced Community Room and Marketing wings
 3. Reduced Engineering department
 4. Reduced IT department

**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

Item No. 2

Page 2 of 2

Witness: Margaret Jacobs (2b, 2c, 2e)

Witness: Doug Wilburn (2a, 2d)

In all cases the estimated cost savings were not commensurate with the loss of space and/or the costs associated with redesign and/or the ability to “reasonably” recapture lost areas in future construction phases. The reductions recommended provide the highest value of savings, minimal redesign costs, lowest negative impact to the overall design, and “reasonably” cost effective opportunity to recapture the lost areas in future construction phases.

- R. 2(c) It was determined the extra two work bays in the Garage are not necessary at the current time and it was determined there was additional space in the wash bay that was not critical to the overall use of that operation.
- R. 2(d) The decision to scale down the size of the fleet storage structure was determined because it does not impact the design of the Garage or the Office Building, does not impact the overall personal occupied space at the Garage or the Office Building, and provides appropriate cost savings for the project. As well, the fleet space continues to be available and secure on site.
- R. 2(e) 11,800 SF is the maximum amount of space that could be eliminated without causing irreparable negative impact on operational requirements. Significant additional cost savings are proposed related to site and landscaping work. As stated in Response 2b, the proposed reductions represent those that provide the highest value of savings, minimal redesign costs, lowest negative impact to the overall design, and “reasonably” cost effective opportunity to recapture the lost areas in future construction phases.

**RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST**

- Q.3. Refer to "Issue 2," Attachment A, Table B, of the revised application, which provides a cost comparison between a one-story office building and a two-story office building based upon data provided by the "28th Annual Edition RSMeans SQFT Cost."
- a. Provide a copy of the cited material.
 - b. Is the 28th Annual Edition of the "RSMeans SQFT Cost" the most recent edition? What year was the 28th Edition published?
 - c. Other than relying on the cost estimates provided in the R.S. Means publication, did South Kentucky perform any formal analysis with respect to a one-story office building design that would have achieved the same purpose as the proposed two-story office building design? If yes, provide any and all documentation relating to this analysis. If no, provide a thorough explanation.
- R. 3(a) A copy of the cited material (RS Means) published in 2006 is on Pages 2 thru 4 of 4.
- R. 3(b) This publication is not the most recent available
- R. 3(c) We did not perform a "formal" analysis of a one story structure versus a two story structure. However, the intent is to reduce the overall runs of mechanical, plumbing, and electrical runs. With the owner's space program a one story structure would have much longer pipe and conduit runs and drive mechanical, plumbing, and electrical cost up. There were also site considerations that influenced a two story design. A one story building design has a larger footprint than a two story building design. This larger footprint would impact the cut and fill operations throughout this particular site; increasing the fill area of roadways, increasing the area of structural fill and compaction. These site factors would have increased the project's budget. We concur with the RS Means cost determination between a one story and two story structure; A two story structure cost less than a one story structure.

\$148.95 per copy (in United States).
Price subject to change without prior notice.

00'

RSMeans

Square Foot Costs

28th Annual Edition

2007

RSMeans
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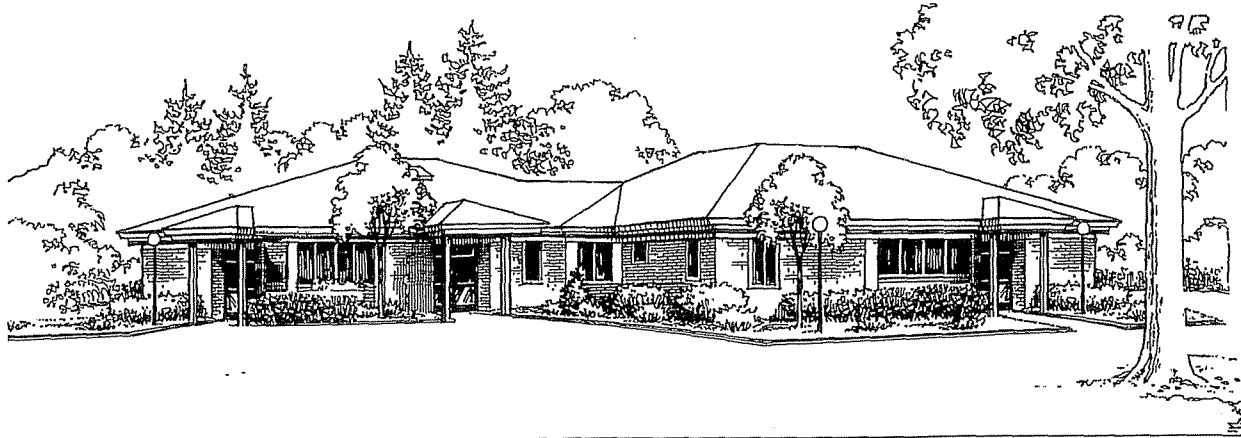
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Office 1 Story



Costs per square foot of floor area

Exterior Wall	S.F. Area	2000	3000	5000	7000	9000	12000	15000	20000	25000
	L.F. Perimeter	220	260	320	360	420	480	520	640	700
Wood Siding	Wood Truss	175.45	155.65	138.15	129.40	125.50	121.00	117.75	115.65	113.35
Brick Veneer	Wood Truss	219.15	193.80	171.30	159.95	155.05	149.20	144.95	142.25	139.25
Brick on Block	Wood Truss	206.65	181.00	157.95	146.30	141.25	135.20	130.75	127.95	124.80
	Steel Roof Deck	215.80	186.85	161.10	148.15	142.45	135.80	130.85	127.80	124.35
EIFS on Metal Studs	Steel Roof Deck	203.15	177.85	155.50	144.35	139.45	133.70	129.55	126.85	123.95
Tiltup Concrete Panel	Steel Roof Deck	196.75	173.05	152.15	141.70	137.10	131.75	127.90	125.30	122.65
Perimeter Adj., Add or Deduct	Per 100 L.F.	21.30	14.20	8.55	6.10	4.75	3.55	2.80	2.10	1.70
Story Hgt. Adj., Add or Deduct	Per 1 Ft.	2.60	2.05	1.50	1.20	1.10	.90	.80	.80	.65

For Basement, add \$26.50 per square foot of basement area

The above costs were calculated using the basic specifications shown on the facing page. These costs should be adjusted where necessary for design alternatives and owner's requirements. Reported completed project costs, for this type of structure, range from \$55.60 to \$214.80 per S.F.

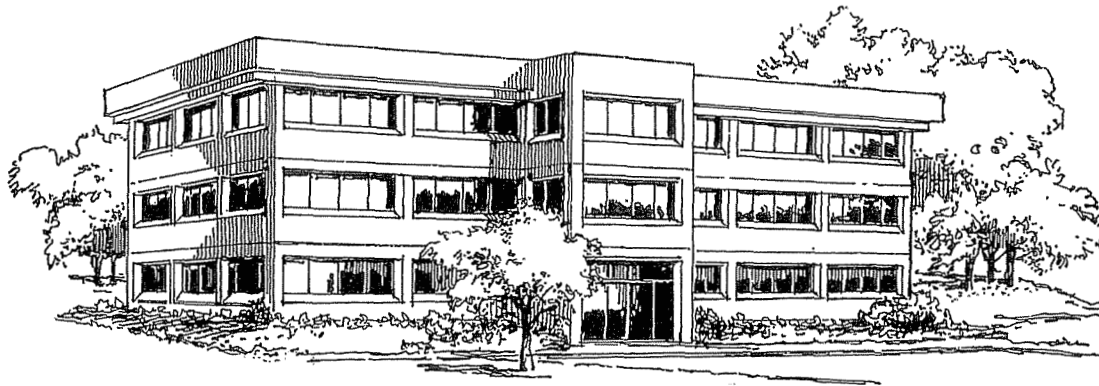
Common additives

Description	Unit	\$ Cost	Description	Unit	\$ Cost
Clock System			Smoke Detectors		
20 room	Each	15,000	Ceiling type	Each	171
50 room	Each	36,400	Duct type	Each	440
Closed Circuit Surveillance, One station			Sound System		
Camera and monitor	Each	1675	Amplifier, 250 watts	Each	2125
For additional camera stations, add	Each	910	Speaker, ceiling or wall	Each	174
Directory Boards, Plastic, glass covered			Trumpet	Each	335
30" x 20"	Each	570	TV Antenna, Master system, 12 outlet	Outlet	288
36" x 48"	Each	1375	30 outlet	Outlet	185
Aluminum, 24" x 18"	Each	555	100 outlet	Outlet	173
36" x 24"	Each	635			
48" x 32"	Each	885			
48" x 60"	Each	1850			
Emergency Lighting, 25 watt, battery operated					
Lead battery	Each	265			
Nickel cadmium	Each	770			

**COMMERCIAL/INDUSTRIAL/
INSTITUTIONAL**

M.460

Office, 2-4 Story



Costs per square foot of floor area

Exterior Wall	S.F. Area	5000	8000	12000	16000	20000	35000	50000	65000	80000
	L.F. Perimeter	220	260	310	330	360	440	490	548	580
Face Brick with Concrete Block Back-up	Wood Joists	207.70	177.60	160.45	148.75	142.60	130.55	124.75	121.85	119.45
	Steel Joists	212.65	182.55	165.35	153.70	147.50	135.45	129.65	126.80	124.40
Glass and Metal Curtain Wall	Steel Frame	248.40	210.10	188.25	172.85	164.80	148.95	141.15	137.35	134.10
	R/Conc. Frame	246.15	207.90	186.00	170.70	162.65	146.75	139.00	135.10	131.95
Wood Siding	Wood Frame	171.00	147.70	134.50	125.95	121.30	112.50	108.30	106.25	104.60
Brick Veneer	Wood Frame	187.55	160.00	144.25	133.75	128.10	117.25	112.05	109.40	107.30
Perimeter Adj., Add or Deduct	Per 100 L.F.	32.50	20.25	13.50	10.15	8.10	4.65	3.25	2.45	2.00
Story Hgt. Adj., Add or Deduct	Per 1 Ft.	5.30	3.90	3.10	2.50	2.15	1.55	1.20	.95	.90
<i>For Basement, add \$29.50 per square foot of basement area</i>										

The above costs were calculated using the basic specifications shown on the facing page. These costs should be adjusted where necessary for design alternatives and owner's requirements. Reported completed project costs, for this type of structure, range from \$58.15 to \$225.20 per S.F.

Common additives

Description	Unit	\$ Cost	Description	Unit	\$ Cost
Clock System			Smoke Detectors		
20 room	Each	15,000	Ceiling type	Each	171
50 room	Each	36,400	Duct type	Each	440
Closed Circuit Surveillance, One station			Sound System		
Camera and monitor	Each	1675	Amplifier, 250 watts	Each	2125
For additional camera stations, add	Each	910	Speaker, ceiling or wall	Each	174
Directory Boards, Plastic, glass covered			Trumpet	Each	335
30" x 20"	Each	570	TV Antenna, Master system, 12 outlet	Outlet	288
36" x 48"	Each	1375	30 outlet	Outlet	185
Aluminum, 24" x 18"	Each	555	100 outlet	Outlet	173
36" x 24"	Each	635			
48" x 32"	Each	885			
48" x 60"	Each	1850			
Elevators, Hydraulic passenger, 2 stops					
1500# capacity	Each	53,600			
2500# capacity	Each	56,200			
3500# capacity	Each	60,400			
Additional stop, add	Each	8750			
Emergency Lighting, 25 watt, battery operated					
Lead battery	Each	265			
Nickel cadmium	Each	770			

**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

**Item No. 4
Page 1 of 46
Witness: Doug Wilburn**

**RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST**

- Q. 4. Provide the general contractor's profit margin in connection to the South Kentucky headquarters project.
- R. 4. The contractor's profit margin may be found on Page5 of 46 Article 4.4.2.



AIA[®]

Document A141™ - 2004

Standard Form of Agreement Between Owner and Design-Builder

AGREEMENT made as of the _____ day of _____
in the year of _____
(In words, indicate day, month and year)

BETWEEN the Owner:
(Name, address and other information)

South Kentucky RECC
925-929 N. Main Street
Somerset, Kentucky 42503

606-678-4121

and the Design-Builder:
(Name, address and other information)

D. W. Wilburn, Inc.
153 Blue Sky Parkway
Lexington, Kentucky 40509

859-263-2720

For the following Project:
(Name, location and detailed description)

South Kentucky RECC
Somerset Office
Somerset, Kentucky 42503

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification. Consultation with an attorney is also encouraged with respect to professional licensing requirements in the jurisdiction where the Project is located.

The Owner and Design-Builder agree as follows.

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TABLE OF ARTICLES

- 1 THE DESIGN-BUILD DOCUMENTS
- 2 WORK OF THIS AGREEMENT
- 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
- 4 CONTRACT SUM
- 5 PAYMENTS
- 6 DISPUTE RESOLUTION
- 7 MISCELLANEOUS PROVISIONS
- 8 ENUMERATION OF THE DESIGN-BUILD DOCUMENTS

TABLE OF EXHIBITS

- A TERMS AND CONDITIONS
- B DETERMINATION OF THE COST OF THE WORK
- C INSURANCE AND BONDS

ARTICLE 1 THE DESIGN-BUILD DOCUMENTS

§ 1.1 The Design-Build Documents form the Design-Build Contract. The Design-Build Documents consist of this Agreement between Owner and Design-Builder (hereinafter, the "Agreement") and its attached Exhibits; Supplementary and other Conditions; Addenda issued prior to execution of the Agreement; the Project Criteria, including changes to the Project Criteria proposed by the Design-Builder and accepted by the Owner, if any; the Design-Builder's Proposal and written modifications to the Proposal accepted by the Owner, if any; other documents listed in this Agreement; and Modifications issued after execution of this Agreement. The Design-Build Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Owner, (2) between the Owner and a Contractor or Subcontractor, or (3) between any persons or entities other than the Owner and Design-Builder, including but not limited to any consultant retained by the Owner to prepare or review the Project Criteria. An enumeration of the Design-Build Documents, other than Modifications, appears in Article 8.

§ 1.2 The Design-Build Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral.

§ 1.3 The Design-Build Contract may be amended or modified only by a Modification. A Modification is (1) a written amendment to the Design-Build Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Owner.

ARTICLE 2 THE WORK OF THE DESIGN-BUILD CONTRACT

§ 2.1 The Design-Builder shall fully execute the Work described in the Design-Build Documents, except to the extent specifically indicated in the Design-Build Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice issued by the Owner.

(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

If, prior to the commencement of Work, the Owner requires time to file mortgages, documents related to mechanic's liens and other security interests, the Owner's time requirement shall be as follows:

(Insert Owner's time requirements.)

To be determined

§ 3.2 The Contract Time shall be measured from the date of commencement, subject to adjustments of this Contract Time as provided in the Design-Build Documents.

(Insert provisions, if any, for liquidated damages relating to failure to complete on time or for bonus payments for early completion of the Work.)

Not applicable

§ 3.3 The Design-Builder shall achieve Substantial Completion of the Work not later than _____ days from the date of commencement, or as follows:

(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Design-Build Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

To be determined upon and at completion of plans

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Design-Builder the Contract Sum in current funds for the Design-Builder's performance of the Design-Build Contract. The Contract Sum shall be one of the following:

(Check the appropriate box.)

- Stipulated Sum in accordance with Section 4.2 below;
- Cost of the Work Plus Design-Builder's Fee in accordance with Section 4.3 below;
- Cost of the Work Plus Design-Builder's Fee with a Guaranteed Maximum Price in accordance with Section 4.4 below.

(Based on the selection above, complete either Section 4.2, 4.3 or 4.4 below.)

§ 4.2 STIPULATED SUM

§ 4.2.1 The Stipulated Sum shall be _____ Dollars (\$ _____), subject to additions and deductions as provided in the Design-Build Documents.

N/A

§ 4.2.2 The Stipulated Sum is based upon the following alternates, if any, which are described in the Design-Build Documents and are hereby accepted by the Owner:

N/A

§ 4.2.3 Unit prices, if any, are as follows:

N/A

§ 4.2.4 Allowances, if any, are as follows:

(Identify and state the amounts of any allowances, and state whether they include labor, materials, or both.)

N/A

§ 4.2.5 Assumptions or qualifications, if any, on which the Stipulated Sum is based, are as follows:

N/A

§ 4.3 COST OF THE WORK PLUS DESIGN-BUILDER'S FEE

§ 4.3.1 The Cost of the Work is as defined in Exhibit B.

N/A

§ 4.3.2 The Design-Builder's Fee is:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Design-Builder's Fee and the method of adjustment to the Fee for changes in the Work.)

N/A

** § 4.4 COST OF THE WORK PLUS DESIGN-BUILDER'S FEE WITH A GUARANTEED MAXIMUM PRICE

§ 4.4.1 The Cost of the Work is as defined in Exhibit B, plus the Design-Builder's Fee.

§ 4.4.2 The Design-Builder's Fee is:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Design-Builder's Fee and the method of adjustment to the Fee for changes in the Work.) Five percent of contractors cost

including design fees (excludes all costs such as office related costs/over-head). Total project cost is to be determined, estimates for total job cost

submitted after plan approval by owner

§ 4.4.3.1 The sum of the Cost of the Work and the Design-Builder's Fee is guaranteed by the Design-Builder not to exceed Dollars (\$); subject to additions and deductions by changes in the Work as provided in the Design-Build Documents. Such maximum sum is referred to in the Design-Build Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Design-Builder without reimbursement by the Owner.

(Insert specific provisions if the Design-Builder is to participate in any savings.)

To be determined

§ 4.4.3.2 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Design-Build Documents and are hereby accepted by the Owner:

Not applicable at this time

§ 4.4.3.3 Unit Prices, if any, are as follows:

Not applicable at this time

§ 4.4.3.4 Allowances, if any, are as follows:

(Identify and state the amounts of any allowances, and state whether they include labor, materials, or both.)

Not applicable at this time

§ 4.4.3.5 Assumptions, if any, on which the Guaranteed Maximum Price is based, are as follows:

(Identify the assumptions on which the Guaranteed Maximum Price is based.)

Not applicable at this time

§ 4.5 CHANGES IN THE WORK

§ 4.5.1 Adjustments of the Contract Sum on account of changes in the Work may be determined by any of the methods listed in Article A.7 of Exhibit A, Terms and Conditions.

§ 4.5.2 Where the Contract Sum is the Cost of the Work, with or without a Guaranteed Maximum Price, and no specific provision is made in Sections 4.3.2 or 4.4.2 for adjustment of the Design-Builder's Fee in the case of Changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment will cause substantial inequity to the Owner or Design-Builder, the Design-Builder's Fee shall be equitably adjusted on the basis of the Fee established for the original Work, and the Contract Sum shall be adjusted accordingly.

ARTICLE 5 PAYMENTS

§ 5.1 PROGRESS PAYMENTS

§ 5.1.1 Based upon Applications for Payment submitted to the Owner by the Design-Builder, the Owner shall make progress payments on account of the Contract Sum to the Design-Builder as provided below and elsewhere in the Design-Build Documents:

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 5.1.3 Provided that an Application for Payment is received not later than the 1st day of month, the Owner shall make payment to the Design-Builder not later than the 1st day of the follow month. If an Application for Payment is received by the Owner after the application date fixed above, payment shall be made by the Owner not later than _____ days after the Owner receives the Application for Payment.

§ 5.1.4 With each Application for Payment where the Contract Sum is based upon the Cost of the Work or the Cost of the Work with a Guaranteed Maximum Price, the Design-Builder shall submit payrolls, receipts, and invoices or bills of materials, and other documents required by the Owner to demonstrate that cash disbursements made by the Design-Builder on account of the Cost of the Work shall not exceed the progress payments received by the Design-Builder. The portion of these payments attributable to the Design-Builder's Fee shall be shown on the Application for Payment.

§ 5.1.5 With each Application for Payment where the Contract Sum is based upon a Stipulated Sum or Cost of the Work with a Guaranteed Maximum Price, the Design-Builder shall submit the most recent schedule of values in accordance with the Design-Build Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. Compensation for design services shall be shown separately. Where the Contract Sum is based on the Cost of the Work with a Guaranteed Maximum Price, the Design-Builder's Fee shall be shown separately. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Owner may require. This schedule of values, unless objected to by the Owner, shall be used as a basis for reviewing the Design-Builder's Applications for Payment.

§ 5.1.6 In taking action on the Design-Builder's Applications for Payment, the Owner shall be entitled to rely on the accuracy and completeness of the information furnished by the Design-Builder and shall not be deemed to have made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Sections 5.1.4 or 5.1.5, or other supporting data; to have made exhaustive or continuous on-site inspections; or to have made examinations to ascertain how or for what purposes the Design-Builder has used amounts previously paid on account of the Agreement. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's accountants acting in the sole interest of the Owner.

§ 5.1.7 Except with the Owner's prior approval, the Design-Builder shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 PROGRESS PAYMENTS - STIPULATED SUM

§ 5.2.1 Applications for Payment where the Contract Sum is based upon a Stipulated Sum shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.2.2 Subject to other provisions of the Design-Build Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of percent (5 %) on the Work, other than services provided by design professionals and other consultants retained directly by the Design-Builder. Pending final determination of cost to the Owner of Changes in the Work, amounts not in dispute shall be included as provided in Section A.7.3.8 of Exhibit A, Terms and Conditions;
- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of percent (5 %);
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract amounts, if any, for which the Owner has withheld payment from or nullified an Application for Payment as provided in Section A.9.5 of Exhibit A, Terms and Conditions.

§ 5.2.3 The progress payment amount determined in accordance with Section 5.2.2 shall be further modified under the following circumstances:

- .1 add; upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Owner shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and
(Section A.9.8.6 of Exhibit A, Terms and Conditions requires release of applicable retainage upon Substantial Completion of Work with consent of surety, if any.)
- .2 add; if final completion of the Work is thereafter materially delayed through no fault of the Design-Builder, any additional amounts payable in accordance with Section A.9.10.3 of Exhibit A, Terms and Conditions.

§ 5.2.4 Reduction or limitation of retainage, if any, under Section 5.2.2 shall be as follows:
(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Sections 5.2.2.1 and 5.2.2.2 above, and this is not explained elsewhere in the Design-Build Documents, insert here provisions for such reduction or limitation.)

Reductions are to be made based on cost to complete.

§ 5.3 PROGRESS PAYMENTS – COST OF THE WORK PLUS A FEE

§ 5.3.1 Where the Contract Sum is based upon the Cost of the Work plus a fee without a Guaranteed Maximum Price, Applications for Payment shall show the Cost of the Work actually incurred by the Design-Builder through the end of the period covered by the Application for Payment and for which Design-Builder has made or intends to make actual payment prior to the next Application for Payment.

§ 5.3.2 Subject to other provisions of the Design-Build Documents, the amount of each progress payment shall be computed as follows:

- .1 Take the Cost of the Work as described in Exhibit B;
- .2 Add the Design-Builder's Fee, less retainage of N/A (%). The Design-Builder's Fee shall be computed upon the Cost of the Work described in the preceding Section 5.3.2.1 at the rate stated in Section 4.3.2; or if the Design-Builder's Fee is stated as a fixed sum in that section, an amount which bears the same ratio to that fixed-sum Fee as the Cost of the Work in the preceding section bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .3 Subtract the aggregate of previous payments made by the Owner;
- .4 Subtract the shortfall, if any, indicated by the Design-Builder in the documentation required by Section 5.1.4 or resulting from errors subsequently discovered by the Owner's accountants in such documentation; and
- .5 Subtract amounts, if any, for which the Owner has withheld or withdrawn a Certificate for Payment as provided in the Section A.9.5 of Exhibit A, Terms and Conditions.

§ 5.3.3 Retainage in addition to the retainage stated at Section 5.3.2.2, if any, shall be as follows:

N/A

§ 5.3.4 Except with the Owner's prior approval, payments for the Work, other than for services provided by design professionals and other consultants retained directly by the Design-Builder, shall be subject to retainage of not less than N/A (%). The Owner and Design-Builder shall agree on a mutually acceptable procedure for review and approval of payments and retention for Contractors.

§ 5.4 PROGRESS PAYMENTS – COST OF THE WORK PLUS A FEE WITH A GUARANTEED MAXIMUM PRICE

§ 5.4.1 Applications for Payment where the Contract Sum is based upon the Cost of the Work Plus a Fee with a Guaranteed Maximum Price shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Design-Builder on account of that portion of the Work for which the Design-Builder has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 5.4.2 Subject to other provisions of the Design-Build Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section A.7.3.8 of Exhibit A, Terms and Conditions;
- .2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 Add the Design-Builder's Fee, less retainage of five percent (5 %). The Design-Builder's Fee shall be computed upon the Cost of the Work described in the two preceding sections at the rate stated in Section 4.4.2 or, if the Design-Builder's Fee is stated as a fixed sum in that section, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work in the two preceding sections bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .4 Subtract the aggregate of previous payments made by the Owner;
- .5 Subtract the shortfall, if any, indicated by the Design-Builder in the documentation required by Section 5.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's accountants in such documentation; and
- .6 Subtract amounts, if any, for which the Owner has withheld or nullified a Certificate for Payment as provided in Section A.9.5 of Exhibit A, Terms and Conditions.

§ 5.4.3 Except with the Owner's prior approval, payments for the Work, other than for services provided by design professionals and other consultants retained directly by the Design-Builder, shall be subject to retainage of not less than zero (0 %). The Owner and Design-Builder shall agree on a mutually acceptable procedure for review and approval of payments and retention for Contractors.

§ 5.5 FINAL PAYMENT

§ 5.5.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Design-Builder no later than 30 days after the Design-Builder has fully performed the Design-Build Contract, including the requirements in Section A.9.10 of Exhibit A, Terms and Conditions, except for the Design-Builder's responsibility to correct non-conforming Work discovered after final payment or to satisfy other requirements, if any, which extend beyond final payment.

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 The parties appoint the following individual to serve as a Neutral pursuant to Section A.4.2 of Exhibit A, Terms and Conditions:

(Insert the name, address and other information of the individual to serve as a Neutral. If the parties do not select a Neutral, then the provisions of Section A.4.2.2 of Exhibit A, Terms and Conditions, shall apply.)

Local courts

§ 6.2 If the parties do not resolve their dispute through mediation pursuant to Section A.4.3 of Exhibit A, Terms and Conditions, the method of binding dispute resolution shall be the following:

(If the parties do not select a method of binding dispute resolution, then the method of binding dispute resolution shall be by litigation in a court of competent jurisdiction.)

(Check one.)

Arbitration pursuant to Section A.4.4 of Exhibit A, Terms and Conditions

Litigation in a court of competent jurisdiction

Other *(Specify)*

§ 6.3 ARBITRATION

§ 6.3.1 If Arbitration is selected by the parties as the method of binding dispute resolution, then any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to arbitration as provided in Section A.4.4 of Exhibit A, Terms and Conditions.

ARTICLE 7 MISCELLANEOUS PROVISIONS

§ 7.1 The Architect, other design professionals and consultants engaged by the Design-Builder shall be persons or entities duly licensed to practice their professions in the jurisdiction where the Project is located and are listed as follows:

(Insert name, address, license number, relationship to Design-Builder and other information.)

Tate Hill Jacobs Architects

John L Carman & Associates

Brown + Kubican PSC

GRW Engineers, Inc.

§ 7.2 Consultants, if any, engaged directly by the Owner, their professions and responsibilities are listed below:

(Insert name, address, license number, if applicable, and responsibilities to Owner and other information.)

None

§ 7.3 Separate contractors, if any, engaged directly by the Owner, their trades and responsibilities are listed below:

(Insert name, address, license number, if applicable, responsibilities to Owner and other information.)

None at this time

§ 7.4 The Owner's Designated Representative is:

(Insert name, address and other information.)

Allen Anderson

925-929 N. Main Street

Somerset, Kentucky 42503

§ 7.4.1 The Owner's Designated Representative identified above shall be authorized to act on the Owner's behalf with respect to the Project.

§ 7.5 The Design-Builder's Designated Representative is:
(Insert name, address and other information.)

Doug Wilburn
153 Blue Sky Parkway
Lexington, Kentucky 40509

§ 7.5.1 The Design-Builder's Designated Representative identified above shall be authorized to act on the Design-Builder's behalf with respect to the Project.

§ 7.6 Neither the Owner's nor the Design-Builder's Designated Representative shall be changed without ten days written notice to the other party.

§ 7.7 Other provisions:

None

§ 7.7.1 Where reference is made in this Agreement to a provision of another Design-Build Document, the reference refers to that provision as amended or supplemented by other provisions of the Design-Build Documents.

§ 7.7.2 Payments due and unpaid under the Design-Build Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

Six percent (6%)

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Design-Builder's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

ARTICLE 8 ENUMERATION OF THE DESIGN-BUILD DOCUMENTS

§ 8.1 The Design-Build Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

To be determined
§ 8.1.1 The Agreement is this executed edition of the Standard Form of Agreement Between Owner and Design-Builder, AIA Document A141-2004.

§ 8.1.2 The Supplementary and other Conditions of the Agreement, if any, are as follows:
(Either list applicable documents below or refer to an exhibit attached to this Agreement.)

See Attachment I

§ 8.1.3 The Project Criteria, including changes to the Project Criteria proposed by the Design-Builder, if any, and accepted by the Owner, consist of the following:
(Either list applicable documents and their dates below or refer to an exhibit attached to this Agreement.)

To be developed thru design

§ 8.1.4 The Design-Builder's Proposal, dated _____, consists of the following:
(Either list applicable documents below or refer to an exhibit attached to this Agreement.)

Not applicable

§ 8.1.5 Amendments to the Design-Builder's Proposal, if any, are as follows:
(Either list applicable documents below or refer to an exhibit attached to this Agreement.)

Not applicable

§ 8.1.6 The Addenda, if any, are as follows:
(Either list applicable documents below or refer to an exhibit attached to this Agreement.)

None

§ 8.1.7 Exhibit A, Terms and Conditions.
(If the parties agree to substitute terms and conditions other than those contained in AIA Document A141-2004, Exhibit A, Terms and Conditions, then identify such terms and conditions and attach to this Agreement as Exhibit A.)

See attached schedule of design fees to be paid as applicable by percentage as noted on the schedule (Attachment I)

§ 8.1.8 Exhibit B; Determination of the Cost of the Work, if applicable.
(If the parties agree to substitute a method to determine the Cost of the Work other than that contained in AIA Document A141-2004, Exhibit B; Determination of the Cost of the Work, then identify such other method to determine the Cost of the Work and attach to this Agreement as Exhibit B. If the Contract Sum is a Stipulated Sum, then Exhibit B is not applicable.)

Cost of work to be determined thru competitive subcontractor bidding and in house estimates on work to be self-performed on concrete, carpentry, doors and hardware.

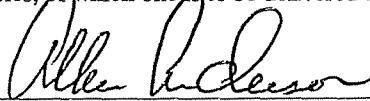
§ 8.1.9 Exhibit C, Insurance and Bonds, if applicable.
(Complete AIA Document A141-2004, Exhibit C, Insurance and Bonds or indicate "not applicable.")

Design/Builder will furnish 100% Payment and Performance bonds for the amount of contractors work, when amounts are established. Design/Builder to furnish builders risk and General Liability Insurance prior to start of work.


§ 8.1.10 Other documents, if any, forming part of the Design-Build Documents are as follows:
(Either list applicable documents below or refer to an exhibit attached to this Agreement.)

- Attachment #2 - Example of Bid Tabulation format
- Attachment #3 - Example of Estimation Detail Sheet format
- Attachment #4 - Example of Schedule of Values Breakdown format

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Design-Builder and one to the Owner.



OWNER (Signature)



DESIGN-BUILDER (Signature)

Allen Anderson, President & CEO

(Printed name and title)

Doug Wilburn, President

(Printed name and title)

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.



Document A141™ – 2004 Exhibit A

Terms and Conditions

for the following PROJECT:

(Name and location or address)

South Kentucky RECC
Somerset Office
Somerset, Kentucky 42503

THE OWNER:

(Name and address)

South Kentucky RECC
925-929 N. Main Street
Somerset, Kentucky 42502

THE DESIGN-BUILDER:

(Name and address)

D. W. Wilburn, Inc.
153 Blue Sky Parkway
Lexington, Kentucky 40509

TABLE OF ARTICLES

- A.1 GENERAL PROVISIONS
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- A.10 PROTECTION OF PERSONS AND PROPERTY
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- A.12 UNCOVERING AND CORRECTION OF WORK
- A.13 MISCELLANEOUS PROVISIONS
- A.14 TERMINATION OR SUSPENSION OF THE DESIGN-BUILD CONTRACT

This document has important legal consequences.

Consultation with an attorney is encouraged with respect to its completion or modification. Consultation with an attorney is also encouraged with respect to professional licensing requirements in the jurisdiction where the Project is located.

ARTICLE A.1 GENERAL PROVISIONS

§ A.1.1 BASIC DEFINITIONS

§ A.1.1.1 THE DESIGN-BUILD DOCUMENTS

The Design-Build Documents are identified in Section 1.1 of the Agreement.

§ A.1.1.2 PROJECT CRITERIA

The Project Criteria are identified in Section 8.1.3 of the Agreement and may describe the character, scope, relationships, forms, size and appearance of the Project, materials and systems and, in general, their quality levels, performance standards, requirements or criteria, and major equipment layouts.

§ A.1.1.3 ARCHITECT

The Architect is the person lawfully licensed to practice architecture or an entity lawfully practicing architecture identified as such in the Agreement and having a direct contract with the Design-Builder to perform design services for all or a portion of the Work, and is referred to throughout the Design-Build Documents as if singular in number. The term "Architect" means the Architect or the Architect's authorized representative.

§ A.1.1.4 CONTRACTOR

A Contractor is a person or entity, other than the Architect, that has a direct contract with the Design-Builder to perform all or a portion of the construction required in connection with the Work. The term "Contractor" is referred to throughout the Design-Build Documents as if singular in number and means a Contractor or an authorized representative of the Contractor. The term "Contractor" does not include a separate contractor, as defined in Section A.6.1.2; or subcontractors of a separate contractor.

§ A.1.1.5 SUBCONTRACTOR

A Subcontractor is a person or entity who has a direct contract with a Contractor to perform a portion of the construction required in connection with the Work at the site. The term "Subcontractor" is referred to throughout the Design-Build Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor.

§ A.1.1.6 THE WORK

The term "Work" means the design, construction and services required by the Design-Build Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Design-Builder to fulfill the Design-Builder's obligations. The Work may constitute the whole or a part of the Project.

§ A.1.1.7 THE PROJECT

The Project is the total design and construction of which the Work performed under the Design-Build Documents may be the whole or a part, and which may include design and construction by the Owner or by separate contractors.

§ A.1.1.8 NEUTRAL

The Neutral is the individual appointed by the parties to decide Claims and disputes pursuant to Section A.4.2.1.

§ A.1.2 COMPLIANCE WITH APPLICABLE LAWS

§ A.1.2.1 If the Design-Builder believes that implementation of any instruction received from the Owner would cause a violation of any applicable law, statute, ordinance, building code, rule or regulation, the Design-Builder shall notify the Owner in writing. Neither the Design-Builder nor any Contractor or Architect shall be obligated to perform any act which they believe will violate any applicable law, ordinance, rule or regulation.

§ A.1.2.2 The Design-Builder shall be entitled to rely on the completeness and accuracy of the information contained in the Project Criteria, but not that such information complies with applicable laws, regulations and codes, which shall be the obligation of the Design-Builder to determine. In the event that a specific requirement of the Project Criteria conflicts with applicable laws, regulations and codes, the Design-Builder shall furnish Work which complies with such laws, regulations and codes. In such case, the Owner shall issue a Change Order to the Design-Builder unless the Design-Builder recognized such non-compliance prior to execution of this Agreement and failed to notify the Owner.

§ A.1.3 CAPITALIZATION

§ A.1.3.1 Terms capitalized in these Terms and Conditions include those which are (1) specifically defined, (2) the titles of numbered articles and identified references to sections in the document, or (3) the titles of other documents published by the American Institute of Architects.

§ A.1.4 INTERPRETATION

§ A.1.4.1 In the interest of brevity, the Design-Build Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ A.1.4.2 Unless otherwise stated in the Design-Build Documents, words which have well-known technical or construction industry meanings are used in the Design-Build Documents in accordance with such recognized meanings.

§ A.1.5 EXECUTION OF THE DESIGN-BUILD DOCUMENTS

§ A.1.5.1 The Design-Build Documents shall be signed by the Owner and Design-Builder.

§ A.1.5.2 Execution of the Design-Build Contract by the Design-Builder is a representation that the Design-Builder has visited the site; become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Design-Build Documents.

§ A.1.6 OWNERSHIP AND USE OF DOCUMENTS AND ELECTRONIC DATA

§ A.1.6.1 Drawings, specifications, and other documents including those in electronic form, prepared by the Architect and furnished by the Design-Builder are Instruments of Service. The Design-Builder, Design-Builder's Architect and other providers of professional services individually shall retain all common law, statutory and other reserved rights, including copyright in those Instruments of Service furnished by them. Drawings, specifications, and other documents and materials and electronic data are furnished for use solely with respect to this Project.

§ A.1.6.2 Upon execution of the Design-Build Contract, the Design-Builder grants to the Owner a non-exclusive license to reproduce and use the Instruments of Service solely in connection with the Project, including the Project's further development by the Owner and others retained by the Owner for such purposes, provided that the Owner shall comply with all obligations, including prompt payment of sums when due, under the Design-Build Documents. Subject to the Owner's compliance with such obligations, such license shall extend to those parties retained by the Owner for such purposes, including other design professionals. The Design-Builder shall obtain similar non-exclusive licenses from its design professionals, including the Architect. The Owner shall not otherwise assign or transfer any license herein to another party without prior written agreement of the Design-Builder. Any unauthorized reproduction or use of the Instruments of Service by the Owner or others shall be at the Owner's sole risk and expense without liability to the Design-Builder and its design professionals. Except as provided in Section A.1.6.4, termination of this Agreement prior to completion of the Design-Builder's services to be performed under this Agreement shall terminate this license.

§ A.1.6.3 Prior to any electronic exchange by the parties of the Instruments of Service or any other documents or materials to be provided by one party to the other, the Owner and the Design-Builder shall agree in writing on the specific conditions governing the format thereof, including any special limitations or licenses not otherwise provided in the Design-Build Documents.

§ A.1.6.4 If this Agreement is terminated for any reason other than the default of the Owner, each of the Design-Builder's design professionals, including the Architect, shall be contractually required to convey to the Owner a non-exclusive license to use that design professional's Instruments of Service for the completion, use and maintenance of the Project, conditioned upon the Owner's written notice to that design professional of the Owner's assumption of the Design-Builder's contractual duties and obligations to that design professional and payment to that design professional of all amounts due to that design professional and its consultants. If the Owner does not assume the remaining duties and obligations of the Design-Builder to that design professional under this Agreement, then the Owner shall indemnify and hold harmless that design professional from all claims and any expense, including legal fees, which that design professional shall thereafter incur by reason of the Owner's use of such Instruments of Service. The Design-Builder shall incorporate the requirements of this Section A.1.6.4 in all agreements with its design professionals.

§ A.1.6.5 Submission or distribution of the Design-Builder's documents to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the rights reserved in Section A.1.6.1.

ARTICLE A.2 OWNER

§ A.2.1 GENERAL

§ A.2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Design-Build Documents as if singular in number. The term "Owner" means the Owner or the Owner's authorized representative. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all Project matters requiring the Owner's approval or authorization. The Owner shall render decisions in a timely manner and in accordance with the Design-Builder's schedule submitted to the Owner.

§ A.2.1.2 The Owner shall furnish to the Design-Builder within 15 days after receipt of a written request information necessary and relevant for the Design-Builder to evaluate, give notice of or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ A.2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ A.2.2.1 Information or services required of the Owner by the Design-Build Documents shall be furnished by the Owner with reasonable promptness. Any other information or services relevant to the Design-Builder's performance of the Work under the Owner's control shall be furnished by the Owner after receipt from the Design-Builder of a written request for such information or services.

§ A.2.2.2 The Owner shall be responsible to provide surveys, if not required by the Design-Build Documents to be provided by the Design-Builder, describing physical characteristics, legal limitations, and utility locations for the site of this Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements, and adjoining property and structures; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restriction, boundaries, and contours of the site; locations, dimensions, and necessary data pertaining to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ A.2.2.3 The Owner shall provide, to the extent available to the Owner and if not required by the Design-Build Documents to be provided by the Design-Builder, the results and reports of prior tests, inspections or investigations conducted for the Project involving structural or mechanical systems, chemical, air and water pollution, hazardous materials or environmental and subsurface conditions and information regarding the presence of pollutants at the Project site.

§ A.2.2.4 The Owner may obtain independent review of the Design-Builder's design, construction and other documents by a separate architect, engineer, and contractor or cost estimator under contract to or employed by the Owner. Such independent review shall be undertaken at the Owner's expense in a timely manner and shall not delay the orderly progress of the Work.

§ A.2.2.5 The Owner shall cooperate with the Design-Builder in securing building and other permits, licenses and inspections. The Owner shall not be required to pay the fees for such permits, licenses and inspections unless the cost of such fees is excluded from the responsibility of the Design-Builder under the Design-Build Documents.

§ A.2.2.6 The services, information, surveys and reports required to be provided by the Owner under Section A.2.2, shall be furnished at the Owner's expense, and the Design-Builder shall be entitled to rely upon the accuracy and completeness thereof, except as otherwise specifically provided in the Design-Build Documents or to the extent the Owner advises the Design-Builder to the contrary in writing.

§ A.2.2.7 If the Owner observes or otherwise becomes aware of a fault or defect in the Work or non-conformity with the Design-Build Documents, the Owner shall give prompt written notice thereof to the Design-Builder.

§ A.2.2.8 The Owner shall, at the request of the Design-Builder, prior to execution of the Design-Build Contract and promptly upon request thereafter, furnish to the Design-Builder reasonable evidence that financial arrangements have been made to fulfill the Owner's obligations under the Design-Build Documents.

§ A.2.2.9 The Owner shall communicate through the Design-Builder with persons or entities employed or retained by the Design-Builder, unless otherwise directed by the Design-Builder.

§ A.2.2.10 The Owner shall furnish the services of geotechnical engineers or other consultants; if not required by the Design-Build Documents to be provided by the Design-Builder, for subsoil, air and water conditions when such services are deemed reasonably necessary by the Design-Builder to properly carry out the design services provided by the Design-Builder and the Design-Builder's Architect. Such services may include, but are not limited to, test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, ground corrosion and resistivity tests, and necessary operations for anticipating subsoil conditions. The services of geotechnical engineer(s) or other consultants shall include preparation and submission of all appropriate reports and professional recommendations.

§ A.2.2.11 The Owner shall promptly obtain easements, zoning variances, and legal authorizations regarding site utilization where essential to the execution of the Owner's program.

§ A.2.3 OWNER REVIEW AND INSPECTION

§ A.2.3.1 The Owner shall review and approve or take other appropriate action upon the Design-Builder's submittals, including but not limited to design and construction documents, required by the Design-Build Documents, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Design-Build Documents. The Owner's action shall be taken with such reasonable promptness as to cause no delay in the Work or in the activities of the Design-Builder or separate contractors. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details, such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Design-Builder as required by the Design-Build Documents.

§ A.2.3.2 Upon review of the design documents, construction documents, or other submittals required by the Design-Build Documents, the Owner shall take one of the following actions:

- 1 Determine that the documents or submittals are in conformance with the Design-Build Documents and approve them.
- 2 Determine that the documents or submittals are in conformance with the Design-Build Documents but request changes in the documents or submittals which shall be implemented by a Change in the Work.
- 3 Determine that the documents or submittals are not in conformity with the Design-Build Documents and reject them.
- 4 Determine that the documents or submittals are not in conformity with the Design-Build Documents, but accept them by implementing a Change in the Work.
- 5 Determine that the documents or submittals are not in conformity with the Design-Build Documents, but accept them and request changes in the documents or submittals which shall be implemented by a Change in the Work.

§ A.2.3.3 The Design-Builder shall submit to the Owner for the Owner's approval, pursuant to Section A.2.3.1, any proposed change or deviation to previously approved documents or submittals. The Owner shall review each proposed change or deviation to previously approved documents or submittals which the Design-Builder submits to the Owner for the Owner's approval with reasonable promptness in accordance with Section A.2.3.1 and shall make one of the determinations described in Section A.2.3.2.

§ A.2.3.4 Notwithstanding the Owner's responsibility under Section A.2.3.2, the Owner's review and approval of the Design-Builder's documents or submittals shall not relieve the Design-Builder of responsibility for compliance with the Design-Build Documents unless a) the Design-Builder has notified the Owner in writing of the deviation prior to approval by the Owner or, b) the Owner has approved a Change in the Work reflecting any deviations from the requirements of the Design-Build Documents.

§ A.2.3.5 The Owner may visit the site to keep informed about the progress and quality of the portion of the Work completed. However, the Owner shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. Visits by the Owner shall not be construed to create an obligation on the part of the Owner to make on-site inspections to check the quantity or quality of the Work. The Owner shall neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Design-Builder's rights and responsibilities under the Design-Build Documents, except as provided in Section A.3.3.7.

Witness: Doug Wilburn

§ A.2.3.6 The Owner shall not be responsible for the Design-Builder's failure to perform the Work in accordance with the requirements of the Design-Build Documents. The Owner shall not have control over or charge of and will not be responsible for acts or omissions of the Design-Builder, Architect, Contractors, or their agents or employees, or any other persons or entities performing portions of the Work for the Design-Builder.

§ A.2.3.7 The Owner may reject Work that does not conform to the Design-Build Documents. Whenever the Owner considers it necessary or advisable, the Owner shall have authority to require inspection or testing of the Work in accordance with Section A.13.5.2, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Owner nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Owner to the Design-Builder, the Architect, Contractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ A.2.3.8 The Owner may appoint an on-site project representative to observe the Work and to have such other responsibilities as the Owner and the Design-Builder agree to in writing.

§ A.2.3.9 The Owner shall conduct inspections to determine the date or dates of Substantial Completion and the date of final completion.

§ A.2.4 OWNER'S RIGHT TO STOP WORK

§ A.2.4.1 If the Design-Builder fails to correct Work which is not in accordance with the requirements of the Design-Build Documents as required by Section A.12.2 or persistently fails to carry out Work in accordance with the Design-Build Documents, the Owner may issue a written order to the Design-Builder to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Design-Builder or any other person or entity, except to the extent required by Section A.6.1.3.

§ A.2.5 OWNER'S RIGHT TO CARRY OUT THE WORK

§ A.2.5.1 If the Design-Builder defaults or neglects to carry out the Work in accordance with the Design-Build Documents and fails within a seven-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may after such seven-day period give the Design-Builder a second written notice to correct such deficiencies within a three-day period. If the Design-Builder within such three-day period after receipt of such second notice fails to commence and continue to correct any deficiencies, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case, an appropriate Change Order shall be issued deducting from payments then or thereafter due the Design-Builder the reasonable cost of correcting such deficiencies. If payments due the Design-Builder are not sufficient to cover such amounts, the Design-Builder shall pay the difference to the Owner.

ARTICLE A.3 DESIGN-BUILDER

§ A.3.1 GENERAL

§ A.3.1.1 The Design-Builder is the person or entity identified as such in the Agreement and is referred to throughout the Design-Build Documents as if singular in number. The Design-Builder may be an architect or other design professional, a construction contractor, a real estate developer or any other person or entity legally permitted to do business as a design-builder in the location where the Project is located. The term "Design-Builder" means the Design-Builder or the Design-Builder's authorized representative. The Design-Builder's representative is authorized to act on the Design-Builder's behalf with respect to the Project.

§ A.3.1.2 The Design-Builder shall perform the Work in accordance with the Design-Build Documents.

§ A.3.2 DESIGN SERVICES AND RESPONSIBILITIES

§ A.3.2.1 When applicable law requires that services be performed by licensed professionals, the Design-Builder shall provide those services through the performance of qualified persons or entities duly licensed to practice their professions. The Owner understands and agrees that the services performed by the Design-Builder's Architect and the Design-Builder's other design professionals and consultants are undertaken and performed in the sole interest of and for the exclusive benefit of the Design-Builder.

§ A.3.2.2 The agreements between the Design-Builder and Architect or other design professionals identified in the Agreement, and in any subsequent Modifications, shall be in writing. These agreements, including services and

financial arrangements with respect to this Project, shall be promptly and fully disclosed to the Owner upon the Owner's written request.

§ A.3.2.3 The Design-Builder shall be responsible to the Owner for acts and omissions of the Design-Builder's employees, Architect, Contractors, Subcontractors and their agents and employees, and other persons or entities,

including the Architect and other design professionals, performing any portion of the Design-Builder's obligations under the Design-Build Documents.

§ A.3.2.4 The Design-Builder shall carefully study and compare the Design-Build Documents, materials and other information provided by the Owner pursuant to Section A.2.2, shall take field measurements of any existing conditions related to the Work, shall observe any conditions at the site affecting the Work, and report promptly to the Owner any errors, inconsistencies or omissions discovered.

§ A.3.2.5 The Design-Builder shall provide to the Owner for Owner's written approval design documents sufficient to establish the size, quality and character of the Project; its architectural, structural, mechanical and electrical systems; and the materials and such other elements of the Project to the extent required by the Design-Build Documents. Deviations, if any, from the Design-Build Documents shall be disclosed in writing.

§ A.3.2.6 Upon the Owner's written approval of the design documents submitted by the Design-Builder, the Design-Builder shall provide construction documents for review and written approval by the Owner. The construction documents shall set forth in detail the requirements for construction of the Project. The construction documents shall include drawings and specifications that establish the quality levels of materials and systems required. Deviations, if any, from the Design-Build Documents shall be disclosed in writing. Construction documents may include drawings, specifications, and other documents and electronic data setting forth in detail the requirements for construction of the Work, and shall:

- .1 be consistent with the approved design documents;
- .2 provide information for the use of those in the building trades; and
- .3 include documents customarily required for regulatory agency approvals.

§ A.3.2.7 The Design-Builder shall meet with the Owner periodically to review progress of the design and construction documents.

§ A.3.2.8 Upon the Owner's written approval of construction documents, the Design-Builder, with the assistance of the Owner, shall prepare and file documents required to obtain necessary approvals of governmental authorities having jurisdiction over the Project.

§ A.3.2.9 The Design-Builder shall obtain from each of the Design-Builder's professionals and furnish to the Owner certifications with respect to the documents and services provided by such professionals (a) that, to the best of their knowledge, information and belief, the documents or services to which such certifications relate (i) are consistent with the Project Criteria set forth in the Design-Build Documents, except to the extent specifically identified in such certificate, (ii) comply with applicable professional practice standards, and (iii) comply with applicable laws, ordinances, codes, rules and regulations governing the design of the Project; and (b) that the Owner and its consultants shall be entitled to rely upon the accuracy of the representations and statements contained in such certifications.

§ A.3.2.10 If the Owner requests the Design-Builder, the Architect or the Design-Builder's other design professionals to execute certificates other than those required by Section A.3.2.9, the proposed language of such certificates shall be submitted to the Design-Builder, or the Architect and such design professionals through the Design-Builder, for review and negotiation at least 14 days prior to the requested dates of execution. Neither the Design-Builder, the Architect nor such other design professionals shall be required to execute certificates that would require knowledge, services or responsibilities beyond the scope of their respective agreements with the Owner or Design-Builder.

§ A.3.3 CONSTRUCTION

§ A.3.3.1 The Design-Builder shall perform no construction Work prior to the Owner's review and approval of the construction documents. The Design-Builder shall perform no portion of the Work for which the Design-Build Documents require the Owner's review of submittals, such as Shop Drawings, Product Data and Samples, until the Owner has approved each submittal.

§ A.3.3.2 The construction Work shall be in accordance with approved submittals, except that the Design-Builder shall not be relieved of responsibility for deviations from requirements of the Design-Build Documents by the Owner's approval of design and construction documents or other submittals such as Shop Drawings, Product Data, Samples or other submittals unless the Design-Builder has specifically informed the Owner in writing of such deviation at the time of submittal and (1) the Owner has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Design-Builder shall not be relieved of responsibility for errors or omissions in design and construction documents or other submittals such as Shop Drawings, Product Data, Samples or other submittals by the Owner's approval thereof.

§ A.3.3.3 The Design-Builder shall direct specific attention, in writing or on resubmitted design and construction documents or other submittals such as Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Owner on previous submittals. In the absence of such written notice, the Owner's approval of a resubmission shall not apply to such revisions.

§ A.3.3.4 When the Design-Build Documents require that a Contractor provide professional design services or certifications related to systems, materials or equipment; or when the Design-Builder in its discretion provides such design services or certifications through a Contractor, the Design-Builder shall cause professional design services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professionals, if prepared by others, shall bear such design professional's written approval. The Owner shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals.

§ A.3.3.5 The Design-Builder shall be solely responsible for and have control over all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Design-Build Documents.

§ A.3.3.6 The Design-Builder shall keep the Owner informed of the progress and quality of the Work.

§ A.3.3.7 The Design-Builder shall be responsible for the supervision and direction of the Work, using the Design-Builder's best skill and attention. If the Design-Build Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Design-Builder shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Design-Builder determines that such means, methods, techniques, sequences or procedures may not be safe, the Design-Builder shall give timely written notice to the Owner and shall not proceed with that portion of the Work without further written instructions from the Owner. If the Design-Builder is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Design-Builder, the Owner shall be solely responsible for any resulting loss or damage.

§ A.3.3.8 The Design-Builder shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ A.3.4 LABOR AND MATERIALS

§ A.3.4.1 Unless otherwise provided in the Design-Build Documents, the Design-Builder shall provide or cause to be provided and shall pay for design services, labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ A.3.4.2 When a material is specified in the Design-Build Documents, the Design-Builder may make substitutions only with the consent of the Owner and, if appropriate, in accordance with a Change Order.

§ A.3.4.3 The Design-Builder shall enforce strict discipline and good order among the Design-Builder's employees and other persons carrying out the Design-Build Contract. The Design-Builder shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§ A.3.5 WARRANTY

§ A.3.5.1 The Design-Builder warrants to the Owner that materials and equipment furnished under the Design-Build Documents will be of good quality and new unless otherwise required or permitted by the Design-Build Documents, that the Work will be free from defects not inherent in the quality required or permitted by law or otherwise, and that the Work will conform to the requirements of the Design-Build Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The Design-Builder's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Design-Builder, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Owner, the Design-Builder shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ A.3.6 TAXES

§ A.3.6.1 The Design-Builder shall pay all sales, consumer, use and similar taxes for the Work provided by the Design-Builder which had been legally enacted on the date of the Agreement, whether or not yet effective or merely scheduled to go into effect.

§ A.3.7 PERMITS, FEES AND NOTICES

§ A.3.7.1 The Design-Builder shall secure and pay for building and other permits and governmental fees, licenses and inspections necessary for the proper execution and completion of the Work which are customarily secured after execution of the Design-Build Contract and which were legally required on the date the Owner accepted the Design-Builder's proposal.

§ A.3.7.2 The Design-Builder shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities relating to the Project.

§ A.3.7.3 It is the Design-Builder's responsibility to ascertain that the Work is in accordance with applicable laws, ordinances, codes, rules and regulations.

§ A.3.7.4 If the Design-Builder performs Work contrary to applicable laws, ordinances, codes, rules and regulations, the Design-Builder shall assume responsibility for such Work and shall bear the costs attributable to correction.

§ A.3.8 ALLOWANCES

§ A.3.8.1 The Design-Builder shall include in the Contract Sum all allowances stated in the Design-Build Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Design-Builder shall not be required to employ persons or entities to which the Design-Builder has reasonable objection.

§ A.3.8.2 Unless otherwise provided in the Design-Build Documents:

- .1 allowances shall cover the cost to the Design-Builder of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Design-Builder's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section A.3.8.2.1 and (2) changes in Design-Builder's costs under Section A.3.8.2.2.

§ A.3.8.3 Materials and equipment under an allowance shall be selected by the Owner in sufficient time to avoid delay in the Work.

§ A.3.9 DESIGN-BUILDER'S SCHEDULE

§ A.3.9.1 The Design-Builder, promptly after execution of the Design-Build Contract, shall prepare and submit for the Owner's information the Design-Builder's schedule for the Work. The schedule shall not exceed time limits and shall be in such detail as required under the Design-Build Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Design-

Build Documents, shall provide for expeditious and practicable execution of the Work and shall include allowances for periods of time required for the Owner's review and for approval of submissions by authorities having jurisdiction over the Project.

§ A.3.9.2 The Design-Builder shall prepare and keep current a schedule of submittals required by the Design-Build Documents.

§ A.3.9.3 The Design-Builder shall perform the Work in general accordance with the most recent schedules submitted to the Owner.

§ A.3.10 DOCUMENTS AND SAMPLES AT THE SITE

§ A.3.10.1 The Design-Builder shall maintain at the site for the Owner one record copy of the drawings, specifications, addenda, Change Orders and other Modifications, in good order and marked currently to record field changes and selections made during construction, and one record copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be delivered to the Owner upon completion of the Work.

§ A.3.11 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ A.3.11.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Design-Builder or a Contractor, Subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ A.3.11.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Design-Builder to illustrate materials or equipment for some portion of the Work.

§ A.3.11.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ A.3.11.4 Shop Drawings, Product Data, Samples and similar submittals are not Design-Build Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required by the Design-Build Documents the way by which the Design-Builder proposes to conform to the Design-Build Documents.

§ A.3.11.5 The Design-Builder shall review for compliance with the Design-Build Documents and approve and submit to the Owner only those Shop Drawings, Product Data, Samples and similar submittals required by the Design-Build Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ A.3.11.6 By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Design-Builder represents that the Design-Builder has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the Work and of the Design-Build Documents.

§ A.3.12 USE OF SITE

§ A.3.12.1 The Design-Builder shall confine operations at the site to areas permitted by law, ordinances, permits and the Design-Build Documents, and shall not unreasonably encumber the site with materials or equipment.

§ A.3.13 CUTTING AND PATCHING

§ A.3.13.1 The Design-Builder shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

§ A.3.13.2 The Design-Builder shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction or by excavation. The Design-Builder shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Design-Builder shall not unreasonably withhold from the Owner or a separate contractor the Design-Builder's consent to cutting or otherwise altering the Work.

§ A.3.14 CLEANING UP

§ A.3.14.1 The Design-Builder shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Design-Build Contract. At completion of the Work, the Design-Builder shall remove from and about the Project waste materials, rubbish, the Design-Builder's tools, construction equipment, machinery and surplus materials.

§ A.3.14.2 If the Design-Builder fails to clean up as provided in the Design-Build Documents, the Owner may do so and the cost thereof shall be charged to the Design-Builder.

§ A.3.15 ACCESS TO WORK

§ A.3.15.1 The Design-Builder shall provide the Owner access to the Work in preparation and progress wherever located.

§ A.3.16 ROYALTIES, PATENTS AND COPYRIGHTS

§ A.3.16.1 The Design-Builder shall pay all royalties and license fees. The Design-Builder shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required or where the copyright violations are contained in drawings, specifications or other documents prepared by or furnished to the Design-Builder by the Owner. However, if the Design-Builder has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Design-Builder shall be responsible for such loss unless such information is promptly furnished to the Owner.

§ A.3.17 INDEMNIFICATION

§ A.3.17.1 To the fullest extent permitted by law, the Design-Builder shall indemnify and hold harmless the Owner, Owner's consultants, and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death or to injury to or destruction of tangible property other than the Work itself, but only to the extent caused by the negligent acts or omissions of the Design-Builder, Architect, a Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section A.3.17.

§ A.3.17.2 In claims against any person or entity indemnified under this Section A.3.17 by an employee of the Design-Builder, the Architect, a Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section A.3.17.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Design-Builder, the Architect or a Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE A.4 DISPUTE RESOLUTION

§ A.4.1 CLAIMS AND DISPUTES

§ A.4.1.1 Definition. A Claim is a demand or assertion by one of the parties seeking, as a matter of right, adjustment or interpretation of Design-Build Contract terms, payment of money, extension of time or other relief with respect to the terms of the Design-Build Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Design-Builder arising out of or relating to the Design-Build Contract. Claims must be initiated by written notice. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ A.4.1.2 Time Limits on Claims. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Claims must be initiated by written notice to the other party.

§ A.4.1.3 Continuing Performance. Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section A.9.7.1 and Article A.14, the Design-Builder shall proceed diligently with performance of the Design-Build Contract and the Owner shall continue to make payments in accordance with the Design-Build Documents.

§ A.4.1.4 Claims for Concealed or Unknown Conditions. If conditions are encountered at the site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Design-Build Documents or (2) unknown physical conditions of an unusual nature which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Design-Build Documents, then the observing party shall give notice to the other party promptly before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Owner shall promptly investigate such conditions and, if they differ materially and cause an increase or decrease in the Design-Builder's cost of, or time required for, performance of any part of the Work, shall negotiate with the Design-Builder an equitable adjustment in the Contract Sum or Contract Time, or both. If the Owner determines that the conditions at the site are not materially different from those indicated in the Design-Build Documents and that no change in the terms of the Design-Build Contract is justified, the Owner shall so notify the Design-Builder in writing, stating the reasons. Claims by the Design-Builder in opposition to such determination must be made within 21 days after the Owner has given notice of the decision. If the conditions encountered are materially different, the Contract Sum and Contract Time shall be equitably adjusted, but if the Owner and Design-Builder cannot agree on an adjustment in the Contract Sum or Contract Time, the adjustment shall proceed pursuant to Section A.4.2.

§ A.4.1.5 Claims for Additional Cost. If the Design-Builder wishes to make Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section A.10.6.

§ A.4.1.6 If the Design-Builder believes additional cost is involved for reasons including but not limited to (1) an order by the Owner to stop the Work where the Design-Builder was not at fault, (2) a written order for the Work issued by the Owner, (3) failure of payment by the Owner, (4) termination of the Design-Build Contract by the Owner, (5) Owner's suspension or (6) other reasonable grounds, Claim shall be filed in accordance with this Section A.4.1.

§ A.4.1.7 Claims for Additional Time

§ A.4.1.7.1 If the Design-Builder wishes to make Claim for an increase in the Contract Time, written notice as provided herein shall be given. The Design-Builder's Claim shall include an estimate of the time and its effect on the progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ A.4.1.7.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the scheduled construction.

§ A.4.1.8 Injury or Damage to Person or Property. If either party to the Design-Build Contract suffers injury or damage to person or property because of an act or omission of the other party or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ A.4.1.9 If unit prices are stated in the Design-Build Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Design-Builder, the applicable unit prices shall be equitably adjusted.

§ A.4.1.10 Claims for Consequential Damages. Design-Builder and Owner waive Claims against each other for consequential damages arising out of or relating to the Design-Build Contract. This mutual waiver includes:

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Design-Builder for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article A.14. Nothing contained in this Section A.4.1.10 shall be deemed to preclude an award of liquidated direct damages, when applicable, in accordance with the requirements of the Design-Build Documents.

§ A.4.1.11 If the enactment or revision of codes, laws or regulations or official interpretations which govern the Project cause an increase or decrease of the Design-Builder's cost of, or time required for, performance of the Work, the Design-Builder shall be entitled to an equitable adjustment in Contract Sum or Contract Time. If the Owner and Design-Builder cannot agree upon an adjustment in the Contract Sum or Contract Time, the Design-Builder shall submit a Claim pursuant to Section A.4.1.

§ A.4.2 RESOLUTION OF CLAIMS AND DISPUTES

§ A.4.2.1 **Decision by Neutral.** If the parties have identified a Neutral in Section 6.1 of the Agreement or elsewhere in the Design-Build Documents, then Claims, excluding those arising under Sections A.10.3 through A.10.5, shall be referred initially to the Neutral for decision. An initial decision by the Neutral shall be required as a condition precedent to mediation of all Claims between the Owner and Design-Builder arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Neutral with no decision having been rendered by the Neutral. Unless the Neutral and all affected parties agree, the Neutral will not decide disputes between the Design-Builder and persons or entities other than the Owner.

§ A.4.2.2 **Decision by Owner.** If the parties have not identified a Neutral in Section 6.1 of the Agreement or elsewhere in the Design-Build Documents then, except for those claims arising under Sections A.10.3 and A.10.5, the Owner shall provide an initial decision. An initial decision by the Owner shall be required as a condition precedent to mediation of all Claims between the Owner and Design-Builder arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Owner with no decision having been rendered by the Owner.

§ A.4.2.3 The initial decision pursuant to Sections A.4.2.1 and A.4.2.2 shall be in writing, shall state the reasons therefore and shall notify the parties of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject first to mediation under Section A.4.3 and thereafter to such other dispute resolution methods as provided in Section 6.2 of the Agreement or elsewhere in the Design-Build Documents.

§ A.4.2.4 In the event of a Claim against the Design-Builder, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Design-Builder's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ A.4.2.5 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to initial resolution of the Claim.

§ A.4.3 MEDIATION

§ A.4.3.1 Any Claim arising out of or related to the Design-Build Contract, except those waived as provided for in Sections A.4.1.10, A.9.10.4 and A.9.10.5, shall, after initial decision of the Claim or 30 days after submission of the Claim for initial decision, be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable or other binding dispute resolution proceedings by either party.

§ A.4.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect at the time of the mediation. Request for mediation shall be filed in writing with the other party to the Design-Build Contract and with the American Arbitration Association. The request may be made concurrently with the filing of a demand for arbitration or other binding dispute resolution proceedings but, in such event, mediation shall proceed in advance thereof or of legal or equitable proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.

§ A.4.3.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ A.4.4 ARBITRATION

§ A.4.4.1 Claims, except those waived as provided for in Sections A.4.1.10, A.9.10.4 and A.9.10.5, for which initial decisions have not become final and binding, and which have not been resolved by mediation but which are subject to arbitration pursuant to Sections 6.2 and 6.3 of the Agreement or elsewhere in the Design-Build Documents, shall be

decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect at the time of the arbitration. The demand for arbitration shall be filed in writing with the other party to the Design-Build Contract and with the American Arbitration Association.

§ A.4.4.2 A demand for arbitration may be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when institution of legal or equitable proceedings based on such Claim would be barred by the applicable statute of limitations as determined pursuant to Section A.13.6.

§ A.4.4.3 An arbitration pursuant to this Section A.4.4 may be joined with an arbitration involving common issues of law or fact between the Owner or Design-Builder and any person or entity with whom the Owner or Design-Builder has a contractual obligation to arbitrate disputes which does not prohibit consolidation or joinder. No other arbitration arising out of or relating to the Design-Build Contract shall include, by consolidation, joinder or in any other manner, an additional person or entity not a party to the Design-Build Contract or not a party to an agreement with the Owner or Design-Builder, except by written consent containing a specific reference to the Design-Build Contract signed by the Owner and Design-Builder and any other person or entities sought to be joined. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent or with a person or entity not named or described therein. The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by the parties to the Agreement shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

§ A.4.4.4 **Claims and Timely Assertion of Claims.** The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ A.4.4.5 **Judgment on Final Award.** The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

ARTICLE A.5 AWARD OF CONTRACTS

§ A.5.1 Unless otherwise stated in the Design-Build Documents or the bidding or proposal requirements, the Design-Builder, as soon as practicable after award of the Design-Build Contract, shall furnish in writing to the Owner the names of additional persons or entities not originally included in the Design-Builder's proposal or in substitution of a person or entity (including those who are to furnish design services or materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Owner will promptly reply to the Design-Builder in writing stating whether or not the Owner has reasonable objection to any such proposed additional person or entity. Failure of the Owner to reply promptly shall constitute notice of no reasonable objection.

§ A.5.2 The Design-Builder shall not contract with a proposed person or entity to whom which the Owner has made reasonable and timely objection. The Design-Builder shall not be required to contract with anyone to whom the Design-Builder has made reasonable objection.

§ A.5.3 If the Owner has reasonable objection to a person or entity proposed by the Design-Builder, the Design-Builder shall propose another to whom the Owner has no reasonable objection. If the proposed but rejected additional person or entity was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute person's or entity's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Design-Builder has acted promptly and responsively in submitting names as required.

§ A.5.4 The Design-Builder shall not change a person or entity previously selected if the Owner makes reasonable objection to such substitute.

§ A.5.5 CONTINGENT ASSIGNMENT OF CONTRACTS

§ A.5.5.1 Each agreement for a portion of the Work is assigned by the Design-Builder to the Owner provided that:

- .1 assignment is effective only after termination of the Design-Build Contract by the Owner for cause pursuant to Section A.14.2 and only for those agreements which the Owner accepts by notifying the contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Design-Build Contract.

§ A.5.5.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Contractor's compensation shall be equitably adjusted for increases in cost resulting from the suspension.

ARTICLE A.6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ A.6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ A.6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces and to award separate contracts in connection with other portions of the Project or other construction or operations on the site. The Design-Builder shall cooperate with the Owner and separate contractors whose work might interfere with the Design-Builder's Work. If the Design-Builder claims that delay or additional cost is involved because of such action by the Owner, the Design-Builder shall make such Claim as provided in Section A.4.1.

§ A.6.1.2 The term "separate contractor" shall mean any contractor retained by the Owner pursuant to Section A.6.1.1.

§ A.6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the work of the Design-Builder, who shall cooperate with them. The Design-Builder shall participate with other separate contractors and the Owner in reviewing their construction schedules when directed to do so. The Design-Builder shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Design-Builder, separate contractors and the Owner until subsequently revised.

§ A.6.2 MUTUAL RESPONSIBILITY

§ A.6.2.1 The Design-Builder shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities and shall connect and coordinate the Design-Builder's construction and operations with theirs as required by the Design-Build Documents.

§ A.6.2.2 If part of the Design-Builder's Work depends for proper execution or results upon design, construction or operations by the Owner or a separate contractor, the Design-Builder shall, prior to proceeding with that portion of the Work, promptly report to the Owner apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Design-Builder so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Design-Builder's Work, except as to defects not then reasonably discoverable.

§ A.6.2.3 The Owner shall be reimbursed by the Design-Builder for costs incurred by the Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of the Design-Builder. The Owner shall be responsible to the Design-Builder for costs incurred by the Design-Builder because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

§ A.6.2.4 The Design-Builder shall promptly remedy damage wrongfully caused by the Design-Builder to completed or partially completed construction or to property of the Owner or separate contractors.

§ A.6.2.5 The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described in Section A.3.13.

§ A.6.3 OWNER'S RIGHT TO CLEAN UP

§ A.6.3.1 If a dispute arises among the Design-Builder, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Owner shall allocate the cost among those responsible.

ARTICLE A.7 CHANGES IN THE WORK

§ A.7.1 GENERAL

§ A.7.1.1 Changes in the Work may be accomplished after execution of the Design-Build Contract, and without invalidating the Design-Build Contract, by Change Order or Construction Change Directive, subject to the limitations stated in this Article A.7 and elsewhere in the Design-Build Documents.

§ A.7.1.2 A Change Order shall be based upon agreement between the Owner and Design-Builder. A Construction Change Directive may be issued by the Owner with or without agreement by the Design-Builder.

§ A.7.1.3 Changes in the Work shall be performed under applicable provisions of the Design-Build Documents, and the Design-Builder shall proceed promptly, unless otherwise provided in the Change Order or Construction Change Directive.

§ A.7.2 CHANGE ORDERS

§ A.7.2.1 A Change Order is a written instrument signed by the Owner and Design-Builder stating their agreement upon all of the following:

- .1 a change in the Work;
- .2 the amount of the adjustment, if any, in the Contract Sum; and
- .3 the extent of the adjustment, if any, in the Contract Time.

§ A.7.2.2 If the Owner requests a proposal for a change in the Work from the Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse the Design-Builder for any costs incurred for estimating services, design services or preparation of proposed revisions to the Design-Build Documents.

§ A.7.2.3 Methods used in determining adjustments to the Contract Sum may include those listed in Section A.7.3.3.

§ A.7.3 CONSTRUCTION CHANGE DIRECTIVES

§ A.7.3.1 A Construction Change Directive is a written order signed by the Owner directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Design-Build Contract, order changes in the Work within the general scope of the Design-Build Documents consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ A.7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ A.7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 unit prices stated in the Design-Build Documents or subsequently agreed upon, or equitably adjusted as provided in Section A.4.1.9;
- .3 cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 as provided in Section A.7.3.6.

§ A.7.3.4 Upon receipt of a Construction Change Directive, the Design-Builder shall promptly proceed with the change in the Work involved and advise the Owner of the Design-Builder's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ A.7.3.5 A Construction Change Directive signed by the Design-Builder indicates the agreement of the Design-Builder therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ A.7.3.6 If the Design-Builder does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the method and the adjustment shall be determined by the Owner on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, a reasonable allowance for overhead and profit. In such case, and also under Section A.7.3.3.3, the Design-Builder shall keep and present, in such form as the Owner may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Design-Build Documents, costs for the purposes of this Section A.7.3.6 shall be limited to the following:

- .1 additional costs of professional services;
- .2 costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance;
- .3 costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;

- .4 rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Design-Builder or others;
- .5 costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .6 additional costs of supervision and field office personnel directly attributable to the change.

§ A.7.3.7 The amount of credit to be allowed by the Design-Builder to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ A.7.3.8 Pending final determination of the total cost of a Construction Change Directive to the Owner, amounts not in dispute for such changes in the Work shall be included in Applications for Payment accompanied by a Change Order indicating the parties' agreement with part or all of such costs. For any portion of such cost that remains in dispute, the Owner shall make an interim determination for purposes of monthly payment for those costs. That determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of the Design-Builder to disagree and assert a Claim in accordance with Article A.4.

§ A.7.3.9 When the Owner and Design-Builder reach agreement concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and shall be recorded by preparation and execution of an appropriate Change Order.

§ A.7.4 MINOR CHANGES IN THE WORK

§ A.7.4.1 The Owner shall have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Design-Build Documents. Such changes shall be effected by written order and shall be binding on the Design-Builder. The Design-Builder shall carry out such written orders promptly.

ARTICLE A.8 TIME

§ A.8.1 DEFINITIONS

§ A.8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Design-Build Documents for Substantial Completion of the Work.

§ A.8.1.2 The date of commencement of the Work shall be the date stated in the Agreement unless provision is made for the date to be fixed in a notice to proceed issued by the Owner.

§ A.8.1.3 The date of Substantial Completion is the date determined by the Owner in accordance with Section A.9.8.

§ A.8.1.4 The term "day" as used in the Design-Build Documents shall mean calendar day unless otherwise specifically defined.

§ A.8.2 PROGRESS AND COMPLETION

§ A.8.2.1 Time limits stated in the Design-Build Documents are of the essence of the Design-Build Contract. By executing the Design-Build Contract, the Design-Builder confirms that the Contract Time is a reasonable period for performing the Work.

§ A.8.2.2 The Design-Builder shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence construction operations on the site or elsewhere prior to the effective date of insurance required by Article A.11 to be furnished by the Design-Builder and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance. Unless the date of commencement is established by the Design-Build Documents or a notice to proceed given by the Owner, the Design-Builder shall notify the Owner in writing not less than five days or other agreed period before commencing the Work to permit the timely filing of mortgages, mechanic's liens and other security interests.

§ A.8.2.3 The Design-Builder shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ A.8.3 DELAYS AND EXTENSIONS OF TIME

§ A.8.3.1 If the Design-Builder is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or of a separate contractor employed by the Owner, or by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Design-Builder's control, or by delay authorized by the Owner pending resolution of disputes pursuant to the Design-Build Documents, or by other causes which the Owner determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Owner may determine.

§ A.8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Section A.4.1.7.

§ A.8.3.3 This Section A.8.3 does not preclude recovery of damages for delay by either party under other provisions of the Design-Build Documents.

ARTICLE A.9 PAYMENTS AND COMPLETION

§ A.9.1 CONTRACT SUM

§ A.9.1.1 The Contract Sum is stated in the Design-Build Documents and, including authorized adjustments, is the total amount payable by the Owner to the Design-Builder for performance of the Work under the Design-Build Documents.

§ A.9.2 SCHEDULE OF VALUES

§ A.9.2.1 Before the first Application for Payment, where the Contract Sum is based upon a Stipulated Sum or the Cost of the Work plus Contractor's Fee with a Guaranteed Maximum Price, the Design-Builder shall submit to the Owner an initial schedule of values allocated to various portions of the Work prepared in such form and supported by such data to substantiate its accuracy as the Owner may require. This schedule, unless objected to by the Owner, shall be used as a basis for reviewing the Design-Builder's Applications for Payment. The schedule of values may be updated periodically to reflect changes in the allocation of the Contract Sum.

§ A.9.3 APPLICATIONS FOR PAYMENT

§ A.9.3.1 At least ten days before the date established for each progress payment, the Design-Builder shall submit to the Owner an itemized Application for Payment for operations completed in accordance with the current schedule of values. Such application shall be notarized, if required, and supported by such data substantiating the Design-Builder's right to payment as the Owner may require, such as copies of requisitions from Contractors and material suppliers, and reflecting retainage if provided for in the Design-Build Documents:

§ A.9.3.1.1 As provided in Section A.7.3.8, such applications may include requests for payment on account of Changes in the Work which have been properly authorized by Construction Change Directives but are not yet included in Change Orders.

§ A.9.3.1.2 Such applications may not include requests for payment for portions of the Work for which the Design-Builder does not intend to pay to a Contractor or material supplier or other parties providing services for the Design-Builder, unless such Work has been performed by others whom the Design-Builder intends to pay.

§ A.9.3.2 Unless otherwise provided in the Design-Build Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Design-Builder with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ A.9.3.3 The Design-Builder warrants that title to all Work other than Instruments of Service covered by an Application for Payment will pass to the Owner no later than the time of payment. The Design-Builder further warrants that, upon submittal of an Application for Payment, all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Design-Builder's knowledge, information and belief, be free and clear of liens, Claims, security interests or encumbrances in favor of the Design-Builder, Contractors, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

§ A.9.4 ACKNOWLEDGEMENT OF APPLICATION FOR PAYMENT

§ A.9.4.1 The Owner shall, within seven days after receipt of the Design-Builder's Application for Payment, issue to the Design-Builder a written acknowledgement of receipt of the Design-Builder's Application for Payment indicating the amount the Owner has determined to be properly due and, if applicable, the reasons for withholding payment in whole or in part.

§ A.9.5 DECISIONS TO WITHHOLD PAYMENT

§ A.9.5.1 The Owner may withhold a payment in whole or in part to the extent reasonably necessary to protect the Owner due to the Owner's determination that the Work has not progressed to the point indicated in the Application for Payment or that the quality of Work is not in accordance with the Design-Build Documents. The Owner may also withhold a payment or, because of subsequently discovered evidence, may nullify the whole or a part of an Application for Payment previously issued to such extent as may be necessary to protect the Owner from loss for which the Design-Builder is responsible, including loss resulting from acts and omissions, because of the following:

- .1 defective Work not remedied;
- .2 third-party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Design-Builder;
- .3 failure of the Design-Builder to make payments properly to Contractors or for design services labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 persistent failure to carry out the Work in accordance with the Design-Build Documents.

§ A.9.5.2 When the above reasons for withholding payment are removed, payment will be made for amounts previously withheld.

§ A.9.6 PROGRESS PAYMENTS

§ A.9.6.1 After the Owner has issued a written acknowledgement of receipt of the Design-Builder's Application for Payment, the Owner shall make payment of the amount, in the manner and within the time provided in the Design-Build Documents.

§ A.9.6.2 The Design-Builder shall promptly pay the Architect, each design professional and other consultants retained directly by the Design-Builder, upon receipt of payment from the Owner, out of the amount paid to the Design-Builder on account of each such party's respective portion of the Work, the amount to which each such party is entitled.

§ A.9.6.3 The Design-Builder shall promptly pay each Contractor, upon receipt of payment from the Owner, out of the amount paid to the Design-Builder on account of such Contractor's portion of the Work, the amount to which said Contractor is entitled, reflecting percentages actually retained from payments to the Design-Builder on account of the Contractor's portion of the Work. The Design-Builder shall, by appropriate agreement with each Contractor, require each Contractor to make payments to Subcontractors in a similar manner.

§ A.9.6.4 The Owner shall have no obligation to pay or to see to the payment of money to a Contractor except as may otherwise be required by law.

§ A.9.6.5 Payment to material suppliers shall be treated in a manner similar to that provided in Sections A.9.6.3 and A.9.6.4.

§ A.9.6.6 A progress payment, or partial or entire use or occupancy of the Project by the Owner, shall not constitute acceptance of Work not in accordance with the Design-Build Documents.

§ A.9.6.7 Unless the Design-Builder provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Design-Builder for Work properly performed by Contractors and suppliers shall be held by the Design-Builder for those Contractors or suppliers who performed Work or furnished materials, or both, under contract with the Design-Builder for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not be commingled with money of the Design-Builder, shall

create any fiduciary liability or tort liability on the part of the Design-Builder for breach of trust or shall entitle any person or entity to an award of punitive damages against the Design-Builder for breach of the requirements of this provision.

§ A.9.7 FAILURE OF PAYMENT

§ A.9.7.1 If for reasons other than those enumerated in Section A.9.5.1, the Owner does not issue a payment within the time period required by Section 5.1.3 of the Agreement, then the Design-Builder may, upon seven additional days' written notice to the Owner, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Design-Builder's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Design-Build Documents.

§ A.9.8 SUBSTANTIAL COMPLETION

§ A.9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Design-Build Documents so that the Owner can occupy or use the Work or a portion thereof for its intended use.

§ A.9.8.2 When the Design-Builder considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Design-Builder shall prepare and submit to the Owner a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Design-Builder to complete all Work in accordance with the Design-Build Documents.

§ A.9.8.3 Upon receipt of the Design-Builder's list, the Owner shall make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Owner's inspection discloses any item, whether or not included on the Design-Builder's list, which is not substantially complete, the Design-Builder shall complete or correct such item. In such case, the Design-Builder shall then submit a request for another inspection by the Owner to determine whether the Design-Builder's Work is substantially complete.

§ A.9.8.4 In the event of a dispute regarding whether the Design-Builder's Work is substantially complete, the dispute shall be resolved pursuant to Article A.4.

§ A.9.8.5 When the Work or designated portion thereof is substantially complete, the Design-Builder shall prepare for the Owner's signature an Acknowledgement of Substantial Completion which, when signed by the Owner, shall establish (1) the date of Substantial Completion of the Work, (2) responsibilities between the Owner and Design-Builder for security, maintenance, heat, utilities, damage to the Work and insurance, and (3) the time within which the Design-Builder shall finish all items on the list accompanying the Acknowledgement. When the Owner's inspection discloses that the Work or a designated portion thereof is substantially complete, the Owner shall sign the Acknowledgement of Substantial Completion. Warranties required by the Design-Build Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Acknowledgement of Substantial Completion.

§ A.9.8.6 Upon execution of the Acknowledgement of Substantial Completion and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Design-Build Documents.

§ A.9.9 PARTIAL OCCUPANCY OR USE

§ A.9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Design-Builder, provided such occupancy or use is consented to by the insurer, if so required by the insurer, and authorized by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Design-Builder have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for completion or correction of the Work and commencement of warranties required by the Design-Build Documents. When the Design-Builder considers a portion substantially complete, the Design-Builder shall prepare and submit a list to the Owner as provided under Section A.9.8.2. Consent of the Design-Builder to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Design-Builder.

§ A.9.9.2 Immediately prior to such partial occupancy or use, the Owner and Design-Builder shall jointly inspect the area to be occupied or portion of the Work to be used to determine and record the condition of the Work.

§ A.9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Design-Build Documents.

§ A.9.10 FINAL COMPLETION AND FINAL PAYMENT

§ A.9.10.1 Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Owner shall promptly make such inspection and, when the Owner finds the Work acceptable under the Design-Build Documents and fully performed, the Owner shall, subject to Section A.9.10.2, promptly make final payment to the Design-Builder.

§ A.9.10.2 Neither final payment nor any remaining retained percentage will become due until the Design-Builder submits to the Owner (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Design-Build Documents to remain in force after final payment is currently in effect and will not be cancelled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Design-Builder knows of no substantial reason that the insurance will not be renewable to cover the period required by the Design-Build Documents, (4) consent of surety, if any, to final payment, and (5) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims; security interests or encumbrances arising out of the Design-Build Contract, to the extent and in such form as may be designated by the Owner. If a Contractor refuses to furnish a release or waiver required by the Owner, the Design-Builder may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Design-Builder shall refund to the Owner all money that the Owner may be liable to pay in connection with the discharge of such lien, including all costs and reasonable attorneys' fees.

§ A.9.10.3 If, after the Owner determines that the Design-Builder's Work or designated portion thereof is substantially completed, final completion thereof is materially delayed through no fault of the Design-Builder or by issuance of a Change Order or a Construction Change Directive affecting final completion, the Owner shall, upon application by the Design-Builder, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Design-Build Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Design-Builder. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

§ A.9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from:

1. liens, Claims; security interests or encumbrances arising out of the Design-Build Documents and unsettled,
2. failure of the Work to comply with the requirements of the Design-Build Documents; or
3. terms of special warranties required by the Design-Build Documents.

§ A.9.10.5 Acceptance of final payment by the Design-Builder, a Contractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE A.10 PROTECTION OF PERSONS AND PROPERTY

§ A.10.1 SAFETY PRECAUTIONS AND PROGRAMS

§ A.10.1.1 The Design-Builder shall be responsible for initiating and maintaining all safety precautions and programs in connection with the performance of the Design-Build Contract.

§ A.10.2 SAFETY OF PERSONS AND PROPERTY

§ A.10.2.1 The Design-Builder shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

1. employees on the Work and other persons who may be affected thereby;
2. the Work and materials and equipment to be incorporated therein, whether in storage on or off the site or under the care, custody or control of the Design-Builder or the Design-Builder's Contractors or Subcontractors; and
3. other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

§ A.10.2.2 The Design-Builder shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

§ A.10.2.3 The Design-Builder shall erect and maintain, as required by existing conditions and performance of the Design-Build Documents, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

§ A.10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Design-Builder shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ A.10.2.5 The Design-Builder shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Design-Build Documents) to property referred to in Sections A.10.2.1.2 and A.10.2.1.3 caused in whole or in part by the Design-Builder, the Architect, a Contractor, a Subcontractor, or anyone directly or indirectly employed by any of them or by anyone for whose acts they may be liable and for which the Design-Builder is responsible under Sections A.10.2.1.2 and A.10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or anyone directly or indirectly employed by the Owner, or by anyone for whose acts the Owner may be liable, and not attributable to the fault or negligence of the Design-Builder. The foregoing obligations of the Design-Builder are in addition to the Design-Builder's obligations under Section A.3.17.

§ A.10.2.6 The Design-Builder shall designate in writing to the Owner a responsible individual whose duty shall be the prevention of accidents.

§ A.10.2.7 The Design-Builder shall not load or permit any part of the construction or site to be loaded so as to endanger its safety.

§ A.10.3 HAZARDOUS MATERIALS

§ A.10.3.1 If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Design-Builder, the Design-Builder shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner.

§ A.10.3.2 The Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Design-Builder and, in the event such material or substance is found to be present, to verify that it has been rendered harmless. Unless otherwise required by the Design-Build Documents, the Owner shall furnish in writing to the Design-Builder the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Design-Builder shall promptly reply to the Owner in writing stating whether or not the Design-Builder has reasonable objection to the persons or entities proposed by the Owner. If the Design-Builder has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Design-Builder has no reasonable objection. When the material or substance has been rendered harmless, work in the affected area shall resume upon written agreement of the Owner and Design-Builder. The Contract Time shall be extended appropriately, and the Contract Sum shall be increased in the amount of the Design-Builder's reasonable additional costs of shutdown, delay and start-up, which adjustments shall be accomplished as provided in Article A.7.

§ A.10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Design-Builder, Contractors, Subcontractors, Architect, Architect's consultants and the agents and employees of any of them from and against Claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance exists on site as of the date of the Agreement, is not disclosed in the Design-Build Documents and presents the risk of bodily injury or death as described in Section A.10.3.1 and has not been rendered harmless, provided that such Claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death or to injury to or destruction of tangible property (other than the Work itself) to the extent that such damage, loss or expense is not due to the negligence of the Design-Builder, Contractors, Subcontractors, Architect, Architect's consultants and the agents and employees of any of them.

§ A.10.4 The Owner shall not be responsible under Section A.10.3 for materials and substances brought to the site by the Design-Builder unless such materials or substances were required by the Design-Build Documents.

§ A.10.5 If, without negligence on the part of the Design-Builder, the Design-Builder is held liable for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Design-Build Documents, the Owner shall indemnify the Design-Builder for all cost and expense thereby incurred.

§ A.10.6 EMERGENCIES

§ A.10.6.1 In an emergency affecting safety of persons or property, the Design-Builder shall act, at the Design-Builder's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Design-Builder on account of an emergency shall be determined as provided in Section A.4.1.7 and Article A.7.

ARTICLE A.11 INSURANCE AND BONDS

§ A.11.1 Except as may otherwise be set forth in the Agreement or elsewhere in the Design-Build Documents, the Owner and Design-Builder shall purchase and maintain the following types of insurance with limits of liability and deductible amounts and subject to such terms and conditions, as set forth in this Article A.11.

§ A.11.2 DESIGN-BUILDER'S LIABILITY INSURANCE

§ A.11.2.1 The Design-Builder shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Design-Builder from claims set forth below that may arise out of or result from the Design-Builder's operations under the Design-Build Contract and for which the Design-Builder may be legally liable, whether such operations be by the Design-Builder, by a Contractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

1. claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;
2. claims for damages because of bodily injury, occupational sickness or disease, or death of the Design-Builder's employees;
3. claims for damages because of bodily injury, sickness or disease, or death of any person other than the Design-Builder's employees;
4. claims for damages insured by usual personal injury liability coverage;
5. claims for damages, other than to the Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
6. claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
7. claims for bodily injury or property damage arising out of completed operations; and
8. claims involving contractual liability insurance applicable to the Design-Builder's obligations under Section A.3.17.

§ A.11.2.2 The insurance required by Section A.11.2.1 shall be written for not less than limits of liability specified in the Design-Build Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from date of commencement of the Work until date of final payment and termination of any coverage required to be maintained after final payment.

§ A.11.2.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. These certificates and the insurance policies required by this Section A.11.2 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner. If any of the foregoing insurance coverages are required to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment as required by Section A.9.10.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Design-Builder with reasonable promptness in accordance with the Design-Builder's information and belief.

§ A.11.3 OWNER'S LIABILITY INSURANCE

§ A.11.3.1 The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ A.11.4 PROPERTY INSURANCE

§ A.11.4.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk, "all-risk" or equivalent policy form in the amount of the initial Contract Sum, plus the value of subsequent Design-Build Contract modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Design-Build Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section A.9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section A.11.4 to be covered, whichever is later. This insurance shall include interests of the Owner, Design-Builder, Contractors and Subcontractors in the Project.

§ A.11.4.1.1 Property insurance shall be on an "all-risk" or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Design-Builder's services and expenses required as a result of such insured loss.

§ A.11.4.1.2 If the Owner does not intend to purchase such property insurance required by the Design-Build Contract and with all of the coverages in the amount described above, the Owner shall so inform the Design-Builder in writing prior to commencement of the Work. The Design-Builder may then effect insurance that will protect the interests of the Design-Builder, Contractors and Subcontractors in the Work, and, by appropriate Change Order, the cost thereof shall be charged to the Owner. If the Design-Builder is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above without so notifying the Design-Builder in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ A.11.4.1.3 If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ A.11.4.1.4 This property insurance shall cover portions of the Work stored off the site and also portions of the Work in transit.

§ A.11.4.1.5 Partial occupancy or use in accordance with Section A.9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use, by endorsement or otherwise. The Owner and the Design-Builder shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ A.11.4.2 Boiler and Machinery Insurance. The Owner shall purchase and maintain boiler and machinery insurance required by the Design-Build Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Design-Builder, Contractors and Subcontractors in the Work, and the Owner and Design-Builder shall be named insureds.

§ A.11.4.3 Loss of Use Insurance. The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Design-Builder, Architect, the Design-Builder's other design professionals, if any, Contractors and Subcontractors for loss of use of the Owner's property, including consequential losses due to fire or other hazards, however caused.

§ A.11.4.4 If the Design-Builder requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Design-Builder by appropriate Change Order.

§ A.11.4.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section A.11.4.7 for

damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ A.11.4.6 Before an exposure to loss may occur, the Owner shall file with the Design-Builder a copy of each policy that includes insurance coverages required by this Section A.11.4. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire and that its limits will not be reduced until at least 30 days' prior written notice has been given to the Design-Builder.

§ A.11.4.7 **Waivers of Subrogation.** The Owner and Design-Builder waive all rights against each other and any of their consultants, separate contractors described in Section A.6.1, if any, Contractors, Subcontractors, agents and employees, each of the other, and any of their contractors, subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section A.11.4 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Design-Builder, as appropriate, shall require of the separate contractors described in Section A.6.1, if any, and the Contractors, Subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, even though the person or entity did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ A.11.4.8 A loss insured under Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section A.11.4.10. The Design-Builder shall pay Contractors their just shares of insurance proceeds received by the Design-Builder, and, by appropriate agreements, written where legally required for validity, shall require Contractors to make payments to their Subcontractors in similar manner.

§ A.11.4.9 If required in writing by a party in interest, the Owner as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received as fiduciary. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach. If after such loss no other special agreement is made and unless the Owner terminates the Design-Build Contract for convenience, replacement of damaged property shall be performed by the Design-Builder after notification of a Change in the Work in accordance with Article A.7.

§ A.11.4.10 The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power.; The Owner as fiduciary shall, in the case of a decision or award, make settlement with insurers in accordance with directions of a decision or award. If distribution of insurance proceeds by arbitration is required, the arbitrators will direct such distribution.

A.11.5 PERFORMANCE BOND AND PAYMENT BOND

§ A.11.5.1 The Owner shall have the right to require the Design-Builder to furnish bonds covering faithful performance of the Design-Build Contract and payment of obligations arising thereunder, including payment to design professionals engaged by or on behalf of the Design-Builder, as stipulated in bidding requirements or specifically required in the Agreement or elsewhere in the Design-Build Documents on the date of execution of the Design-Build Contract.

ARTICLE A.12 UNCOVERING AND CORRECTION OF WORK

§ A.12.1 UNCOVERING OF WORK

§ A.12.1.1 If a portion of the Work is covered contrary to requirements specifically expressed in the Design-Build Documents, it must be uncovered for the Owner's examination and be replaced at the Design-Builder's expense without change in the Contract Time.

§ A.12.1.2 If a portion of the Work has been covered which the Owner has not specifically requested to examine prior to its being covered, the Owner may request to see such Work and it shall be uncovered by the Design-Builder. If such Work is in accordance with the Design-Build Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Design-Build Documents,

correction shall be at the Design-Builder's expense unless the condition was caused by the Owner or a separate contractor, in which event the Owner shall be responsible for payment of such costs.

§ A.12.2 CORRECTION OF WORK

§ A.12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION

§ A.12.2.1.1 The Design-Builder shall promptly correct Work rejected by the Owner or failing to conform to the requirements of the Design-Build Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing, shall be at the Design-Builder's expense.

§ A.12.2.2 AFTER SUBSTANTIAL COMPLETION

§ A.12.2.2.1 In addition to the Design-Builder's obligations under Section A.3.5, if, within one year after the date of Substantial Completion or after the date for commencement of warranties established under Section A.9.8.5 or by terms of an applicable special warranty required by the Design-Build Documents, any of the Work is found to be not in accordance with the requirements of the Design-Build Documents, the Design-Builder shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Design-Builder a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Design-Builder and give the Design-Builder an opportunity to make the correction, the Owner waives the rights to require correction by the Design-Builder and to make a claim for breach of warranty. If the Design-Builder fails to correct non-conforming Work within a reasonable time during that period after receipt of notice from the Owner, the Owner may correct it in accordance with Section A.2.5.

§ A.12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work.

§ A.12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Design-Builder pursuant to this Section A.12.2.

§ A.12.2.3 The Design-Builder shall remove from the site portions of the Work which are not in accordance with the requirements of the Design-Build Documents and are neither corrected by the Design-Builder nor accepted by the Owner.

§ A.12.2.4 The Design-Builder shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Design-Builder's correction or removal of Work which is not in accordance with the requirements of the Design-Build Documents.

§ A.12.2.5 Nothing contained in this Section A.12.2 shall be construed to establish a period of limitation with respect to other obligations the Design-Builder might have under the Design-Build Documents. Establishment of the one-year period for correction of Work as described in Section A.12.2.2 relates only to the specific obligation of the Design-Builder to correct the Work, and has no relationship to the time within which the obligation to comply with the Design-Build Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Design-Builder's liability with respect to the Design-Builder's obligations other than specifically to correct the Work.

§ A.12.3 ACCEPTANCE OF NONCONFORMING WORK

§ A.12.3.1 If the Owner prefers to accept Work not in accordance with the requirements of the Design-Build Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be equitably adjusted by Change Order. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE A.13 MISCELLANEOUS PROVISIONS

§ A.13.1 GOVERNING LAW

§ A.13.1.1 The Design-Build Contract shall be governed by the law of the place where the Project is located.

§ A.13.2 SUCCESSORS AND ASSIGNS

§ A.13.2.1 The Owner and Design-Builder respectively bind themselves, their partners, successors, assigns and legal representatives to the other party hereto and to partners, successors, assigns and legal representatives of such other

party in respect to covenants, agreements and obligations contained in the Design-Build Documents. Except as provided in Section A.13.2.2, neither party to the Design-Build Contract shall assign the Design-Build Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Design-Build Contract.

§ A.13.2.2: The Owner may, without consent of the Design-Builder, assign the Design-Build Contract to an institutional lender providing construction financing for the Project. In such event, the lender shall assume the Owner's rights and obligations under the Design-Build Documents. The Design-Builder shall execute all consents reasonably required to facilitate such assignment.

§ A.13.3 WRITTEN NOTICE

§ A.13.3.1 Written notice shall be deemed to have been duly served if delivered in person to the individual or a member of the firm or entity or to an officer of the corporation for which it was intended, or if sent by registered or certified mail to the last business address known to the party giving notice.

§ A.13.4 RIGHTS AND REMEDIES

§ A.13.4.1 Duties and obligations imposed by the Design-Build Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

§ A.13.4.2 No action or failure to act by the Owner or Design-Builder shall constitute a waiver of a right or duty afforded them under the Design-Build Documents, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

§ A.13.5 TESTS AND INSPECTIONS

§ A.13.5.1 Tests, inspections and approvals of portions of the Work required by the Design-Build Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time. Unless otherwise provided, the Design-Builder shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Design-Builder shall give timely notice of when and where tests and inspections are to be made so that the Owner may be present for such procedures.

§ A.13.5.2 If the Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section A.13.5.1, the Owner shall in writing instruct the Design-Builder to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Design-Builder shall give timely notice to the Owner of when and where tests and inspections are to be made so that the Owner may be present for such procedures. Such costs, except as provided in Section A.13.5.3, shall be at the Owner's expense.

§ A.13.5.3 If such procedures for testing, inspection or approval under Sections A.13.5.1 and A.13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Design-Build Documents, all costs made necessary by such failure, including those of repeated procedures, shall be at the Design-Builder's expense.

§ A.13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Design-Build Documents, be secured by the Design-Builder and promptly delivered to the Owner.

§ A.13.5.5 If the Owner is to observe tests, inspections or approvals required by the Design-Build Documents, the Owner will do so promptly and, where practicable, at the normal place of testing.

§ A.13.5.6 Tests or inspections conducted pursuant to the Design-Build Documents shall be made promptly to avoid unreasonable delay in the Work.

§ A.13.6 COMMENCEMENT OF STATUTORY LIMITATION PERIOD

§ A.13.6.1 As between the Owner and Design-Builder:

- .1 **Before Substantial Completion.** As to acts or failures to act occurring prior to the relevant date of Substantial Completion, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than such date of Substantial Completion;

.2 **Between Substantial Completion and Final Application for Payment.** As to acts or failures to act occurring subsequent to the relevant date of Substantial Completion and prior to issuance of the final Application for Payment, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the date of issuance of the final Application for Payment; and

.3 **After Final Application for Payment.** As to acts or failures to act occurring after the relevant date of issuance of the final Application for Payment, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the date of any act or failure to act by the Design-Builder pursuant to any Warranty provided under Section A.3.5, the date of any correction of the Work or failure to correct the Work by the Design-Builder under Section A.12.2, or the date of actual commission of any other act or failure to perform any duty or obligation by the Design-Builder or Owner, whichever occurs last.

ARTICLE A.14 TERMINATION OR SUSPENSION OF THE DESIGN-BUILD CONTRACT

§ A.14.1 TERMINATION BY THE DESIGN-BUILDER

§ A.14.1.1 The Design-Builder may terminate the Design-Build Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Design-Builder or a Contractor, Subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Design-Builder, for any of the following reasons:

- .1 issuance of an order of a court or other public authority having jurisdiction which requires all Work to be stopped;
- .2 an act of government, such as a declaration of national emergency which requires all Work to be stopped;
- .3 the Owner has failed to make payment to the Design-Builder in accordance with the Design-Build Documents; or
- .4 the Owner has failed to furnish to the Design-Builder promptly, upon the Design-Builder's request, reasonable evidence as required by Section A.2.2.8.

§ A.14.1.2 The Design-Builder may terminate the Design-Build Contract if, through no act or fault of the Design-Builder or a Contractor, Subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Design-Builder, repeated suspensions, delays or interruptions of the entire Work by the Owner, as described in Section A.14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ A.14.1.3 If one of the reasons described in Sections A.14.1.1 or A.14.1.2 exists, the Design-Builder may, upon seven days' written notice to the Owner, terminate the Design-Build Contract and recover from the Owner payment for Work executed and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery, including reasonable overhead, profit and damages.

§ A.14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Design-Builder or a Contractor or their agents or employees or any other persons performing portions of the Work under a direct or indirect contract with the Design-Builder because the Owner has persistently failed to fulfill the Owner's obligations under the Design-Build Documents with respect to matters important to the progress of the Work, the Design-Builder may, upon seven additional days' written notice to the Owner, terminate the Design-Build Contract and recover from the Owner as provided in Section A.14.1.3.

§ A.14.2 TERMINATION BY THE OWNER FOR CAUSE

§ A.14.2.1 The Owner may terminate the Design-Build Contract if the Design-Builder:

- .1 persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Contractors for services, materials or labor in accordance with the respective agreements between the Design-Builder and the Architect and Contractors;
- .3 persistently disregards laws, ordinances or rules, regulations or orders of a public authority having jurisdiction; or
- .4 otherwise is guilty of substantial breach of a provision of the Design-Build Documents.

§ A.14.2.2 When any of the above reasons exist, the Owner may without prejudice to any other rights or remedies of the Owner and after giving the Design-Builder and the Design-Builder's surety, if any, seven days' written notice, terminate employment of the Design-Builder and may, subject to any prior rights of the surety:

- .1 take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Design-Builder;
- .2 accept assignment of contracts pursuant to Section A.5.5.1; and
- .3 finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Design-Builder, the Owner shall furnish to the Design-Builder a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ A.14.2.3 When the Owner terminates the Design-Build Contract for one of the reasons stated in Section A.14.2.1, the Design-Builder shall not be entitled to receive further payment until the Work is finished.

§ A.14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Design-Builder. If such costs and damages exceed the unpaid balance, the Design-Builder shall pay the difference to the Owner.

§ A.14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ A.14.3.1 The Owner may, without cause, order the Design-Builder in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ A.14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section A.14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent:

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Design-Builder is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Design-Build Contract.

§ A.14.4 TERMINATION BY THE OWNER FOR CONVENIENCE

§ A.14.4.1 The Owner may, at any time, terminate the Design-Build Contract for the Owner's convenience and without cause.

§ A.14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Design-Builder shall:

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing contracts and purchase orders and enter into no further contracts and purchase orders.

§ A.14.4.3 In the event of termination for the Owner's convenience prior to commencement of construction, the Design-Builder shall be entitled to receive payment for design services performed, ~~costs incurred by reason of such termination and reasonable overhead and profit on design services not completed.~~ In case of termination for the Owner's convenience after commencement of construction, the Design-Builder shall be entitled to receive payment for Work executed ~~and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.~~

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AIA[®] Document A141[™] – 2004 Exhibit B

Determination of the Cost of the Work

for the following PROJECT:

(Name and location or address)

South Kentucky RECC
Somerset Office
Somerset, Kentucky 42503

THE OWNER:

(Name and address)

South Kentucky RECC
925-929 N. Main Street
Somerset, Kentucky 42503

THE DESIGN-BUILDER:

(Name and address)

D. W. Wilburn, Inc.
153 Blue Sky Parkway
Lexington, Kentucky 40509

This document has important legal consequences.

Consultation with an attorney is encouraged with respect to its completion or modification. Consultation with an attorney is also encouraged with respect to professional licensing requirements in the jurisdiction where the Project is located.

ARTICLE B.1 CONTROL ESTIMATE

§ B.1.1 Where the Contract Sum is the Cost of the Work, plus the Design-Builder's Fee without a Guaranteed Maximum Price pursuant to Section 4.3 of the Agreement, the Design-Builder shall prepare and submit to the Owner prior to the Design-Builder's first Application for Payment, in writing, a Control Estimate. The Control Estimate shall include the estimated Cost of the Work plus the Design-Builder's Fee. The Control Estimate shall be used to monitor actual costs.

§ B.1.2 The Control Estimate shall include:

1. the documents enumerated in Article 8 of the Agreement, including all Addenda thereto and the Terms and Conditions of the Contract;
2. a statement of the estimated Cost of the Work showing separately the compensation for design services, construction costs organized by trade categories or systems and the Design-Builder's Fee; and
3. contingencies for further development of design and construction.

§ B.1.3 The Design-Builder shall meet with the Owner to review the Control Estimate. In the event that the Owner discovers any inconsistencies or inaccuracies in the information presented, it shall promptly notify the Design-Builder, who shall make appropriate adjustments to the Control Estimate. When the Control Estimate is acceptable to the Owner, the Owner shall acknowledge its acceptance in writing. The Owner's acceptance of the Control Estimate does not imply that the Control Estimate constitutes a Guaranteed Maximum Price.

§ B.1.4 The Design-Builder shall develop and implement a detailed system of cost control that will provide the Owner with timely information as to the anticipated total Cost of the Work. The cost control system shall compare the Control Estimate with the actual cost for activities in progress and estimates for uncompleted tasks and proposed changes. This information shall be reported to the Owner, in writing, no later than the Design-Builder's first Application for Payment and shall be revised monthly or at other intervals as mutually agreed.

ARTICLE B.2 COSTS TO BE REIMBURSED

§ B.2.1 COST OF THE WORK

The term Cost of the Work shall mean costs necessarily incurred by the Design-Builder in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in this Article B.2.

§ B.2.2 LABOR COSTS

§ B.2.2.1 Wages of construction workers directly employed by the Design-Builder to perform the construction of the Work at the site or, with the Owner's approval, at off-site locations.

§ B.2.2.2 Wages or salaries of the Design-Builder's supervisory and administrative personnel when stationed at the site with the Owner's approval.

§ B.2.2.3 Wages and salaries of the Design-Builder's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ B.2.2.4 Costs paid or incurred by the Design-Builder for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections B.2.2.1 through B.2.2.3.

§ B.2.3 CONTRACT COSTS

§ B.2.3.1 Payments made by the Design-Builder to Contractors in accordance with the requirements of their contracts.

§ B.2.4 COSTS OF MATERIALS AND EQUIPMENT INCORPORATED IN THE COMPLETED CONSTRUCTION

§ B.2.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ B.2.4.2 Costs of materials described in the preceding Section B.2.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Design-Builder. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ B.2.5 COSTS OF OTHER MATERIALS AND EQUIPMENT, TEMPORARY FACILITIES AND RELATED ITEMS

§ B.2.5.1 Costs, including transportation and storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers, that are provided by the Design-Builder at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by the Design-Builder. The basis for the cost of items previously used by the Design-Builder shall mean the fair market value.

§ B.2.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Design-Builder at the site, whether rented from the Design-Builder or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof. Rates and quantities of equipment rented shall be subject to the Owner's prior approval.

§ B.2.5.3 Costs of removal of debris from the site.

§ B.2.5.4 Cost of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

§ B.2.5.5 That portion of the reasonable expenses of the Design-Builder's personnel incurred while traveling in discharge of duties connected with the Work.

§ B.2.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, if approved in advance by the Owner.

§ B.2.6 DESIGN AND OTHER CONSULTING SERVICES

§ B.2.6.1 Compensation, including fees and reimbursable expenses, paid by the Design-Builder for design and other consulting services required by the Design-Build Documents.

§ B.2.7 MISCELLANEOUS COSTS

§ B.2.7.1 That portion of insurance and bond premiums that can be directly attributed to this Design-Build Contract.

§ B.2.7.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work.

§ B.2.7.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Design-Builder is required by the Design-Build Documents to pay.

§ B.2.7.4 Fees of laboratories for tests required by the Design-Build Documents, except those related to defective or non-conforming Work for which reimbursement is excluded by Section A.13.5.3 of Exhibit A, Terms and Conditions, or other provisions of the Design-Build Documents, and which do not fall within the scope of Section A.13.5.3.

§ B.2.7.5 Royalties and license fees paid for the use of a particular design, process or product required by the Design-Build Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Design-Build Documents; and payments made in accordance with legal judgments against the Design-Builder resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Design-Builder's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the last sentence of Section A.3.16.1 of Exhibit A, Terms and Conditions, or other provisions of the Design-Build Documents, then they shall not be included in the Cost of the Work.

§ B.2.7.6 Data processing costs related to the Work.

§ B.2.7.7 Deposits lost for causes other than the Design-Builder's negligence or failure to fulfill a specific responsibility to the Owner as set forth in the Design-Build Documents.

§ B.2.7.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Design-Builder, reasonably incurred by the Design-Builder in the performance of the Work and with the Owner's prior written approval, which approval shall not be unreasonably withheld.

§ B.2.7.9 Expenses incurred in accordance with the Design-Builder's standard personnel policy for relocation and temporary living allowances of personnel required for the Work, if approved by the Owner.

§ B.2.8 OTHER COSTS AND EMERGENCIES

§ B.2.8.1 Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner.

§ B.2.8.2 Costs due to emergencies incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section A.10.6 of Exhibit A, Terms and Conditions.

§ B.2.8.3 Cost of repairing or correcting damaged or non-conforming Work executed by the Design-Builder, Contractors, Subcontractors or suppliers, provided that such damaged or non-conforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Design-Builder and only to the extent that the cost of repair or correction is not recoverable by the Design-Builder from insurance, sureties, Contractors, Subcontractors or suppliers.

ARTICLE B.3 COSTS NOT TO BE REIMBURSED

§ B.3.1 The Cost of the Work shall not include:

§ B.3.1.1 Salaries and other compensation of the Design-Builder's personnel stationed at the Design-Builder's principal office or offices other than the site office, except as specifically provided in Sections B.2.2.2 and B.2.2.3.

§ B.3.1.2 Expenses of the Design-Builder's principal office and offices other than the site office.

§ B.3.1.3 Overhead and general expenses, except as may be expressly included in Article B.2 of this Exhibit.

§ B.3.1.4 The Design-Builder's capital expenses, including interest on the Design-Builder's capital employed for the Work.

§ B.3.1.5 Rental costs of machinery and equipment, except as specifically provided in Section B.2.5.2.

§ B.3.1.6 Except as provided in Section B.2.8.3 of this Agreement, costs due to the negligence or failure of the Design-Builder to fulfill a specific responsibility of the Design-Builder, Contractors, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable.

§ B.3.1.7 Any cost not specifically and expressly described in Article B.2, Costs to be Reimbursed.

§ B.3.1.8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price, if any, to be exceeded.

ARTICLE B.4 DISCOUNTS, REBATES AND REFUNDS

§ B.4.1 Cash discounts obtained on payments made by the Design-Builder shall accrue to the Owner if (1) before making the payment, the Design-Builder included them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Design-Builder with which to make payments; otherwise, cash discounts shall accrue to the Design-Builder. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Design-Builder shall make provisions so that they can be secured.

§ B.4.2 Amounts that accrue to the Owner in accordance with the provisions of Section B.4.1 shall be credited to the Owner as a deduction from the Cost of Work.

ARTICLE B.5 CONTRACTS AND OTHER AGREEMENTS OTHER THAN FOR DESIGN PROFESSIONALS HIRED BY THE DESIGN-BUILDER

§ B.5.1 Those portions of the Work that the Design-Builder does not customarily perform with the Design-Builder's own personnel shall be performed by others under contracts or by other appropriate agreements with the Design-Builder. The Owner may designate specific persons or entities from whom the Design-Builder shall obtain bids. The Design-Builder shall obtain bids from Contractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Owner. The Owner shall then determine which bids will be accepted. The Design-Builder shall not be required to contract with anyone to whom the Design-Builder has reasonable objection.

§ B.5.2 Contracts or other agreements shall conform to the applicable payment provisions of this Design-Build Contract, and shall not be awarded on the basis of cost plus a fee without the Owner's prior consent.

ARTICLE B.6 ACCOUNTING RECORDS

§ B.6.1 The Design-Builder or any affiliated person or entity which performs a portion of the Work shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Agreement, and the accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's accountants shall be afforded access to, and shall be permitted to audit and copy, the Design-Builder's records, books, correspondence, instructions, receipts, contracts, purchase orders, vouchers, memoranda and other data relating to this Agreement, and the Design-Builder shall preserve these for a period of three years after final payment, or for such longer period as may be required by law.

§ B.6.2 When the Design-Builder believes that all the Work required by the Agreement has been fully performed, the Design-Builder shall deliver to the Owner's accountant a final accounting of the Cost of the Work.

§ B.6.3 The Owner's accountants will review and report in writing on the Design-Builder's final accounting within 21 days after delivery of the final accounting. Based upon such Cost of the Work as the Owner's accountants report to be substantiated by the Design-Builder's final accounting, and provided the other conditions of Section A.9.10 of the Agreement have been met, the Owner will, within seven days after receipt of the written report of the Owner's accountants, notify the Design-Builder in writing of the Owner's intention to make final payment or to withhold final payment.

§ B.6.4 If the Owner's accountants report the Cost of the Work as substantiated by the Design-Builder's final accounting to be less than claimed by the Design-Builder, the Design-Builder shall be entitled to initiate resolution of the dispute pursuant to Article 6 of the Agreement and Article A.4 of Exhibit A, Terms and Conditions, for the disputed amount. If the Design-Builder fails to so initiate resolution of the dispute within the period of time required by Section A.4.1.2 of Exhibit A, Terms and Conditions, the substantiated amount reported by the Owner's accountants shall become binding on the Design-Builder. Pending a final resolution pursuant to Article 6 of the Agreement and Article A.4 of Exhibit A,

Terms and Conditions, the Owner shall pay the Design-Builder the amount, if any, determined by the Owner's accountant to be due the Design-Builder.

§ B.6.5 If, subsequent to final payment and at the Owner's request, the Design-Builder incurs costs in connection with the correction of defective or non-conforming work as described in Article B.2, Costs to be Reimbursed, and not excluded by Article B.3, Costs Not to be Reimbursed, the Owner shall reimburse the Design-Builder such costs and the Design-Builder's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price, if any. If the Design-Builder has participated in savings as provided in Section 4.4.3.1 of the Agreement, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Design-Builder.

 **AIA** Document A141™ – 2004 Exhibit C

Insurance and Bonds

for the following PROJECT:

(Name and location or address)

South Kentucky RECC
Somerset Office
Somerset, Kentucky 42503

THE OWNER:

(Name and address)

South Kentucky RECC
925-929 N. Main Street
Somerset, Kentucky 42503

THE DESIGN-BUILDER:

(Name and address)

D. W. Wilburn, Inc.
153 Blue Sky Parkway
Lexington, Kentucky 40509

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification. Consultation with an attorney is also encouraged with respect to professional licensing requirements in the jurisdiction where the Project is located.

ARTICLE C.1

The Owner and Design-Builder shall provide policies of liability insurance as required by the Design-Build Documents, or as follows:

(Specify changes, if any, to the requirements of the Design-Build Documents, and for each type of insurance identify applicable limits and deductible amounts.)

Builders Risk and General Liability insurance to be provided prior to start of work.

ARTICLE C.2

The Design-Builder shall provide surety bonds as follows:

(Specify type and penal sum of bonds.)

100% Payment & Performance Bond based on contract amount to be determined.

§ C.2.1 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Agreement, the Design-Builder shall promptly furnish a copy of the bonds or shall permit a copy to be made.



**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

Item No. 5
Page 1 of 7
Witness: Jim Adkins

**RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST**

- Q. 5. Refer to Exhibit 7 of the original application. Provide updated financial forecasts as provided therein, incorporating the current estimated project cost.
- R. 5. See pages 2 thru 7 of 7.

**SOUTH KENTUCKY
RURAL ELECTRIC COOPERATIVE**

**TEN YEAR FINANCIAL FORECAST
2008 - 2017**

**CASE B
WITH NEW BUILDING REVISIONS 2010**

Prepared February 2010

ADKINS-CONSULTING

**SOUTH KENTUCKY RECC
SOMERSET, KY
TEN YEAR FINANCIAL FORECAST**

**Schedule A
CASE B**

Statement of Operations

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
Revenue										
Revenue from Current Rates	113,435,992	111,890,417	113,206,412	114,537,583	115,889,640	126,140,360	127,622,058	129,120,427	130,636,479	132,168,325
Increases for Distribution Costs	0	0	0	0	8,514,484	0	0	0	0	0
Increases for Purchased Power	(2,642,607)	(2,673,660)	(2,705,078)	(2,736,860)	(2,769,008)	(2,801,520)	(2,834,404)	(2,867,658)	(2,901,302)	(2,935,304)
Total Revenue	110,793,384	109,216,758	110,501,334	111,800,723	121,635,116	123,338,839	124,787,654	126,252,769	127,735,177	129,233,021
Expenses										
Cost of Purchased Power	80,780,609	78,694,350	79,618,882	80,554,080	81,500,065	82,456,780	83,424,408	84,402,954	85,392,971	86,393,494
Gross Margin	30,012,776	30,522,407	30,882,452	31,246,644	40,135,051	40,882,060	41,363,246	41,849,815	42,342,205	42,839,528
Distribution O&M	9,920,718	10,146,671	10,601,361	11,081,040	12,236,466	12,770,142	13,332,966	13,926,468	14,552,259	15,212,032
Consumer Accounts Expenses	4,418,184	4,456,856	4,545,528	4,632,432	4,722,260	4,810,864	4,899,808	4,989,024	5,078,444	5,169,088
Administrative & General	4,048,517	4,175,877	4,363,005	4,560,418	5,035,934	5,255,570	5,487,201	5,731,457	5,989,003	6,260,533
Depreciation	5,197,072	5,323,159	5,561,699	5,813,349	6,141,408	6,409,257	6,691,735	6,989,610	7,303,691	7,634,827
Tax Expense	98,357	102,720	107,323	112,179	123,876	129,278	134,976	140,984	147,320	153,999
Operating Margins before Interest	6,329,928	6,317,125	5,703,536	5,047,226	11,875,107	11,506,949	10,816,561	10,072,271	9,271,489	8,409,048
Interest Expense	5,189,900	5,389,701	5,576,479	5,761,622	6,110,122	6,465,361	6,618,197	6,806,392	7,000,015	7,206,958
Operating Margins after Interest	1,140,029	927,424	127,057	(714,396)	5,764,985	5,041,587	4,198,364	3,265,879	2,271,474	1,202,091
Non-operating Margins	159,860	228,670	292,206	327,020	265,713	270,654	343,180	399,686	433,978	436,526
Other Capital Credits	97,024	92,982	89,000	83,999	79,424	76,981	70,986	65,196	59,091	53,542
G&T Capital Credits	0	0	0	0	0	0	0	0	0	0
Net Margins	1,396,913	1,249,076	508,263	(303,376)	6,110,122	5,389,222	4,612,530	3,730,760	2,764,543	1,692,159
Op-TIER	1.22	1.17	1.02	0.88	1.94	1.78	1.63	1.48	1.32	1.17
TIER	1.27	1.23	1.09	0.95	2.00	1.83	1.70	1.55	1.39	1.23

**SOUTH KENTUCKY RECC
SOMERSET, KENTUCKY**

**Schedule B
CASE B**

TEN YEAR FINANCIAL FORECAST

Balance Sheet

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assets	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
Total Utility Plant in Service	184,009,802	192,171,800	200,783,355	209,868,187	231,751,241	241,858,748	252,518,289	263,758,867	275,610,974	288,106,673
Accumulated Depreciation	36,708,827	39,652,726	42,763,787	46,052,978	49,594,504	53,325,882	57,259,402	61,408,051	65,785,552	70,406,403
Net Plant	147,300,975	152,519,075	158,019,568	163,815,208	182,156,737	188,532,865	195,258,887	202,350,816	209,825,422	217,700,270
Current Assets	15,244,663	14,610,323	13,080,817	10,628,523	10,826,159	13,727,218	15,987,420	17,359,137	17,461,057	16,320,018
Other Property & Investments	24,505,588	24,598,570	24,687,570	24,771,569	24,850,993	24,927,974	24,998,960	25,064,156	25,123,247	25,176,789
Other Assets and Deferred Debits	617,015	617,015	617,015	617,015	617,015	617,015	617,015	617,015	617,015	617,015
Total Assets	187,668,241	192,344,982	196,404,970	199,832,316	218,450,904	227,805,072	236,862,282	245,391,124	253,026,741	259,814,091
Liabilities and Equity										
Distribution Equity	31,659,477	32,163,565	31,919,280	30,867,019	36,244,041	40,819,507	44,549,650	47,342,070	49,126,387	49,811,555
G&T Capital Credits	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351
Total Equity and Margins	49,665,828	50,169,916	49,925,631	48,873,370	54,250,392	58,825,858	62,556,001	65,348,421	67,132,738	67,817,906
Long Term Debt - RUS	100,144,148	105,065,137	110,133,884	115,414,679	129,475,885	135,101,783	141,460,616	147,991,030	154,725,692	161,669,966
Long Term Debt - Other	14,789,238	14,040,902	13,276,427	12,475,239	11,655,600	10,808,403	9,776,639	8,982,646	8,099,284	7,257,193
Total Long Term Debt	114,933,387	119,106,039	123,410,312	127,889,918	141,131,485	145,910,187	151,237,254	156,973,676	162,824,976	168,927,158
Current Liabilities & Other	23,069,027	23,069,027	23,069,027	23,069,027	23,069,027	23,069,027	23,069,027	23,069,027	23,069,027	23,069,027
Total Liabilities and Equity	187,668,241	192,344,982	196,404,970	199,832,316	218,450,904	227,805,072	236,862,282	245,391,124	253,026,741	259,814,091

**SOUTH KENTUCKY RECC
SOMERSET, KY**

**Schedule C
CASE B**

TEN YEAR FINANCIAL FORECAST

Source and Application of Funds

Source of Funds	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
Current Assets BOY	14,532,763	15,244,663	14,610,323	13,080,817	10,628,523	10,826,159	13,727,218	15,987,420	17,359,137	17,461,057
Cash From Operations	1,396,913	1,249,076	508,263	(303,376)	6,110,122	5,389,222	4,612,530	3,730,760	2,764,543	1,692,159
Margins	5,189,900	5,389,701	5,576,479	5,761,622	6,110,122	6,465,361	6,618,197	6,806,392	7,000,015	7,206,958
Interest	5,197,072	5,323,159	5,561,699	5,813,349	6,141,408	6,409,257	6,691,735	6,989,610	7,303,691	7,634,827
Depreciation	97,024	92,982	89,000	83,999	79,424	76,981	70,986	65,196	59,091	53,542
Less: Capital Credits Allocated	-	-	-	-	-	-	-	-	-	-
G&T Capital Credits Paid	8,035,969	7,378,881	7,743,535	8,126,292	17,138,055	8,949,770	9,392,429	9,857,077	10,344,808	10,856,772
Plus Loan Funds	34,255,592	34,492,498	33,911,299	32,394,704	46,048,806	37,962,789	40,971,123	43,306,064	44,713,103	44,798,230
Total Source of Funds										

Application of Funds

Capital Credits Retired	735,060	744,987	752,549	748,884	733,101	813,756	882,388	938,340	980,226	1,006,991
Internal Funds Invested in Plant	2,008,992	3,162,378	3,318,658	3,482,697	7,344,881	3,835,616	4,025,327	4,224,462	4,433,489	4,652,902
Loan Funds Invested in Plant	8,035,969	7,378,881	7,743,535	8,126,292	17,138,055	8,949,770	9,392,429	9,857,077	10,344,808	10,856,772
Debt Service	8,230,908	8,595,930	9,015,741	9,408,308	10,006,610	10,636,430	10,683,559	10,927,048	11,493,523	11,961,547
Total Application of Funds	19,010,929	19,882,176	20,830,482	21,766,181	35,222,647	24,235,571	24,983,703	25,946,927	27,252,046	28,478,212
Current Assets EOY	15,244,663	14,610,323	13,080,817	10,628,523	10,826,159	13,727,218	15,987,420	17,359,137	17,461,057	16,320,018

**SOUTH KENTUCKY RECC
SOMERSET, KY**

Schedule D
Page 1 of 2

TEN YEAR FINANCIAL FORECAST

CASE B

Key Financial Indicators

<u>CAPITAL STRUCTURE</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$
A. Capital Structure										
Equity	49,665,828	50,169,916	49,925,631	48,873,370	54,250,392	58,825,858	62,556,001	65,348,421	67,132,738	67,817,906
Debt	114,933,387	119,106,039	123,410,312	127,889,918	141,131,485	145,910,187	151,237,254	156,973,676	162,824,976	168,927,158
Total	164,599,214	169,275,955	173,335,943	176,763,289	195,381,877	204,736,045	213,793,255	222,322,097	229,957,714	236,745,064
Equity Capitalization Ratio	30.17%	29.64%	28.80%	27.65%	27.77%	28.73%	29.26%	29.39%	29.19%	28.65%
Debt Capitalization Ratio	69.83%	70.36%	71.20%	72.35%	72.23%	71.27%	70.74%	70.61%	70.81%	71.35%
B. I Return on Capital										
Margins	1,396,913	1,249,076	508,263	(303,376)	6,110,122	5,389,222	4,612,530	3,730,760	2,764,543	1,692,159
Interest	5,189,900	5,389,701	5,576,479	5,761,622	6,110,122	6,465,361	6,618,197	6,806,392	7,000,015	7,206,958
Total	6,586,813	6,638,777	6,084,742	5,458,246	12,220,244	11,854,584	11,230,728	10,537,152	9,764,558	8,899,117
Return on Capital	4.00%	3.92%	3.51%	3.09%	6.25%	5.79%	5.25%	4.74%	4.25%	3.76%
Return on Equity	2.81%	2.49%	1.02%	-0.62%	11.26%	9.16%	7.37%	5.71%	4.12%	2.50%
Return on Debt	4.52%	4.53%	4.52%	4.51%	4.33%	4.43%	4.38%	4.34%	4.30%	4.27%
C. Equity to Asset Ratio										
	26.46%	26.08%	25.42%	24.46%	24.83%	25.82%	26.41%	26.63%	26.53%	26.10%

**SOUTH KENTUCKY RECC
SOMERSET, KY**

**Schedule E
CASE B**

TEN YEAR FINANCIAL FORECAST

Debt and Capital Credits

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Debt at First of Year	109,938,426	114,933,387	119,106,039	123,410,312	127,889,918	141,131,485	145,910,187	151,237,254	156,973,676	162,824,976
Loan Funds	8,035,969	7,378,881	7,743,535	8,126,292	17,138,055	8,949,770	9,392,429	9,857,077	10,344,808	10,856,772
Interest Expense	5,189,900	5,389,701	5,576,479	5,761,622	6,110,122	6,465,361	6,618,197	6,806,392	7,000,015	7,206,958
Debt Payments	8,230,908	8,595,930	9,015,741	9,408,308	10,006,610	10,636,430	10,683,559	10,927,048	11,493,523	11,961,547
Debt at End of Year	114,933,387	119,106,039	123,410,312	127,889,918	141,131,485	145,910,187	151,237,254	156,973,676	162,824,976	168,927,158

Equity

GT Equity BOY	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351
Plus: Allocations during Year	0	0	0	0	0	0	0	0	0	0
Less: Payments during Year	0	0	0	0	0	0	0	0	0	0
GT Equity EOY	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351	18,006,351
Distribution Equity BOY	30,997,623	31,659,477	32,163,565	31,919,280	30,867,019	36,244,041	40,819,507	44,549,650	47,342,070	49,126,387
Plus: Margins during Year	1,396,913	1,249,076	508,263	(303,376)	6,110,122	5,389,222	4,612,530	3,730,760	2,764,543	1,692,159
Plus: G&T Equity to Distribution	0	0	0	0	0	0	0	0	0	0
Less: Payments during Year	735,060	744,987	752,549	748,884	733,101	813,756	882,388	938,340	980,226	1,006,991
Distribution Equity EOY	31,659,477	32,163,565	31,919,280	30,867,019	36,244,041	40,819,507	44,549,650	47,342,070	49,126,387	49,811,555
Total Equity	49,665,828	50,169,916	49,925,631	48,873,370	54,250,392	58,825,858	62,556,001	65,348,421	67,132,738	67,817,906



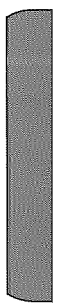
**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

Item No. 6
Page 1 of 1
Witness: Jim Adkins

- Q. 6. Provide an analysis of the impact the construction of the headquarters facility will have on the average monthly bill of all customer classes.
- R. 6. Provided below is the requested analysis.

IMPACT OF NEW HEADQUARTERS BUILDING UPON THE AVERAGE MONTHLY BILL					
2012 Rate increase with new HQ building					\$ 8,514,484
2012 Rate increase without new HQ building					7,228,554
Additional increase for new HQ building					<u>\$ 1,285,929</u>
Impact upon members					
Total Revenue for 2009 from electric rates					\$ 109,212,849
Percentage change due to new HQ building					1.18%
Rate Classes	2009 Revenue	Percent of Total	Amount for Rate Class	Average Number of Members	Average Monthly Impact per Member
Residential Sales	\$ 73,895,399	67.66%	\$ 870,083	60,766	\$ 1.19
Comm & Ind < 50 KVA	7,806,733	7.15%	91,921	4,244	\$ 1.80
Comm & Ind > 50 KVA	26,308,887	24.09%	309,775	536	\$ 48.16
Public St&Hwy Lighting	143,316	0.13%	1,687	23	\$ 6.11
Other Sales to Pub Auth	1,058,515	0.97%	12,464	748	\$ 1.39
	<u>\$ 109,212,850</u>	100%	<u>\$1,285,929</u>	66,317	<u>\$ 1.62</u>

**RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST**



**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

**Item No. 7
Page 1 of 3
Witness: Stephen Johnson**

**RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST**

- Q. 7. Provide an update of the current status of South Kentucky's financing plan for the new headquarters facilities.
- R. 7. See letter from USDA Pages 2 thru 3 of 3.



United States Department of Agriculture
Rural Development

Mr. Richard Stephens
Chairman
South Kentucky Rural Electric Cooperative
Corporation
P.O. Box 910
Somerset, Kentucky 42502-0910

SEP 21 2009

Dear Mr. Stephens:

We are pleased to advise you that a loan guarantee commitment in the amount of \$20,732,000 has been approved for South Kentucky Rural Electric Cooperative Corporation (South Kentucky) by the Rural Utilities Service (RUS). Under this commitment, RUS will guarantee a loan of \$20,732,000 to South Kentucky from the Federal Financing Bank (FFB) under the terms and conditions set forth in the Note Purchase Commitment and Servicing Agreement dated as of January 1, 1992, as amended, between RUS and FFB. The proceeds of the guaranteed loan, designated "BB8," are to be used by South Kentucky to finance only the system extensions and additions described in the RUS Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, dated November 12, 2008, enclosed and made a part hereof. Written approval by RUS must be obtained prior to the advancement of any loan proceeds for use for system extensions and additions that are not specifically listed on the attached RUS Form 740c.

The "BB8" loan contract and related documents, together with instructions, will be forwarded in the future for execution. The "BB8" loan is approved with the understanding that the loan documents will be authorized and executed by your organization and returned to us by the date set forth in the letter transmitting the documents.

Please note that this letter does not constitute an approval to advance the loan proceeds. Proceeds are eligible for advancement on the "BB8" loan after all conditions below have been met and the proper advance request documentation has been submitted to RUS:

1. RUS has entered into a contract of guarantee with South Kentucky, and the FFB has agreed, with RUS approval, to make South Kentucky a guaranteed loan of \$20,732,000 to finance the system extensions and additions described on the enclosed RUS Form 740c;
2. South Kentucky has submitted evidence, in form and substance satisfactory to the Administrator, that the conditions in the contract of guarantee have been satisfied to the extent and in the manner prescribed by the Administrator;
3. South Kentucky has submitted evidence, in form and substance satisfactory to the Administrator, that South Kentucky has duly authorized, executed, and has delivered to the Administrator a RUS loan contract, the FFB Note and the Reimbursement Note in the manner prescribed by the Administrator; and

1400 Independence Ave, S.W. · Washington DC 20250-0700
Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

Kentucky 54 "BB8" Wayne

2

4. South Kentucky has submitted evidence, in form and substance satisfactory to the Administrator that South Kentucky has duly authorized, executed, delivered, recorded, and filed a mortgage or other security instrument, if required, which is in form and substance satisfactory to the Administrator.

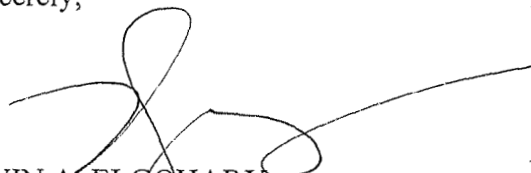
Please note that the approval of this loan guarantee commitment is an offer to South Kentucky of the "BB8" guaranteed loan. Your acknowledgement and acceptance of the "BB8" guaranteed loan is subject to the specified terms and conditions identified above. Your acknowledgement and acceptance must be received by RUS, by signature, no later than September 28, 2009; otherwise, the commitment will be VOID. The Chairman or the Board President authorized by your organization to execute the loan documents must execute, date, and return this commitment. The executed and dated commitment may be faxed or scanned and E-mailed to:

Mr. William Frost
Facsimile Number: 202 720-0498
E-Mail Address: LoanCommitment@wdc.usda.gov

The original executed and dated commitment must immediately follow by mail to:

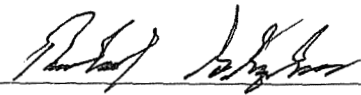
Mr. William Frost
U.S. Department of Agriculture
Rural Utilities Service, Electric Programs
Northern Regional Division
Room 0241 S. Stop 1566
1400 Independence Avenue, SW
Washington, DC 20250-1566

Sincerely,


NIVIN A. ELGOHARY
Acting Assistant Administrator
Electric Programs
Rural Utilities Service

Enclosure - RUS Form 740c

ACKNOWLEDGED AND ACCEPTED BY:

X 

[Name]

CHAIRMAN

[Title]

9-23-09

[Date]



**SOUTH KENTUCKY RECC
CASE NO. 2008-00371**

**Item No. 8
Page 1 of 1
Witness: Doug Wilburn**

**RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST**

- Q. 8. Refer to "Issue 2" of the revised application.
- a. Describe fully the reductions made in site improvements and the dollar impact of those reductions on the project cost.
 - b. Provide a description and location of the amphitheater and where it was included in the original project. What is the dollar impact on the project cost of eliminating any work on the amphitheater?

- R. 8(a) The reductions made in site improvements and the dollar impact on the project cost are as follows;

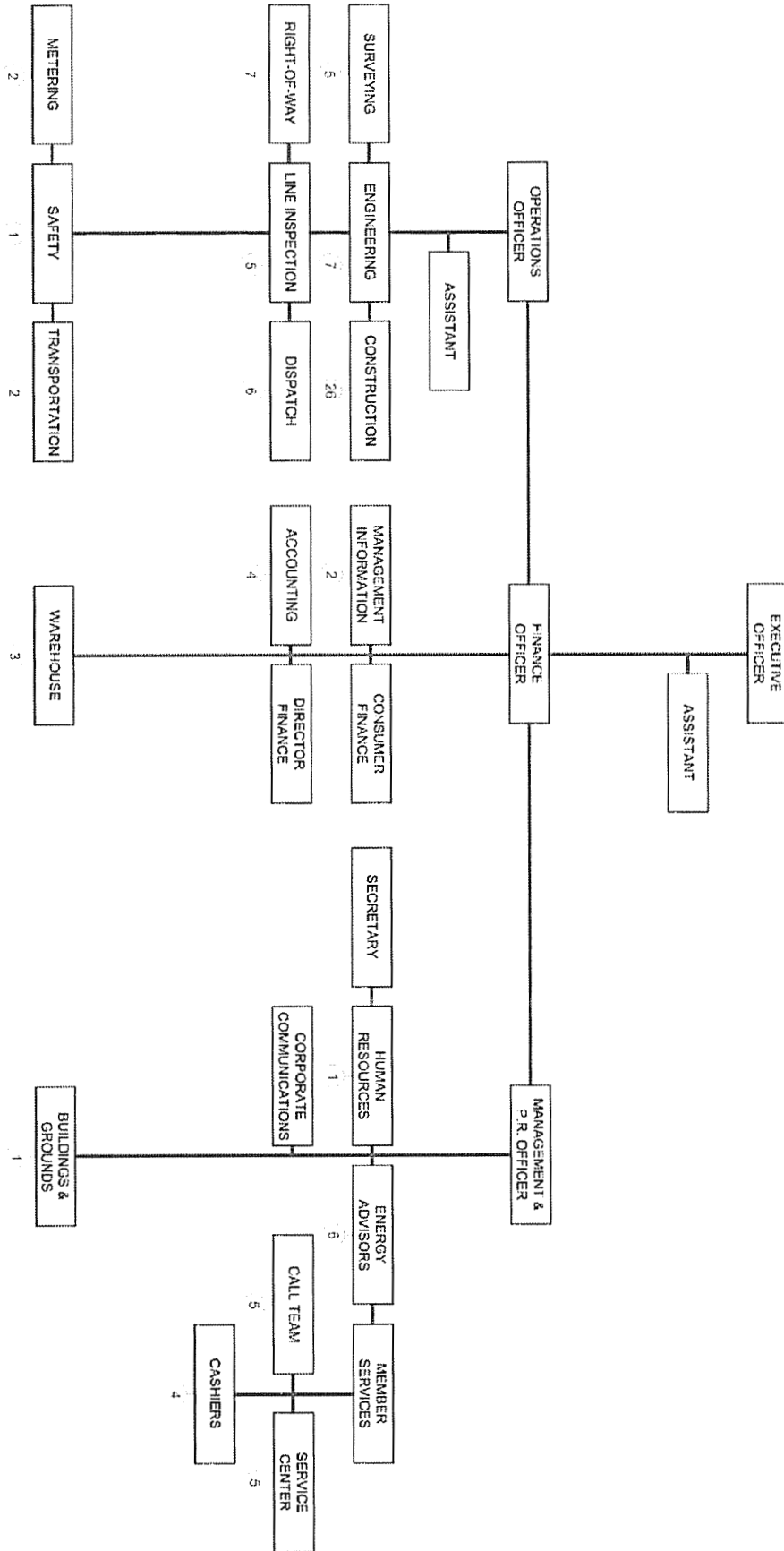
1. Omit all curbs except at sidewalk turndown	\$137,000.00
2. Provide Heavy Duty Asphalt paving in lieu of concrete paving at maintenance/garage perimeter and west perimeter gate	\$104,000.00
3. Provide Stone Aggregate Surface (15") in lieu of concrete paving at transformer area.	\$57,000.00
4. Omit all planting, sod, and hydro seed from the project. Seed only.	\$203,000.00
5. Provide Geo tech asphalt design in lieu of Carmen asphalt design.	\$153,000.00
6. Omit surface course of asphalt design "(within perimeter fencing and access road off Old Salts Road)".	\$61,000.00

- R. 8(b) The extent of work may be seen on the drawings. Please reference drawing SD3.0 in previous filings. The amphitheater structure or facility was never included in the project. The proposed earth grades have been provided in this contract for a future amphitheater.

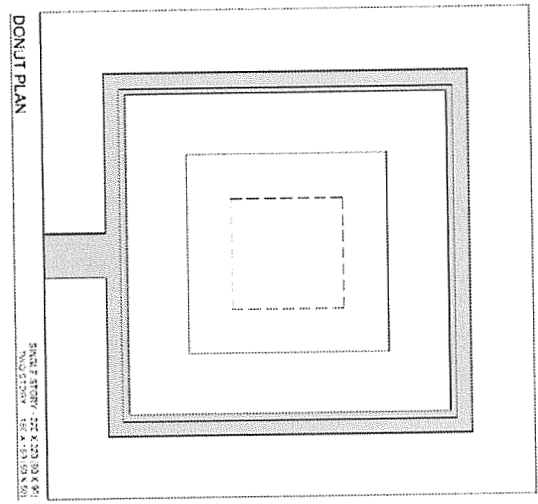
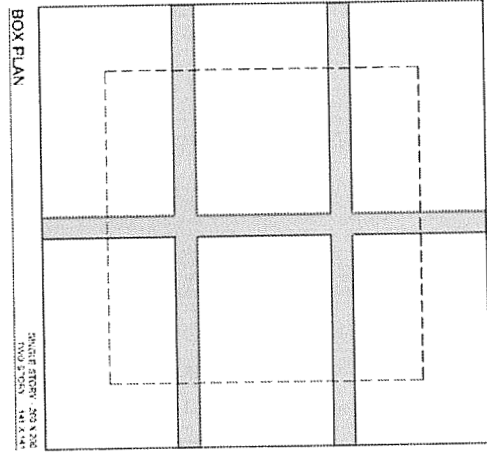
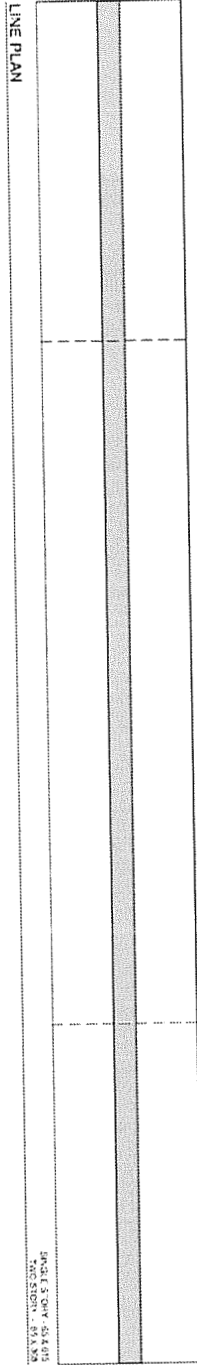
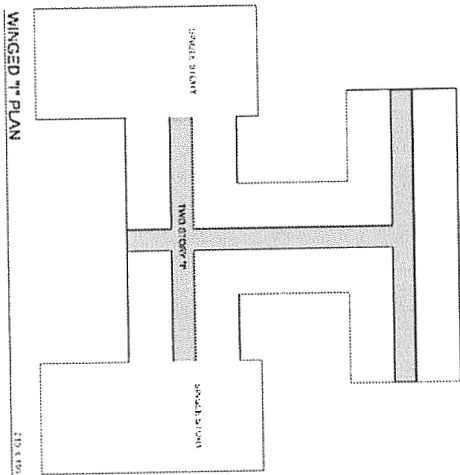
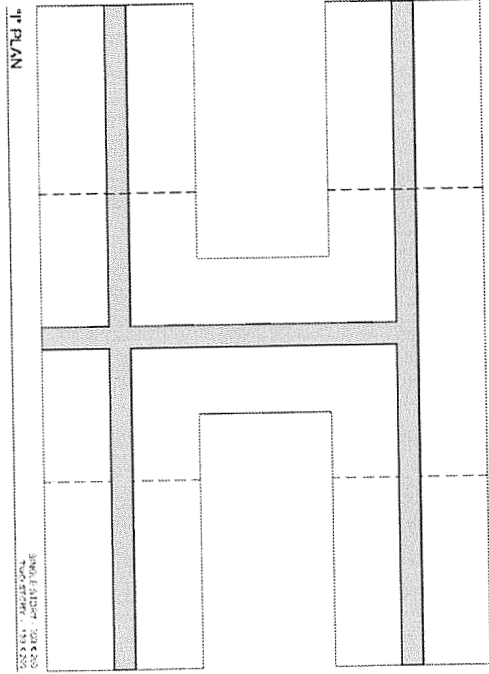


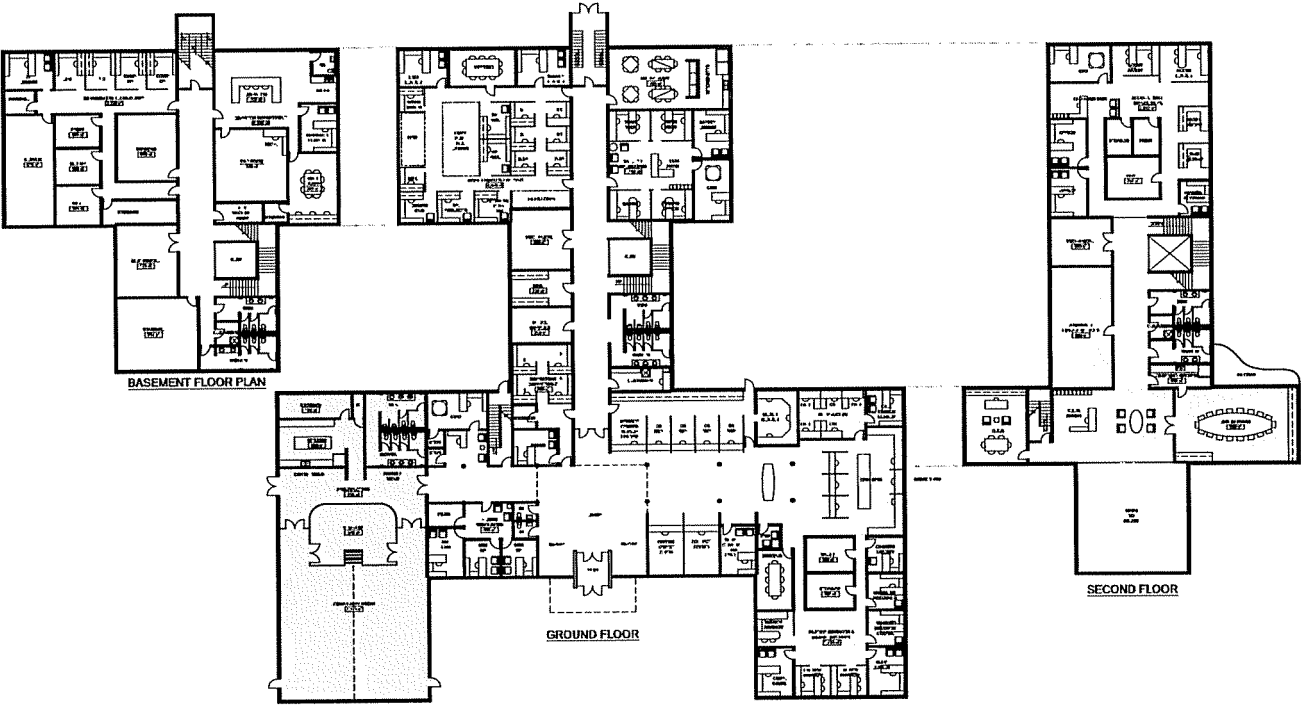
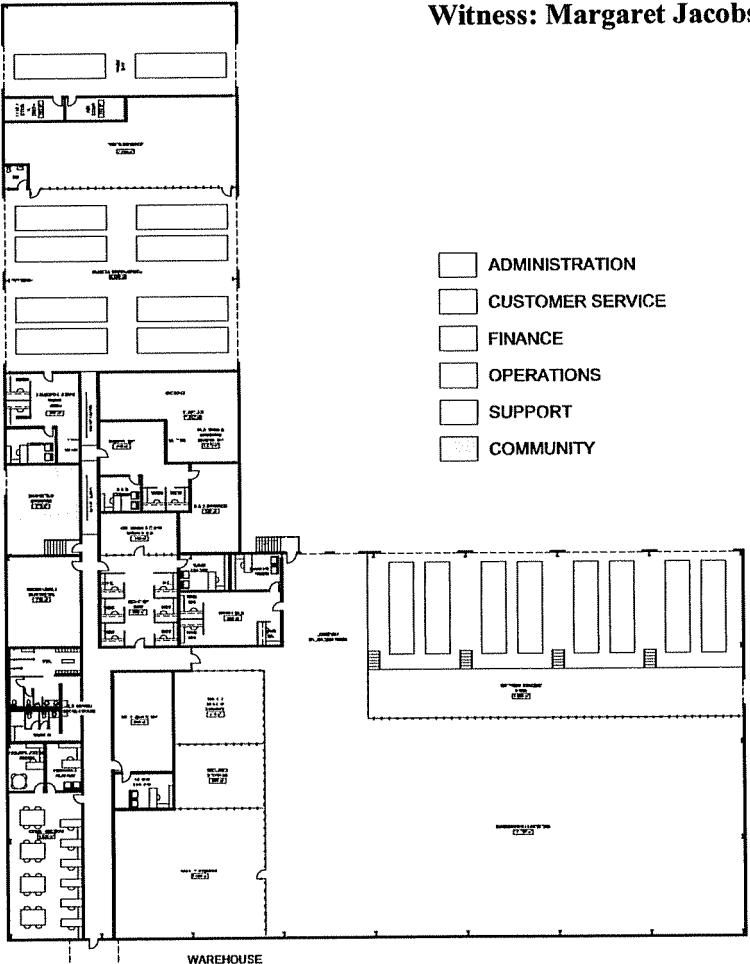
**RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST**

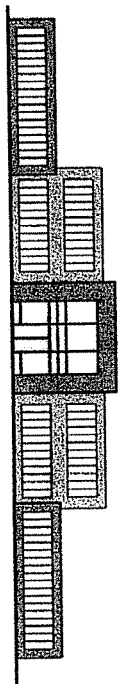
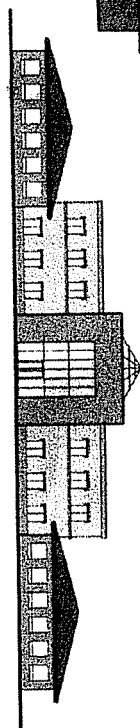
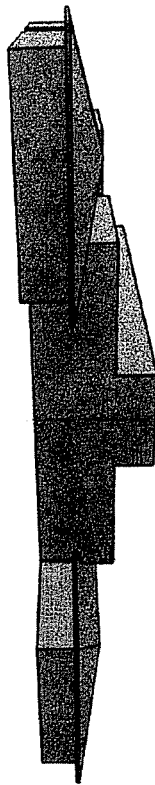
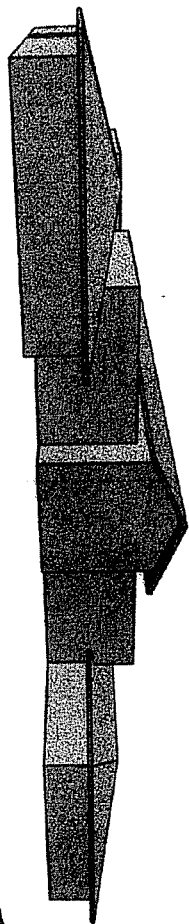
- Q. 9. Refer to "Issue 3" of the revised application. Provide copies of any and all documentation supporting the process outlined in the response.
- R. 9. The numbers below correspond to the same numbers included in response to "Issue 3 Page 2 of 2" in the Architect's statement.
1. Review of the 2002 Roy Cowan program documents was performed in conjunction with preparation of the September 4, 2007 Space Program document, a portion of that document is submitted on Pages 24 thru 26 of 32.
 2. Based upon dates of photographs stored in electronic files and timesheet/travel records Margaret Jacobs spent approximately 4 hours touring existing SKRECC facility on February 21, 2007.
 3. Preliminary adjacency study expressed in the form of an organizational chart is attached. This chart was presented to the Owner in a meeting held on March 29, 2007 Page 2 of 32.
 4. Early diagram studies of different building configurations are attached. The diagrams included plan configuration studies, volumetric studies, and a selected conversation about building envelope materials Pages 3 thru 6 of 32.
 5. A copy of October 11, 2007 Meeting Minutes is attached which is a record of a meeting held with department heads to review proposed floor plans Pages 7 thru 11 of 32.
 6. Two concept floor plans are attached. One dated March 27, 2009 Page 4 of 32 and a second dated May 29, 2007 Page 5 of 32.
 7. An example of field documentation efforts related to the IT department is attached Pages 12 thru 16 of 32.
 8. Meeting minutes and copies of "redlined floor plans" are attached that are associated with a review meeting attended by Ruby Patterson and Allen Anderson on December 19, 2007 Pages 17 thru 23 of 32.
 9. A portion of the program statement – entitled Space Program containing the Cover, Table of Contents, and the space/program area data sheet for Vice President: Member Services and Public Relations as shown on Pages 24 thru 26 of 32. This document served as a "point of departure". This document was not updated throughout the design process.
 10. Minutes from meetings held on October 11, 2007 Pages 7 thru 11 of 32, November 2, 2007 Pages 27 thru 29 of 32 and November 7, 2007 Pages 30 thru 32 of 32 are attached as examples of reconciling actual needs with the design documents.



SOMERSET OFFICES
 ORGANIZATIONAL CHART







RE: Design Meeting
PROJECT: South Kentucky Rural Electric Cooperative Corporation
New Corporate Offices, Warehouse & Site Development
ARCHITECT'S PROJECT NO.: 0709
DATE: November 21, 2007

ATTENDING:

Allen Anderson	President SKRECC
Ruby Patterson	Vice President Member Services and Public Relations
Steve Conover	Vice President Engineering & Operations
Jeff Greer	Vice President Finance
Margaret Jacobs	Architect, Tate Hill Jacobs

A design meeting was held at SKRECC Somerset Office on October 11, 2007. Those attending are as indicated above. Ms. Jacobs informed all present the goal of today's meeting was to present revisions to Office and Warehouse plans resulting from meetings with department heads, team leaders, and various SKRECC personnel during the past 60 days.

Ms Jacobs directed attention to the following plan changes:

OFFICE BUILDING PLAN CHANGES

A. General:

- a. The current plan includes suggested exterior window locations and proposed furnishing layout to demonstrate relationship between windows and furnishings.
- b. Program areas previously located in the basement have been relocated to the ground floor per Owner instruction.
- c. Locations for copy, fax, and printers are shown in some areas; they are not expected to be complete and need to be verified in subsequent meetings.
- d. Gross floor area for the revised Office Area floor plan is 44,752. Gross Floor Area for the revised Warehouse plan is 46,987. Gross Floor Area for the Outside Dock Area is 15,087.

B. Member Services & Public Relation Groups

- a. CMO & Assistant work areas
 - i. Closets have been added in CMO & assistant (for radios) work areas
 - ii. Floor area has been provided for Copy, Fax, and Printer in the assistant work area
- b. Human Resources
 - i. Open work area has been enlarged to provide adequate space for printer and waiting area.
 - ii. File/Storage Room has been enlarged
- c. Customer Representatives
 - i. Location of Service Center Group leader, Capital Credit Clerk, and Large Power Accounts work areas have been modified per requests.
 - ii. Due to the elimination of the basement, work area for Meter Readers has been moved to the Ground Floor and located between Customer Service and the Call Center.
 - iii. Space has been provided for a Customer Service Vault.
 - iv. A proposed furnishings plan for the public lobby including display kiosk and hospitality (beverage station) is shown on the current plan.
 - v. Proposed location for PSC phone is included on the current plan
- d. Call Center
 - i. Call Center has been enlarged to include adequate space for printer, small break station (no sink) with desks oriented in one direction with view to overhead monitor.
- e. Cashiers

- i. Receipts and other items currently located in the small closet in the main lobby are proposed to be located in a large piece of custom casework separating the cashiers from the drive-thru window.
 - f. Energy Advisors & Marketing
 - i. A large open area has been provided for temporary set-up of displays.
 - ii. All work areas within this department are now shown with full height walls per Mr. Coffey's instruction.
 - iii. Files and storage shelving has been shown on the current plan to assist in evaluating space
 - iv. Proposed centralized location for copy and printing activities is shown.
 - g. Corporate Communications: Moved upstairs
- C. Engineering and Operation Groups
 - a. Information Technology: moved from basement to the Ground Floor adjacent to Dispatch and Break Room
 - b. Dispatch:
 - i. Moved to Ground Floor
 - ii. Configuration of department revised per Dallas's requests (entrance into Dispatch and access to Team Leader office and War Room should not require circulating "through" dispatch work area).
 - c. Survey: Survey Technician work area reconfigured for more collaborative type setting per request
 - d. Engineering
 - i. Design & System Engineers offices located next to one another per request
 - ii. Work Order and Materials work areas moved next to one another per request.
 - iii. Enclosed workroom provided in lieu of open work area per request.
 - iv. Safety – Moved to Warehouse and has been arranged in conformance with drawings provided by Eddie Black.
- D. Finance
 - a. CFO & assistant work areas moved closer to top of stairs per Mr. Greer request.
 - b. Closet provided for CFO per request.
 - c. Open work area enlarged and files, copy, and printer shown
 - d. Account leader work area changed to fully enclosed office per request
 - e. Account Assistant, General Ledger, and Work Order work areas shown as open office system per request.
 - f. Records Coordinator office includes space for scanning and temporary storage of scanned documents.
- E. CEO
 - a. Balcony added adjacent to CEO office
 - b. Spacious enclosed workroom/storage area added for CEO and Assistant
 - c. Catering Kitchen enlarged
- F. Corporate Communications
 - a. Moved from Energy Advisors/Marketing department on the ground floor to the second floor per instruction.
 - b. Single office proposed with space for archives, periodicals, historic photos, etc. in the office
 - c. Secondary work/research are provided for viewing of stored materials.

WAREHOUSE PLAN CHANGES

- A. Safety: Moved from office building to Warehouse per instruction and located adjacent to Safety Storage. Configuration of offices shown in conformance with drawing provided by Eddie Black.
- B. Secured Storage and Water Heater Storage is located off of a 10' wide aisle with a pair of 36" chain link fence gates.
- C. Warehouse offices:

- a. Interior windows have been added for viewing between the Warehouse office area and the Warehouse.
- b. Provisions have been added showing location of fax, printer, copy machine, files and shelving.
- D. An exterior dock is now shown on the plan including proposed location of the jib crane, ramp to grade, forklift circulation, transformer storage and pole storage.
- E. Construction:
 - a. 10 work stations are provided for crew leaders. 60" portable office system panels would be included at the work stations.
 - b. Provisions for 24 seats at tables has is indicated. The tables would be designed for computer use and floor outlets would be provided with power/data ports for a maximum of 24 stations.
 - c. A total of 24 lockers are provided.
 - d. A storage room has been added for hydraulic cutters, lotus testers, and other miscellaneous equipment.
 - e. A printer has been located.
- F. Restroom/Showers/Vending
 - a. Coffee and Vending areas have been added to the Corridor adjacent to restrooms.
 - b. 10 double tier locker column (total of 20 lockers) have been added in the Women's Restroom.
 - c. 20 double tier locker columns (total of 40 lockers) have been included in the Men's Shower area.
 - d. Four showers are provided for Men.
 - e. A room has been provided for custodial services per instruction.
- G. A 10' overhead door is shown for Marketing Storage.
- H. Vehicle Maintenance
 - a. Vehicle Bays are 35' (center-to-center) as instructed with 24' wide x 16' high overhead coiling doors.
 - b. Parts Storage is 20' (center-to-center) as instructed
 - c. Wash Room, Fluid Storage, and Air Compressor Bay is 8' (center-to-center) as instructed
 - d. Wash Bay is 22' (center-to-center) as instructed
 - e. A shower room has been added per request.
 - f. Swinging chain link fence gates have been added for forklift access to Parts Storage per request.
- I. Buildings and Grounds
 - a. Access to the office area has been changed to an "on-grade" configuration (same elevation as tractor/salt truck) and moved to the exterior wall per request.
 - b. 10' x 10' overhead door is shown for tractor/salt truck
- J. Right of Way
 - a. The team leader's office has been moved closer to the entrance per request.
 - b. A meeting table has been provided within the open work area per request.
 - c. Location of copy, printer, maps, shelving and files is indicated.

Owner comments submitted following review of the new plans included:

- A. General
 - a. Distance from front door to cashiers is over 100 feet.
 - b. Community Room design does not work with Owner's intended program. The room should be divided into (2) "self-contained" meeting areas that both have a warming kitchen, restrooms and storage areas.
 - c. One of the storage rooms should include a Refrigerator and Ice machine dedicated to SKRECC use.
 - d. Consider providing structural design along the "back bar" of the Office Building to allow for future expansion on the second floor.
 - e. Location, number and distribution of meeting rooms is adequate (with exception of need for meeting room in Finance)
 - f. Steve Conover reminded all of the archive documents currently located in the "old house". It was agreed they would:

1. Be scanned and shredded or
2. Stored in new warehouse or
3. Stored in "offsite" storage area.

No instructions were given to increase size of either warehouse or office to provide space for these documents.

- g. Following considerable discussion related to the location of the break room it was agreed it should remain in its' current location.
- B. Member Services and Public Relations Groups
- a. Relocate Mail and Supplies room closer to VP Assistant work area (directly behind Customer Service)
 - b. The Call Center "break area" should include coffee station and undercounter refrigerator – it should NOT include a sink.
 - c. One-way glass is to be provided for viewing between the Cashier Leader and Cashier/Drive Thru work areas.
- C. Engineering and Operations Groups
- a. Provide one additional work area for Special Projects &/or Contractor
 - b. Reconfigure Special Projects Work areas to provide for more collaborative setting.
 - c. Move Materials/Work Order areas to window.
 - d. Consider relocating VPEO and Assistant to IT/Break Room side of the ground floor plan to provide space required for additional work area and possibly increase space in workroom.
 - e. Mr. Conover observed Assistant to VPEO requires more floor area than is shown for files/equipment/etc including files/forms associated with Inspection services. Ms. Patterson noted Inspection will be located in the front portion of the building and provisions have been included for in the area for a new "assistant" position. Therefore some of the files/storage located at current Assistant work area will be moved to the new Inspection services area. Nevertheless, Mr. Conover stated the floor area for the VPEO assistant needs to be increased.
- D. Second Floor comments:
- a. A meeting room and break area should be provided for the Finance Department.
 - b. Ice Machine should be provided in the Refrigerator in Cater Kitchen; free-standing ice maker is not required.
 - c. Mr. Anderson requested balconies adjacent to CEO and Board Room be covered with either an extension of the roof or other type of canopy.
 - d. Mr. Anderson requested coat closets be relocated and the current closet area be "given back" to the catering kitchen.
 - e. Mr. Anderson request a center island be added to the Catering Kitchen with space for stool seating.
 - f. Mr. Anderson requested the number of water closet/urinals in the men's restroom on the second floor be equal to the number on the first floor.
 - g. Mr. Anderson requested a window be added to the east wall the CEO's office.
- E. Warehouse comments:
- a. Owner representatives agreed lockers should be provided in both the Construction department and shower rooms.
 - b. The location of the Meter shop needs to be on an exterior wall with "on-grade" access in a configuration that is similar to their existing location.
 - c. Warehouse locks down at 4:00. Restrooms should remain accessible to other areas located in this building when warehouse is locked.
 - d. Ms. Jacobs was informed the current warehouse operations should not include provisions for hazardous waste storage – this service will be "outsourced".
 - e. Pole storage needs to be located on the "edge" of the dock to facilitate accessibility.
 - f. The entire exterior dock area shall be covered with a roof.
 - g. The overhead door between the warehouse and safety should be 10' wide.

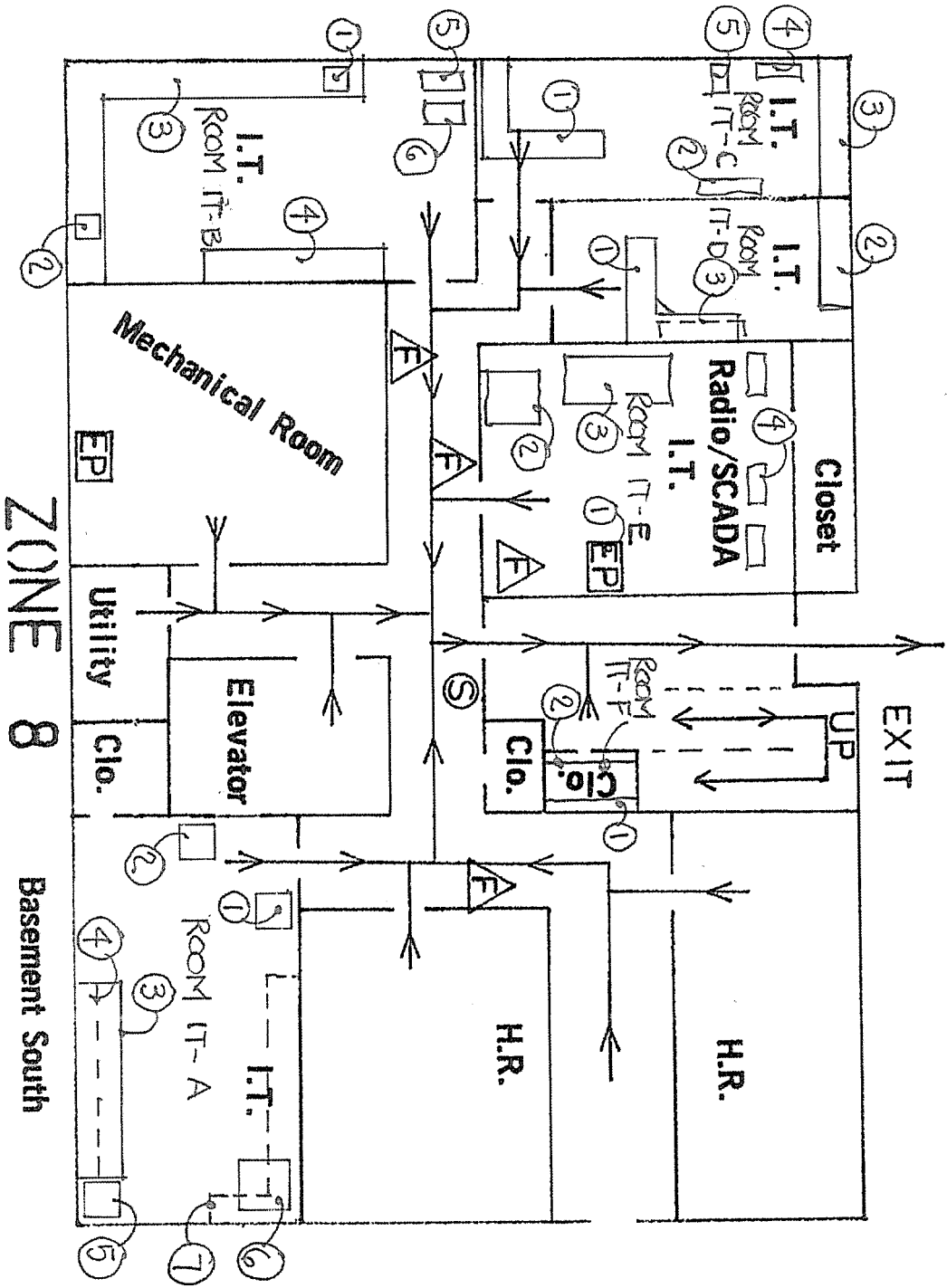
Ms. Jacobs inquired if the Owner was ready to approve the plans pending receipt of the changes requested at today's meeting. Owner representatives stated they would like to see the revised plans and needed time to review the plans one last time with Team Leaders prior to acceptance of the plans.

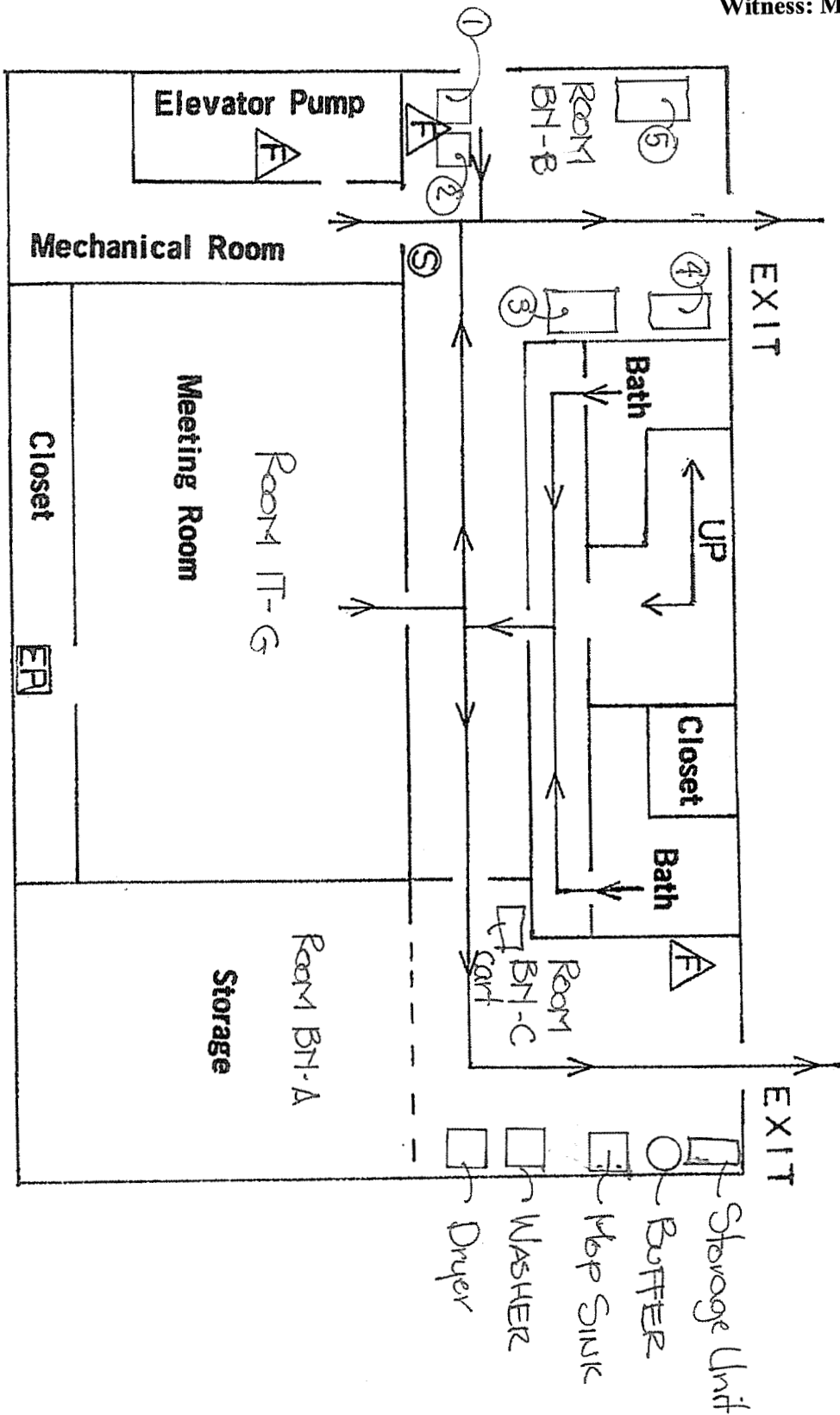
There being no further conversation the meeting adjourned. If any portion of the above Minutes have been recorded in error, or if any pertinent item has been omitted please bring it to the attention of Margaret Jacobs within 7 days of receipt.

Respectfully Submitted By:

Margaret Jacobs

C: All attending
Amy Acton
Doug Wilburn
Shannon Penniman
John Carman
Michelle Howlett
Doug Cage
Craig Brown





ZONE 9

Basement North

Witness: Margaret Jacobs

SKRECC
Information Area Analysis Equipment/Furnishing Inventory

November 20, 2007

ZONE 8

Room IT-A

Area	Item dimensions	new location	If "not placed" new condition
Size	9'-10" x 16'-7"		New Print Room size - 13'-6" x 15'-6"
Area	163 nsf		New Print Room area = 210 nsf
Item 1	Free-standing Printer	29 x 30 x 41	Printer Room
Item 2	Media File Cabinet	21 x 20 x 30	Not placed
Item 3	Work Station	98 x 38 x 30	Not placed
Item 4	Wall Cabinets	96 x 16 x 41	Not placed
Item 5	Storage Unit	24 x 28 x 93	Not placed
Item 6	Data Safe	34 x 34 x 45	Server Room
Item 7	Wall Cabinets	127 x 16 x 41	Not Placed

Comments: Some of the materials currently being stored in this room can be stored in the new general storage Room

Room IT-B Christina Cundiff Office and Set-Up

Area	Item dimensions	new location	If "not placed" new condition
Size	13'-10" x 17'-2"		New Set Up room size - 15'-6" x 15'-6"
Area	237 nsf		New Set-Up Room area = 240 nsf
Item 1	HP Desktop Printer	16 x 17 x 17	Not Placed
Item 2	Panasonic Desktop Printer	20 x 25 x 12	Print Room
Item 3	Work Surface	24 lf x 30" d	Not placed
Item 4	2 shelf storage rack	96 x 24 x 56	Not placed
Item 5	2 shelf book storage	42 x 15 x 32	Not placed
Item 6	mobile cart	37 x 16 x 42	Print Room

Room IT-C Melisa Butte Office

Area	Item dimensions	new location	If "not placed" new condition
Size	9'-3" x 20'-2"		new office size: 10'-0" x 13'-0"
Area	186 nsf		new office area = 130 nsf
Item 1	Desk	11 lf x 28"d	not placed
Item 2	Open shelf storage unit	48 x 18 x 84	not placed
Item 3	Credenza/Shelf Unit	96 x 21 x 31	not placed
Item 4	Bookshelf	36 x 12 x 42	not placed
Item 5	2 drawer file cabinet	18 x 25 x 29	not placed

Witness: Margaret Jacobs

SKRECC
Information Area Analysis Equipment/Furnishing Inventory

November 20, 2007

Room IT-D		Joe Langdon Office	
Size	9'-2" x 15'-0"		new office size: 11'-6" x 15'-6"
Area	137 nsf		new office area = 178 nsf
Item 1	Desk	13 lf x 30	to be determined
Item 2	Credenza w/ (2) 2 drawer files	7'-9" lf x 30"	to be determined
Item 3	Wall Cabinet	72 x 16 x 42	to be determined

Room IT-E		Server Room	
Size	9'-3" x 16'-5"	Item dimensions	new location
Area	153 nsf		new Server Room size: 16'-0" x 32'-6"
Item 1	UPS	36 x 36 x 40	new Server Room area: 520 nsf
Item 2	HP 9000 (main frame)	25 x 38 x 70	Server
Item 4	Server Table (w/ over/under shelves)	72 x 36 x 72	Server
Item 3	Cabling Racks (total of (3))	27 x 42 x 72 (ea)	Server

Room IT-F		Closet under stairs	
Size	4' x 13'		new General Storage Room size: 11'-6" x 13'-6"
Area	52 nsf		new General Storage Room area: 156 nsf
Item 1	12" deep shelving	(5) 13 lf	General Storage
Item 2	4" deep shelving	(5) 13 lf	General Storage

Comments: The capacity of this room is equivalent to 43 linear feet of shelving units (32 lf at 12" depth and 11 lf at 18" depth).
If shelves are spaced at 16" OC with (5) shelves/unit the total capacity would be equivalent to 215 linear feet of shelving.

ZONE 9

Room IT-G		Training/Meeting Room	
Size	17'-2" x 24'-3"		new Training Room size: 17'-6" x 21'-6"
Area	416 nsf		new Training Room area: 376 nsf
	Table	100 x 44	tables shown are (4) @ 84 x 30
	Table	120 x 42	not placed

Room BN-A		Storage Room	
			new Paper Storage Room size: 11'-6" x 11'-6"
			new Paper Storage Room area: 132 nsf

Witness: Margaret Jacobs

SKRECC
Information Area Analysis Equipment/Furnishing Inventory

November 20, 2007

Room BN-B Egress Vestibule				
Size	12' x 20'			
Area	240 nsf			
Item 1	Mimolta fiche reader	22 x 30 x 52	PC Op work station	
Item 2	Microfiche Storage Cart	20 x 20 x 64	PC Op work station	
Item 3	Toshiba Studio 45 Copy Machine	60 x 34 x 50	not placed	to be determined
Item 4	Fax Machine & Storage Cart	52 x 30 x 56	not placed	to be determined
Item 5	Standard Register Forms Buster	72 x 36 x 45	Print Room	

Information Management Area Summary:

Estimated Current Total Area	1,344 nsf
Total Proposed New Area	2,730 nsf

RE: Design Meeting
PROJECT: South Kentucky Rural Electric Cooperative Corporation
New Corporate Offices, Warehouse & Site Development
ARCHITECT'S PROJECT NO.: 0709
DATE: January 6, 2008

ATTENDING:

Allen Anderson	CEO
Ruby Patterson	Vice President Member Services and Public Relations
Steve Conover	Vice President Engineering & Operations
Doug Wilburn	DWWI
John Carman	Carman
Margaret Jacobs	Tate Hill Jacobs Architects

A meeting was held at SKRECC board room on December 19, 2007 to follow-up on issues that were left partially unresolved in the last meeting held on November 21, 2007. Those attending are as noted. Ms. Jacobs provided an agenda for today's meeting (copy attached).

While waiting for everyone to arrive Ms. Patterson directed Ms. Jacobs attention to Owner requested plan changes. Ms. Patterson provided Ms. Jacobs with a floor plan showing changes which include:

1. Change Human Resources Department layout to include Table/Chair Storage for Community Room.
2. Relocate public restrooms from the entry lobby to the north/south corridor.
3. Include provisions for a recessed lockable cabinet in the A/V Storage room where projector screen, projector, lighting, and other AV controls can be accessed.
4. Include provisions for portable stage and track lighting in Community Room.
5. Include both (1) total black out shades and (2) standard window blinds in the Community Room and the Board Room.
6. Add partition walls inside Community Room storage to subdivide this single room into (3) rooms. One for a mop and broom closet. One for ice machine and refrigerator. These two areas will be accessed directly from the Pre-Function area. A third closet will be located in the "back" accessed from the ice machine and refrigerator closet and will provide a location for "secure storage" (beverages, cleaning supplies, etc.)
7. Desk in VP Member Services will be free-standing (requiring floor outlets for phone/power)
8. Add a reception desk at the front entry.
9. Rearrange Lobby furnishings to provide more space for circulation.
10. Rotate check stand 90 degrees
11. Add door to separate Energy Advisors and Lobby area.
12. Add another Inspector work station in Inspection Department.
13. Provide access to Inspection storage room from Inspection Leader's office.
14. Relocate Custodian; reduce Mechanical Room (if Mechanical room cannot be reduced – increase building length).
15. In lieu of providing an employee/catering entrance adjacent to the elevator provide an 8' paved surface from the parking lot to the entry/exit vestibule adjacent to Dispatch.
16. Reconfigure server rooms to move radio equipment to the southwestern most corner of this area (to reduce distance between tower and equipment)
17. Relocate communication tower to the southeast corner or the warehouse adjacent to Construction Department.
18. Change doors at both balconies to single leaf aluminum storefront system.
19. Increase balcony area at CEO unless stair "bump" can be removed.
20. Consider increasing area of exterior glass on west wall of the Board Room.
21. "Plan" for LED screen (no overhead projector) in Board Room. Coordinate with Dallas Hopkins.
22. Provide multiple lighting types and levels including dimming and switching to allow "darkness" at front of room. Lighting controls should be provided at the Board Room table at the south end.

23. Include access to power at all seats at the Board Room table.
24. Increase width of (2) overhead doors between inside and outside warehouse dock areas from 10' to 12'
25. Show locations where meters will be built and stored in warehouse. Plan for storage of 10' pipe length on cantilevered steel arms.
26. Show location of secured cabinets for hand tools in warehouse adjacent to office area.
27. Delete (2) pair of chain link gates where currently shown for water heater and ETS storage. Add a pair of 10' wide chain link gates (for full 20 foot wide opening) at the warehouse end of the storage area. Delete chain link separation between the two storage areas. Add a wallboard partition wall in ETS Storage to provide a 10' wide area for secured storage and ETS water heater parts storage.
28. Substitute a single 14" wide overhead door in lieu of the (2) smaller doors at the shipping/receiving dock at the warehouse.
29. Provide an employee entrance into the Warehouse on the south side (accessed from large employee parking area). If mechanical room cannot be reduced to accommodate entrance then increase length of warehouse.
30. Overhead doors shown at Vehicle Maintenance are drawn larger than 24' wide. When drawn properly there will be adequate space to add mandors on both sides adjacent to Vehicle Maintenance offices.
31. Add finished floor elevations to areas in warehouse for clarity.
32. All door hardware shall have lever handles in compliance with ADA guidelines.

When all parties had arrived, discussion continued on overall vehicular circulation requirements. The following notes were recorded:

1. SKRECC representatives provided John Carman with a drawing showing required clearances around fleet parking and fence location. Clearances have been increased from 60' to as much as 250' in some areas. This distance is based upon 40' vehicle, 60' pole, and need for one "unit" to have space to "clear" a second unit before beginning their turn.
2. Mr. Anderson stated 50 spaces are required at Fleet Parking. Spaces should be 12' x 40' each. This represents a 10 space, 60 foot increase to building length from previous plans – new building dimension will be 300 x 80.
3. Owner's representatives stated (2) "bays" in Fleet Parking be provided WITHOUT center separating partition for oversize vehicles to "pull through".
4. Consideration was given to use of compacted stone in the "increased" area of vehicular areas however Owner representatives stated the increased area would be required on a daily basis. Therefore it was agreed it was in the Owner's best interest to pave the increased areas.
5. John Carman was instructed to develop a plan locating fuel pumps between west end of the vehicle maintenance and fleet parking with (2) 18' wide vehicle lanes each side of the pumps; thus requiring a total of 80 feet between warehouse and fleet storage.
6. There was considerable discussion on the "pros and cons" of above versus below ground fuel tanks. In the final analysis on today's date, underground tanks seemed to be the best option to maximize available surface area for vehicle circulation and parking. Mr. Wilburn reminded SKRECC of importance for tanks to be installed and owned by SKRECC to prevent them from becoming "locked into" a single vendor.
7. Owner stated a 230 foot x 50 foot on grade concrete pad is necessary for pad mount transformer storage. Mr. Carman proposed locating this area adjacent to the north access drive.
8. At the meeting on 11.21.07 the Owner instructed the staff parking area adjacent to the warehouse showing 56 spaces be enlarged. Today, more specific instructions were provided including:
 - a. Increase total number of parking spaces from 56 to 105
 - b. Locate 45 of these spaces "outside" the secure fence.
 - c. Locate 60 spaces "inside" the secure fence.
 - d. 10 of the 60 spaces should be oversized (15' x 30')
9. Move the Communication tower to the southeast corner of the warehouse adjacent to Construction Department. The tower must be enclosed behind a fence – either free-standing enclosure unassociated with the warehouse security fence – or within the warehouse security fence.
10. Vehicular gates should be located at:

- a. One set of double gates to separate Office Building and Warehouse on BOTH sides of the Office Building
 - b. One set of double gates separating pole yard access drive and warehouse.
 - c. One set of double gates separating warehouse and "back" access drive.
 - d. Gates at Old Salts road are currently identified as "optional" – and are not currently being shown.
11. Mr. Carman and Mr. Wilburn informed recommended a separate meeting be scheduled in the near future to discuss design program for the amphitheatre. Mr. Wilburn informed the Owner he has instructed Mr. Carman to include basic grading requirements for terraced seating and to maximize opportunities for parking in the design documents.
 12. Courtyard area should be enclosed for security.
 13. All agreed the number of parking spaces located "inside" secure fencing should be minimized to prevent unnecessary traffic delays getting through security gates.
 14. Provide 100' all sides of pole storage pad and add 3 more pole racks (overall size = 380 feet x 270 feet)
 15. Provide 280 ft x 170 ft. "graded earth pad" for training area – locate beyond pole storage area.
 16. SKRECC provided instructions for locations and types of dumpsters:
 - a. Flip top cube for community room – enclosed with fence
 - b. Roll type unit for wood products at "headend" of gravel drive providing access to pole storage yard.
 - c. Roll type unit for metal located at end of exterior warehouse loading dock.
 - d. Flip top cube for general use between exterior stair and shipping/receiving dock.
 - e. Flip top cube for general use between Meter department and Vehicle Maintenance.
 17. Mr. Carman informed all present draining and drying the pond may require time consuming (6 month) permitting. Mr. Wilburn instructed Mr. Carman to research whether or not permitting is required and if so what it will take to drain/dry the pond and send him a report.
 18. Event parking must be increased to provide the maximum number of spaces. Parking must be accessed at a minimum of two locations from the main drive.
 19. Ms. Jacobs reviewed e-mail correspondence from Michelle Howlett dated 12.3.07 regarding determining the capacity of the emergency generator. Owner representatives stated the reference to needing at least one power outlet in each office on the generator might have been associated with need to use electrical space heaters when power is out when weather is cold. IF HVAC systems in critical areas can be connected to the generator these outlets might not be needed. Additional conversation required on this topic.
 20. Ms. Jacobs will contact Doug Conley to determine whether or not SKRECC is working with vendor for racking in warehouse.
 21. Ms. Jacobs will contact Danny West to determine forklift weights and maximum weight of stored materials in warehouse.

Ms. Jacobs presented three design options for the front elevation of the office building. She stated the colors shown on the drawing are not representative of those desired for use. Selection of brick is yet to be determined. Ms. Patterson noted brick used on District offices are General Shale products and are Brighton Tudor and Dutch Chocolate. They are in the "brown" family and not represented by the colored renderings of the District Offices, where are in the "red" family.

Modifications made to the elevations since those first presented on November 2.

- Addition of window along the Community Room elevation as a result of change to the interior floor plan.
- "Grouping" of windows into a series of "pairs" and/or single openings to provide more interesting architectural rhythm.
- Articulation of "window surround" utilizing one of various options including a dark glazed brick or cut stone
- Increased height to the main entrance "tower" and two options for placement of glazing at the tower. The two options for glazing are (1) continuous glass banding which would NOT include quoins on the corner of the tower and (2) "punched" glass openings and the inclusion of either dark glazed brick or cut stone quoins.
- Change to proposed signage on tower. The building would include a recessed stone panel area which would serve as the "backdrop" to applied manufactured, lit SKRECC signage utilizing the current logo.

Ms Patterson and Mr. Conley responded favorable to the revisions but also stated they would require additional time to identify which options were most pleasing.

Mr. Wilburn reminded all present he has instructed the design team to move forward on development of construction documents as quickly as possible. He has informed the design team he would like to have design development documents completed by mid January.

There being no further conversation the meeting adjourned. If any portion of the above Minutes have been recorded in error, or if any pertinent item has been omitted please bring it to the attention of Margaret Jacobs within 7 days of receipt.

Respectfully Submitted By:

Margaret Jacobs

Attachments: Revised Office Floor Plans (revisions include architectural floor plan items necessitated by Owner comments on pages 1 and 2 above)

C: All attending	Michelle Howlett
Amy Acton	Doug Cage
Jeff Greer	Craig Brown
Shannon Penniman	

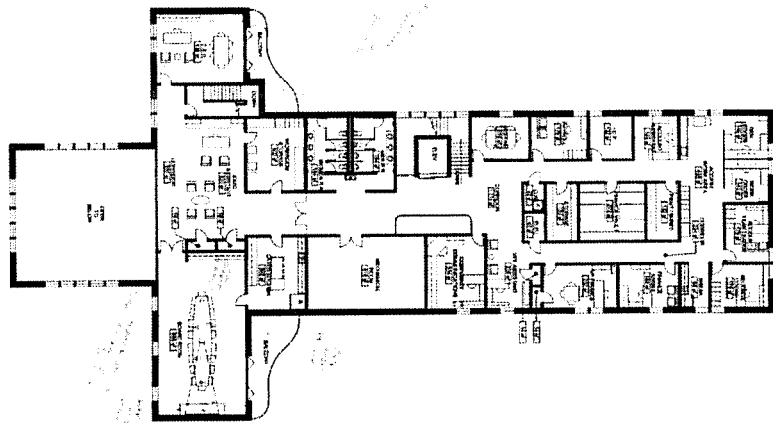
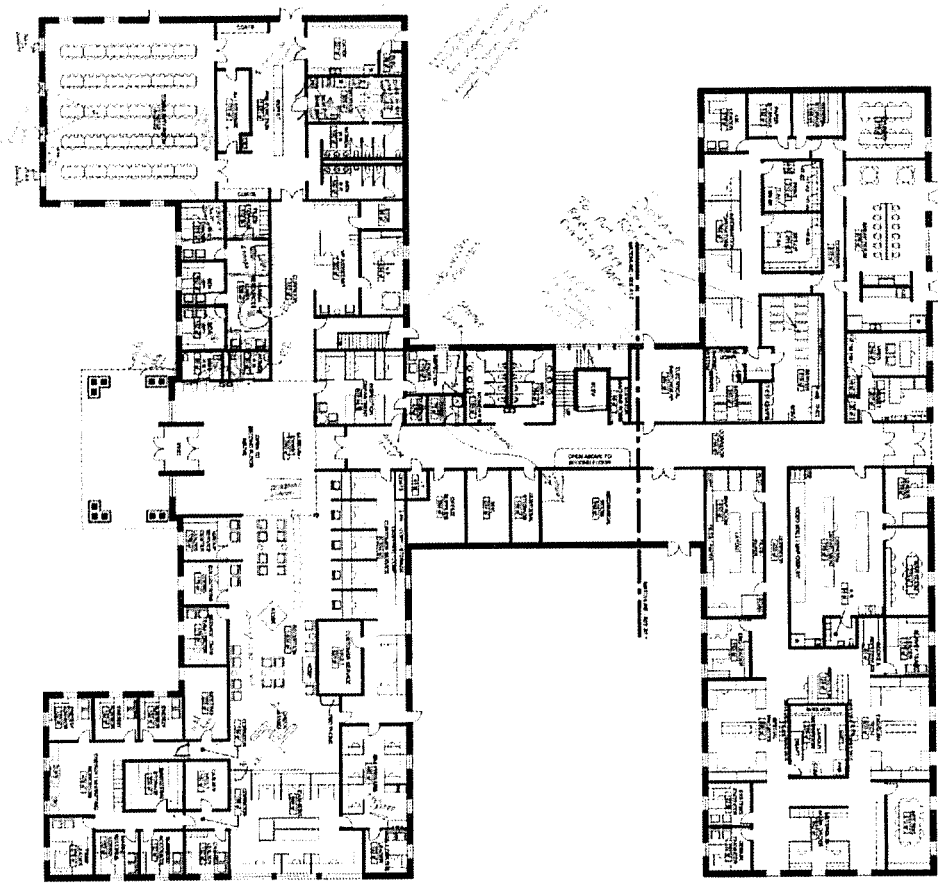
December 19, 2007



PROJECT: South Kentucky Rural Electric Co-Operative Corporation
Somerset Corporate Headquarters
RE: Owner – Design Team Meeting
Follow-up to 11.21.07 Site Design Meeting
MEETING AGENDA

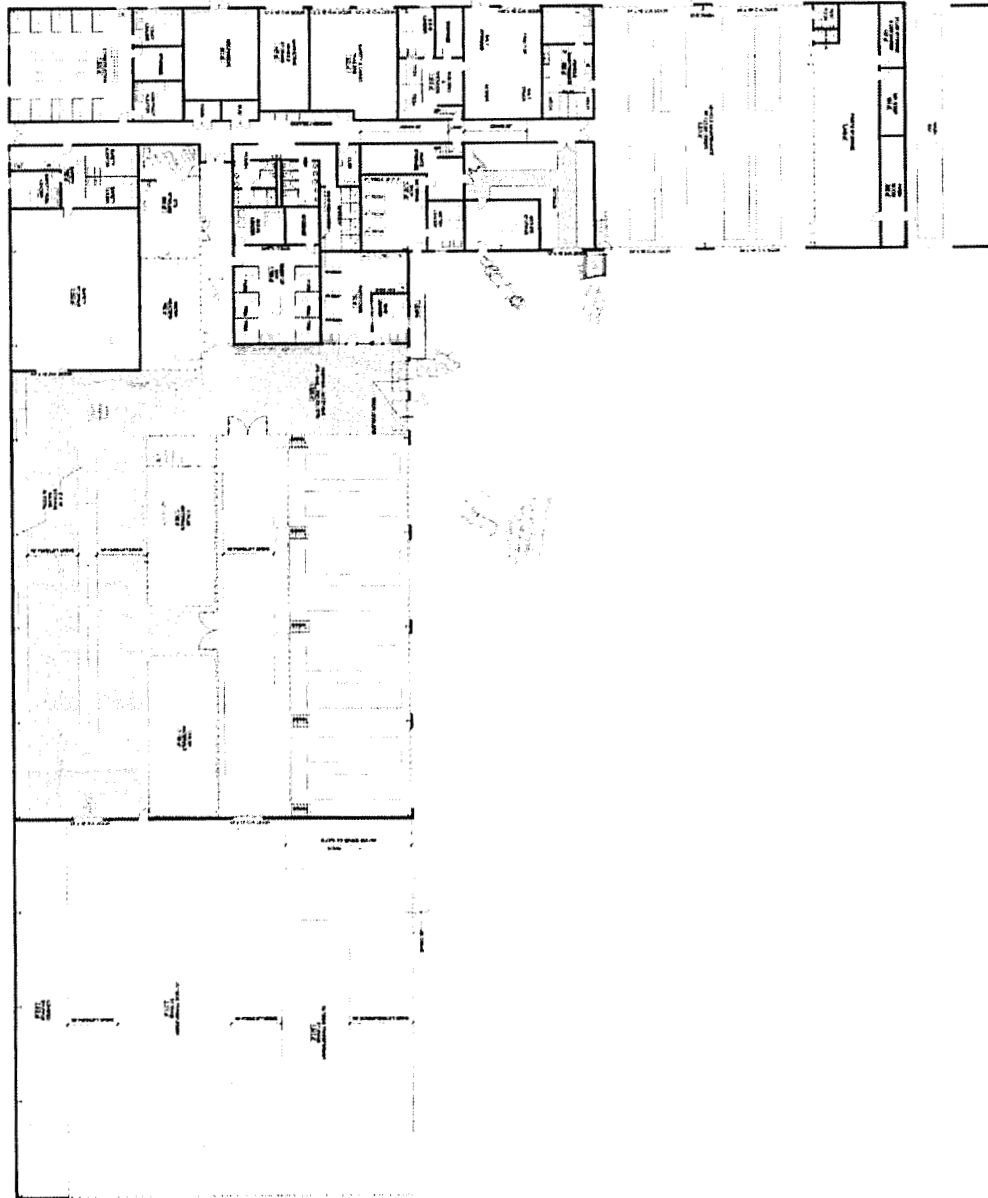
1. Introductory comments from Doug Wilburn

2. Outstanding Site Issues from 11.21.07
 - a. Overall Circulation, including truck movement around warehouse
 - b. Number of parking spaces. Request made to increase “56 space lot”.
 - c. Fuel Tank Locations. Carman requested to propose alternate location
 - d. Site Security. Carman requested to show gate locations per conversations on 11.21.07
 - e. Spatial requirements for pole storage and confirm slope.
 - f. Spatial (dimensional) requirements for pole climbing training
 - g. Location of Communications tower. Reference last correspondence on 12.4.07. Additional questions/comments?
 - h. Amphitheatre issues
 - i. Owner request to increase “graded portion” of site to maximum “reasonable” extends for annual meeting parking
 - i. Dumpster types and location

3. Other information requested on 11.21.07
 - a. List of equipment to be tied to emergency generator
 - i. Reference e-mail from Michelle Howlett on 12.17.07
 - b. Final Owner review of proposed warehouse plan.
 - i. Is SKRECC working with a racking vendor?
 - c. Confirm emergency generators will be diesel fuel type. Reference e-mail from Michelle on 12.3.07.
 - d. Owner request to modify Community room, add custodial storage area, and modify closet between her office and assistant’s office. Revised plan distributed via e-mail on 12.3.07.
 - e. Additional requests received to modify Community room on 12.13.07. Need to complete conversation at today’s meeting.
 - f. M. Jacobs to submit additional exterior building elevations for review.



	<p>OFFICE BUILDING - FLOOR PLANS</p> <p>CORPORATE OFFICE FACILITIES</p> <p>SOUTH KENTUCKY</p> <p>RURAL ELECTRIC COOPERATIVE CORPORATION</p> <p>SOMERSET, KENTUCKY</p>		<p>D.W. Wilbur, Inc.</p> <p><small>General Contractors & Construction Management</small></p> <p><small>1000 S. 10th Street, Suite 100</small></p> <p><small>Franklin, KY 40522</small></p>	<p>P. CARMAN</p> <p><small>Architect</small></p> <p><small>1000 S. 10th Street, Suite 100</small></p> <p><small>Franklin, KY 40522</small></p>	<p></p> <p><small>RURAL ELECTRIC COOPERATIVE CORPORATION</small></p> <p><small>1000 S. 10th Street, Suite 100</small></p> <p><small>Franklin, KY 40522</small></p>
	<p>low hill Hoops Agency</p> <p><small>1000 S. 10th Street, Suite 100</small></p> <p><small>Franklin, KY 40522</small></p>	<p>Starns + Kribben</p> <p><small>Structural Engineers</small></p> <p><small>1000 S. 10th Street, Suite 100</small></p> <p><small>Franklin, KY 40522</small></p>	<p>cdpengineers</p> <p><small>1000 S. 10th Street, Suite 100</small></p> <p><small>Franklin, KY 40522</small></p>		



SPACE PROGRAM

**South Kentucky Rural Electric Co-Operative Corporation
Somerset Corporate Offices
Somerset, Kentucky**

Owner

**South Kentucky RECC
925-929 North Main Street
Somerset, Kentucky 42501**

Contractor

**D. W. Wilburn, Inc.
153 Blue Sky Parkway
Lexington, Kentucky 40509**

Architect

**Tate • Hill • Jacobs: Architects, Inc.
346 East Main Street
Lexington, Kentucky 40507**

Date: September 4, 2007

TABLE OF CONTENTS

President & CEO

MEMBER SERVICES AND PUBLIC RELATIONS

Vice President: Member Services and Public Relations

Customer Service Representatives

Call Center

Cashiers

Energy Advisors

Corporate Communications

Human Resources

Community Room

Meter Readers

Buildings and Grounds

FINANCE

Vice-President: Finance

Finance and Accounting

Information Management

Warehouse

ENGINEERING AND OPERATIONS

Vice President: Engineering & Operations

Dispatch

Inspection

Engineering

Surveying

Construction

Metering

Safety

Right of Way

Vehicle Maintenance

VICE PRESIDENT: MEMBER SERVICES AND PUBLIC RELATIONS

SPACE TYPE	NUMBER OF SPACES REQ'D	SUGGESTED SPACE WIDTH	SUGGESTED SPACE LENGTH	NET AREA	TOTAL AREA	COMMENTS
ENCLOSED OFFICES						
VP Member Services & PR Ruby Patterson	1	12	20	240	240	Equip: P C
OPEN SYSTEM OFFICES						
Assistant to VP Connie Wilson	1	12	12	144	144	Equip: P C 3 sided work station with flip-top overshelf/light (2) 2 drawer file cabinets in addition to desk files
PUBLIC SPACE REQUIREMENTS						
Waiting / Work Area						Equip: PR CP F Seating for 2 guests
SUPPORT/STORAGE REQUIREMENTS						
Storage Closet/Cabinet	1	2	4	8	8	Cell Phone storage/management
VP Closet	1	3	5	15	15	General Storage
TOTAL NET SQUARE FEET					407	

NOTES:

The VP of Member Services and Public Relations oversees Customer Service Reps, Call Center, Cashiers, Energy Advisors, Human Resources, Corporate Communications, and Buildings and Grounds. This office is best located on the Ground Floor of the Corporate Office Building.

EQUIPMENT CODES:

P = phone
 C = computer
 F = fax

PJ = overhead projector
 CP = copy machine
 PR = printer
 R = Desk set Radio

RE: **Design Meeting**
PROJECT: **South Kentucky Rural Electric Cooperative Corporation
New Corporate Offices, Warehouse & Site Development**
ARCHITECT'S PROJECT NO.: **0709**
DATE: **November 21, 2007**

ATTENDING:

Ruby Patterson Vice President Member Services and Public Relations
Steve Conover Vice President Engineering & Operations
Jeff Greer Vice President Finance
Margaret Jacobs Architect, Tate Hill Jacobs

A design meeting was held at SKRECC Somerset Office on November 2, 2007. Those attending are as indicated above. Ms. Jacobs informed all present the goal of today's meeting was to secure Owner approval of the Office Floor Plan and to discuss the proposed elevations and building isometric presented for the first time on today's date.

Ms Jacobs directed attention to the following plan changes made in response to comments received in the meeting held on October 11:

OFFICE BUILDING PLAN CHANGES

A. General

- a. The Gross square footage of the Building has increased to primarily as a result of the relocation of the electrical room on the ground floor to accommodate change in location of mail/office storage and the relocation of VPEO & Assistant to the west side of the back wing and increase in exterior wall thickness:
 - a. Ground Floor: 35,442
 - b. Second Floor: 12,040
 - c. TOTAL: 47,482 (represents a gross increase in the amount of 2,730)
- b. The Community Room design has been changed to meet the Owner's current program requirements. The meeting room has been divided into (2) "self-contained" meeting areas that both have a warming kitchen, restrooms and storage areas.
- c. One of the storage rooms includes a Refrigerator and Ice machine dedicated to SKRECC use.
- d. Provisions for overhead projectors and projection screens are shown for both rooms.

B. Member Services and Public Relations Groups

- a. Mail and Supply rooms have been moved closer to VP Assistant work area
- b. One-way glass is shown between Cashier Leader and Cashier/Drive thru work areas.
- c. Base cabinets and overhead monitor have been added in call center where undercounter refrigerator and coffee will be located.

C. Engineering and Operations Groups

- a. An additional work station has been provided for Special Projects. The configuration of this area is a "mirror-image" of staking on the opposite side of the room to provide a more collaborative type arrangement.
- b. Materials & Work Order areas have been moved to the window per request.
- c. VPEO and Assistant offices have been moved to the opposite side of the east/west corridor
- d. VPEO Assistant work area includes location of printer, files, and tall storage cabinet.

D. Second Floor:

- a. A meeting room and break area have been provided for the Finance Department
- b. The closet previously shown in the catering Kitchen has been eliminated. Closets have been added between the Board Room and Reception area.
- c. An island has been added to the catering kitchen
- d. An additional window has been added to the CEO's office.

- e. No change has been made to the number of plumbing fixtures on this floor – attention was directed to (2) small closets that will be added for electrical panels and custodial services.

Owner comments submitted following review of the new plans included:

- A. General
 - a. The Community room projector and projector screen locations need to be adjusted in the "back half".
- B. Member Services and Public Relations Groups
 - a. An interior window should be located between the Call Center Leader Office and the Call Center.
 - b. The small closet "inside" the Office Supply room should be labeled IT – not Mail.
- C. Engineering and Operations Groups
 - a. Mr. Conover confirmed a copy machine is not required in the work are of the VPEO Assistant since there will be one close by (Map Room, Dispatch, or IT).
 - b. Mr. Conover requested the VPEO Assistant work are be enclosed with full height walls and provided with an exterior window if possible.
 - c. Mr. Conover requested the VPEO Assistant work area be provided with a wider work area and also requested closets be added for both areas.
 - d. Mr. Conover stated it would not be desirable to have a direct view from his window of an exterior "social gathering" area – passive view of landscape would be preferred.
 - e. *Mr. Conover submitted additional requests/comments via a telephone conversation later in the day including:*
 - 1. *Location of System and Design Engineer should be "switched" with the location of the meeting room in the Engineering department.*
 - 2. *There will be "extra" cooling load imposed in Dispatch by the equipment. Doug Cage will need to review.*
 - 3. *Continuous work stations in Dispatch will need to be detailed and coordinated with the Team Leader*
 - 4. *The Dispatch team leaders office should be enlarged – it is acceptable to reduce size of war room if necessary.*
 - 5. *Add a second door to the Engineering Workroom.*
- D. Second Floor comments:
 - f. Mr. Greer requested the arrangement of rooms on the North side of the Finance Department be changed. Starting near the stairs, the order of rooms should be Meeting Room, Payroll office, Communications Closet, Account Assistant work space.
 - g. Following lengthy discussion it was agreed the second floor CEO receiving area should be fully acoustically separated from the open lobby on the Ground Floor. Amy Acton suggested use of patterned/decorative glass should be considered.
 - h. Doors should be added in the Corridor to provide an acoustic separation between the CEO receiving area and Finance Department.

Ms. Jacobs inquired if the Owner was ready to approve the plans following review of revisions. Mr. Greer stated he would like to see changes requested at today's meeting in the Finance Department before committing. Mr. Patterson stated she would like to review the revised floor plan with Team Leader's before acceptance. Mr. Conover stated he would like to see changes requested at today's meeting related to the VPEO and Assistant offices and confirmation that all existing files and equipment "fit" before approving.

Ms. Jacobs presented two views of the exterior building elevations including the front/east elevation and the side/south elevation. Comments included:

- 1. Ms. Patterson expressed reservation on the proposed continuation of the standing seam metal roof onto a continuous fascia.
- 2. Mr. Conover and Mr. Greer expressed reservation on the lack of any window penetrations on the front/east elevation of the Community Room.

3. Ms. Patterson confirmed there should be (2) traffic lanes at the drive-thru service.
4. All present seemed to approve of the configuration and appearance of the Main Entrance, including the proposed covered porch.
5. Ms. Jacobs proposed using two brick colors as a way of defining "building masses" as opposed to using them for horizontal banding as they have been used on District Offices. This would allow use of colored mortar and would enhance the understanding of the building as a composition of volumes.

Ms. Jacobs requested Owner representatives provide specific requests for changes &/or identify elements of the proposed exterior building elevations which are not acceptable OR indicate a general acceptance of the proposed elevations and roof lines at which time all remaining building elevations will be presented for Owner review/comments. Owner representatives indicated they would respond to Ms. Jacobs request within a week.

There being no further conversation the meeting adjourned. If any portion of the above Minutes have been recorded in error, or if any pertinent item has been omitted please bring it to the attention of Margaret Jacobs within 7 days of receipt.

Respectfully Submitted By:

Margaret Jacobs

C: All attending
Amy Acton
Allen Anderson
Doug Wilburn
Shannon Penniman
John Carman
Michelle Howlett
Doug Cage
Craig Brown

RE: Design Meeting
PROJECT: South Kentucky Rural Electric Cooperative Corporation
New Corporate Offices, Warehouse & Site Development
ARCHITECT'S PROJECT NO.: 0709
DATE: November 21, 2007

ATTENDING:

Steve Conover	Vice President Engineering & Operations
Jeff Greer	Vice President Finance
Joe Langdon	Information Management Team Leader
Tony Tupman	Meter Shop Team Leader
Margaret Jacobs	Architect, Tate Hill Jacobs

Ms. Jacobs met at SKRECC on November 7 with the following individuals for the purpose stated:

1. Joe Langdon to inventory equipment and furnishings associated with Information Management
2. Steve Conover to review plan revisions made in response to comments from the 11.2.07 meeting
3. Jeff Greer to review plan revisions made in response to comments from the 11.2.07 meeting
4. Tony Tupman to obtain a better understanding of the needs of the Meter Shop.

The meeting with Joe Langdon included a review of all areas currently proposed for the Information Management department. Discussion included:

1. Review of Mr. Landon's proposed floor plan for the Server room (attached with notes taken during meeting)
2. The server room should be subdivided into (3) areas as indicated including a console room, "high security" server room (main data server) and "lesser security" server room where phone system, radio system, and security system racks will be located.
3. Mr. Langdon directed attention to recommended orientation of racks (front to front) and backs should be located directly below an exhaust grille.
4. Mr. Langdon stated phone and data jack should be provided at ALL copy machine locations in the event they purchase copiers that also have fax/scanning capability.
5. Tables in the training room should be pre-wired for data and have power source for each seat.
6. The training room should be equipped with an overhead projector.
7. Provisions should be included throughout the building for wireless operation of systems.
8. Provide doors to separate IM from other areas (primarily for acoustic separation)
9. All Computers need to have access to "dedicated" power outlets. No computer should be required to get power from a circuit where a shredder or similar type of equipment is located. Ms. Howlett to review and make recommendation (color coding of dedicated outlets likely solution).
10. Mr. Landgon stated "at a minimum" all equipment in Dispatch and Server rooms must be provide with UPS. (and any power operated restroom fixtures).

Questions requiring additional owner conversation/determination:

1. Mr. Langdon stated he was uncertain whether or not Customer Service equipment would be connected to a UPS system located in their area or if it would be connected to a UPS in one of the server rooms.
2. Mr. Langdon requested Michelle Howlett's recommendation for connection of IDF racks to UPS system (should it be connected back at the main server room or locally AT the IDF?)
3. Confirm Michelle Howlett recommends data cabling terminating on rack in lieu of wall panels.
4. Mr. Langdon reminded Ms. Jacobs there is a need for shredders to be located throughout the building. Some offices have "office shredder" – however there are also larger shredders which need to be "placed" on the plan.

Following discussion with Mr. Landgon, Ms. Jacobs inventoried all visible equipment and furnishing located in areas currently designated for use by Information Management. A listing by room (with key plan of existing conditions) is attached for Owner review and comment.

Ms. Jacobs met with Mr. Conover to review changes made to the Office floor plan in response to comments from the 11.2.07 meeting. Discussion included:

1. Revised plan of VPEO and Assistant areas is acceptable
2. Change in location of System and Design Engineer with meeting room acceptable
3. *Other changes requested on 11.2.07 have been superseded by floor plan changes received from Mr. Conover on 11.13.07 including increase in size of Dispatch – reducing the size of Engineering/Survey department. Copy of Owner submitted changes attached.*

Ms. Jacobs met with Mr. Greer to review changes made to the Office floor plan in response to comments from the 11.2.07 meeting. Mr. Greer stated all changed were acceptable and had no additional comments or requests at the time.

Ms. Jacobs met with Mr. Tupman to discuss the Meter Shop. The Warehouse floor plan has been revised to accommodate change in location and access to "on-grade" areas by the Meter Shop. The Meter shop has been moved to where Buildings and Grounds was previously located and also encroaches into the area previously designed for Right of Way. Characteristics of the revised Meter Shop plan include:

- a. Exterior "on-grade" access is provided for "outside contractors" into "secure storage", thru a 10' x 10' Overhead door, and thru a standard "man-door" into the meter work area.
- b. Comparison of existing and new is:
 1. Existing "Warehouse" is 705 SF; Proposed new is 1000 SF
 2. Existing Secure Storage is 314 SF; Proposed new is 364 SF
 3. Existing Office area is 680; Proposed new is 650 SF
- c. Access to interior restrooms is via short set of stairs to the interior corridor.

Additional revisions to the warehouse floor plan include:

1. Lockers are provided in both Construction Department and Shower rooms
2. Right of Way has been moved to the space previously occupied by the Meter Shop.
3. Buildings & Grounds has been moved to the North side of the warehouse adjacent to Vehicle Maintenance
 - a. The entire department is located "on grade"
 - b. Access to interior restrooms is via short set of stairs to the interior corridor.
4. Safety Trailer, Cargo Trailer, and Marketing Vehicle Storage have all "shifted" east to accommodate new location of Buildings & Grounds.
5. Restrooms and Showers have been relocated to the "core" of the warehouse but remain accessible when the warehouse is closed.
6. The overhead door between Safety and the warehouse has been change to 10' width as instructed.
7. A custodian's room has been added adjacent to restrooms and showers
8. Areas have been defined for Electrical and Communication systems.

Respectfully Submitted By: Margaret Jacobs

Attachments: Revised Office Floor Plan
Information Management Equipment Plans (new and existing) and Inventory
Revised Warehouse Floor Plan

C: Amy Acton	John Carman
Allen Anderson	Michelle Howlett
Doug Wilburn	Doug Cage
Shannon Penniman	Craig Brown



**RESPONSE TO COMMISSION STAFF'S
SUPPLEMENTAL DATA REQUEST**

- Q. 10. Refer to "Issue 5" of the revised application.
- a. What is the source of the square footage amounts indicated for Inter-County and Owen Electric? Provide any and all documentation relating to this response.
 - b. Did representatives of South Kentucky tour the facilities of Inter-County and Owen Electric?
 - c. The total square feet under the column "South Kentucky/Square Footage" totals 16,676 sq. ft. South Kentucky's proposed office building is 46,060 sq. ft. Fully explain and reconcile the difference between these two figures.
- R. 10(a) We requested copies of the floor plan from Inter County Energy and Owen Electric. Pages 2 thru 5 of 5. Those plans were used to determine the square footage of the areas considered to be the most common to the three cooperatives for comparison purposes. Full plans should be on file for Inter County Energy PSC Case Number 2003-00353 and Owen Electric 2002-00175.
- R. 10(b) Yes
- R. 10(c) The intended purpose of the Issue 5 schedule was to compare the square footage assigned to similar job titles, duties, and functions within the three cooperatives used in the comparison. There are many differences in the services provided to the members and employees of each of the cooperatives represented, such as electrical inspections, 24 hour dispatch center, wellness center, and human resources so the Issue 5 schedule is only representative of the most common areas of the three cooperatives.

A NEW FACILITY
FOR

OWEN ELECTRIC

8205 HIGHWAY 127 NORTH
SPARTA, KENTUCKY 41086

PROJECT DIRECTORY

ARCHITECT AND CIVIL ENGINEER

CDS
CONSULTING DESIGN SERVICES
2100 N. W. 11th St.
Burlington, FL 32610
TEL: 352-333-1111
FAX: 352-333-1112
WWW.CDS-FL.COM

STRUCTURAL ENGINEER

OS
O'CONNOR & SONS
INCORPORATED
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Burlington, FL 32610
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FAX: 352-333-1112
WWW.OS-FL.COM

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AND FIRE PROTECTION ENGINEER**

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MUSEUM AND WAYFINDING DESIGN

B
BROWNSTONE
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Burlington, FL 32610
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FAX: 352-333-1112
WWW.B-FL.COM

CODE SUMMARY

CODE REFERENCE SUMMARY

2015 INTERNATIONAL RESIDENTIAL CODE, INCLUDING THE
2015 INTERNATIONAL ENERGY EFFICIENCY CODE AND THE 2015 INTERNATIONAL
2015 INTERNATIONAL MECHANICAL, ELECTRICAL, PLUMBING AND FIRE PROTECTION CODE

PROJECT DESCRIPTION

THIS PROJECT CONSISTS OF CONSTRUCTION OF A NEW 127,000 SQ. FT. COMMERCIAL OFFICE AND RETAIL
BUILDING WITH 127,000 SQ. FT. OF OFFICE SPACE AND 127,000 SQ. FT. OF RETAIL SPACE.
THE PROJECT IS SCHEDULED TO BE COMPLETED BY 12/31/2015.

GENERAL NOTES

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2015 INTERNATIONAL
2. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2015 INTERNATIONAL
3. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2015 INTERNATIONAL

CONSTRUCTION TYPE

1. CONSTRUCTION TYPE: TYPE I
2. CONSTRUCTION TYPE: TYPE II
3. CONSTRUCTION TYPE: TYPE III

BUILDING HEIGHT AND AREA

1. BUILDING HEIGHT: 127 FT.
2. BUILDING AREA: 127,000 SQ. FT.

MECHANICAL SYSTEMS

1. MECHANICAL SYSTEMS: TYPE I
2. MECHANICAL SYSTEMS: TYPE II
3. MECHANICAL SYSTEMS: TYPE III

ELECTRICAL SYSTEMS

1. ELECTRICAL SYSTEMS: TYPE I
2. ELECTRICAL SYSTEMS: TYPE II
3. ELECTRICAL SYSTEMS: TYPE III

PLUMBING SYSTEMS

1. PLUMBING SYSTEMS: TYPE I
2. PLUMBING SYSTEMS: TYPE II
3. PLUMBING SYSTEMS: TYPE III

FIRE PROTECTION SYSTEMS

1. FIRE PROTECTION SYSTEMS: TYPE I
2. FIRE PROTECTION SYSTEMS: TYPE II
3. FIRE PROTECTION SYSTEMS: TYPE III

INTERIOR FINISHES

1. INTERIOR FINISHES: TYPE I
2. INTERIOR FINISHES: TYPE II
3. INTERIOR FINISHES: TYPE III

EXTERIOR FINISHES

1. EXTERIOR FINISHES: TYPE I
2. EXTERIOR FINISHES: TYPE II
3. EXTERIOR FINISHES: TYPE III

PAVING SYSTEMS

1. PAVING SYSTEMS: TYPE I
2. PAVING SYSTEMS: TYPE II
3. PAVING SYSTEMS: TYPE III

LANDSCAPE SYSTEMS

1. LANDSCAPE SYSTEMS: TYPE I
2. LANDSCAPE SYSTEMS: TYPE II
3. LANDSCAPE SYSTEMS: TYPE III

WATER SUPPLY SYSTEMS

1. WATER SUPPLY SYSTEMS: TYPE I
2. WATER SUPPLY SYSTEMS: TYPE II
3. WATER SUPPLY SYSTEMS: TYPE III

SEWERAGE SYSTEMS

1. SEWERAGE SYSTEMS: TYPE I
2. SEWERAGE SYSTEMS: TYPE II
3. SEWERAGE SYSTEMS: TYPE III

STORM DRAINAGE SYSTEMS

1. STORM DRAINAGE SYSTEMS: TYPE I
2. STORM DRAINAGE SYSTEMS: TYPE II
3. STORM DRAINAGE SYSTEMS: TYPE III

TELEPHONE SYSTEMS

1. TELEPHONE SYSTEMS: TYPE I
2. TELEPHONE SYSTEMS: TYPE II
3. TELEPHONE SYSTEMS: TYPE III

DATA SYSTEMS

1. DATA SYSTEMS: TYPE I
2. DATA SYSTEMS: TYPE II
3. DATA SYSTEMS: TYPE III

VIDEO SYSTEMS

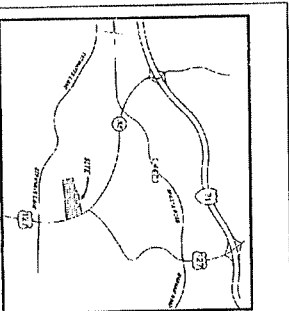
1. VIDEO SYSTEMS: TYPE I
2. VIDEO SYSTEMS: TYPE II
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AV SYSTEMS

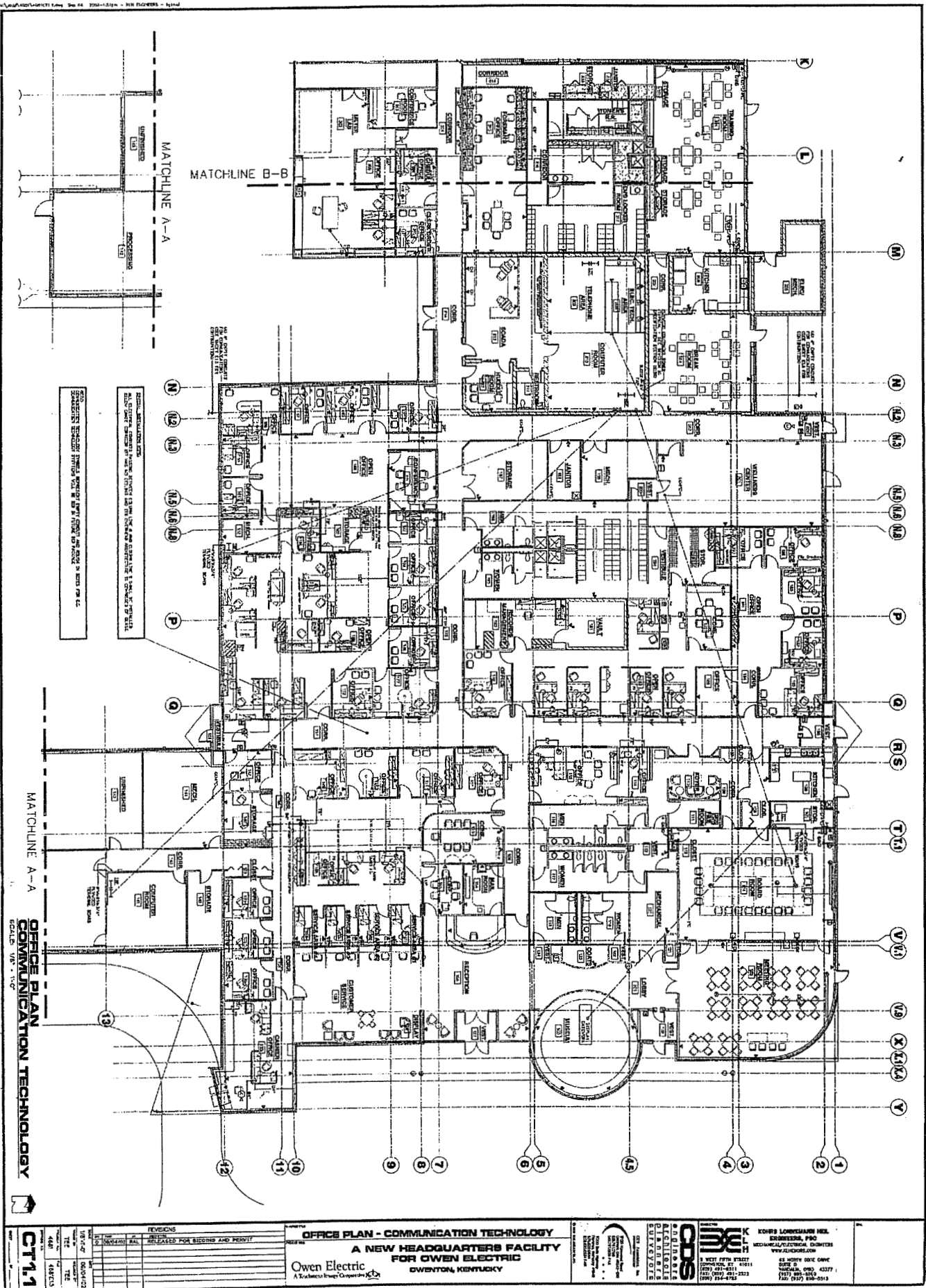
1. AV SYSTEMS: TYPE I
2. AV SYSTEMS: TYPE II
3. AV SYSTEMS: TYPE III

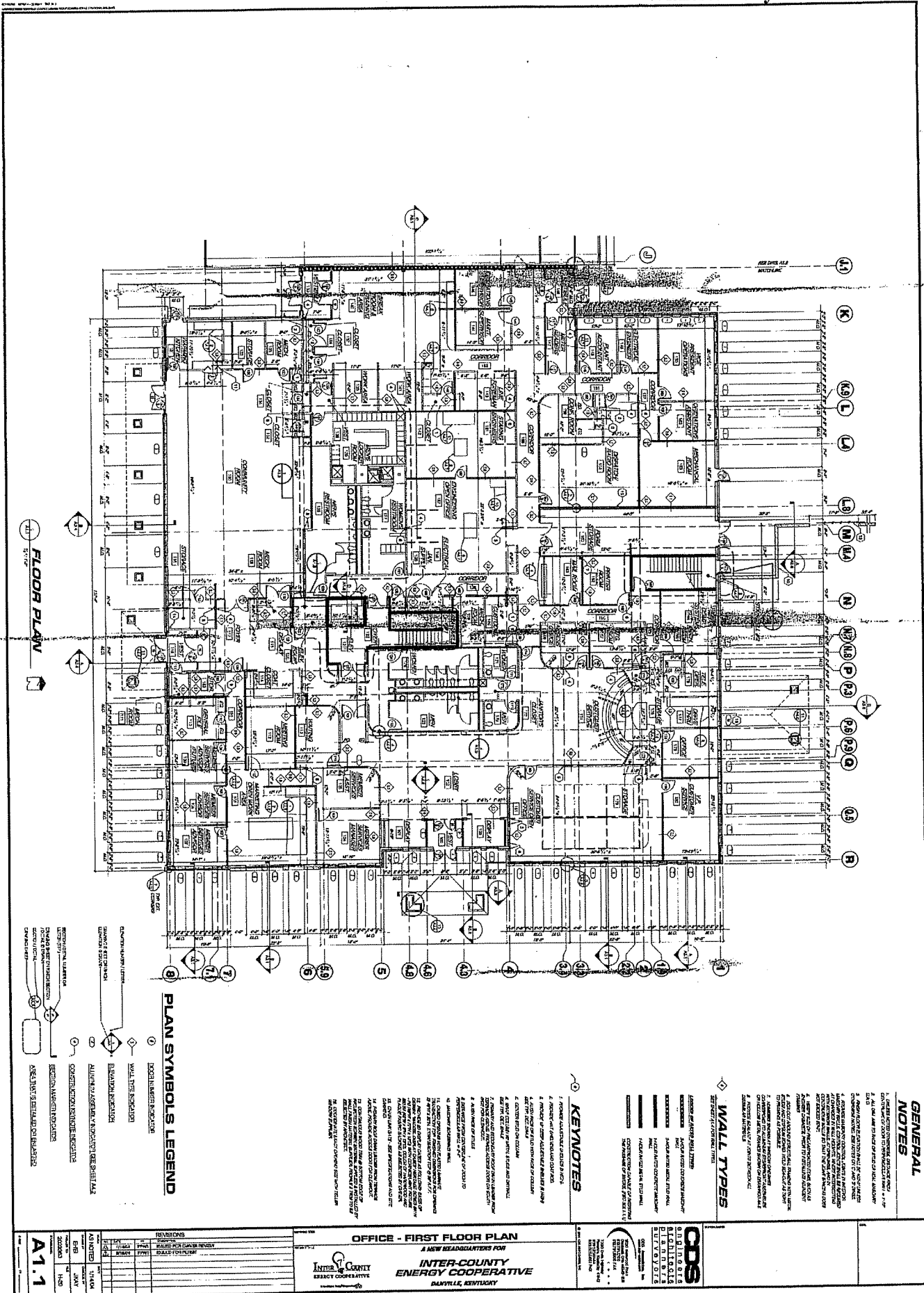
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VICINITY MAP





FLOOR PLAN

- PLAN SYMBOLS LEGEND**
- ① INDEX NUMBER INDICATOR
 - INDEX NUMBER INDICATOR
 - WALL TYPE INDICATOR
 - ◇ EVALUATION INDICATOR
 - ALIEN TO ALIEN VENTILATION SERVICE AIR
 - CONCRETE/REINFORCED CONCRETE
 - SECTION MARKER INDICATOR
 - ASSEMBLY SEPARATION OR PARTITION

KEYNOTES

1. POWER DISTRIBUTION PANELS IN 101
2. POWER AND FUEL DISTRIBUTION PANELS
3. POWER AND FUEL DISTRIBUTION PANELS
4. POWER AND FUEL DISTRIBUTION PANELS
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49. POWER AND FUEL DISTRIBUTION PANELS

WALL TYPES

- 1. EXTERIOR BRICK WALL
- 2. EXTERIOR CONCRETE BLOCK WALL
- 3. EXTERIOR CONCRETE BLOCK WALL
- 4. EXTERIOR CONCRETE BLOCK WALL
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GENERAL NOTES

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OFFICE - FIRST FLOOR PLAN
A NEW HEADQUARTERS FOR
INTER-COUNTY ENERGY COOPERATIVE
DANVILLE, KENTUCKY

CSBS
CONSTRUCTION SERVICES
BIRMINGHAM, AL
35203-3015

REVISIONS

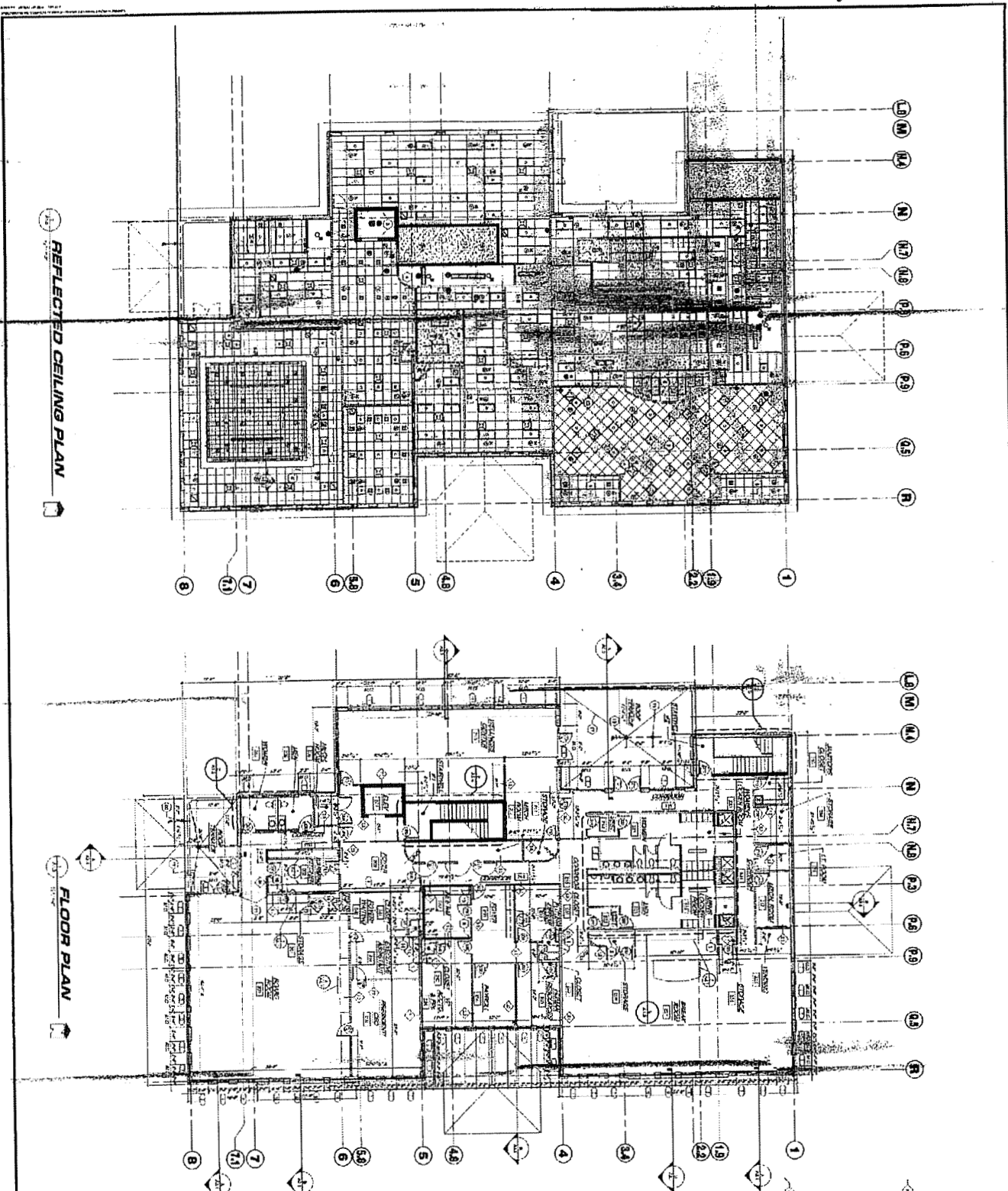
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DESIGNED BY: CSBS
DRAWN BY: JMW
CHECKED BY: JMW
DATE: 11/14/00

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REFLECTED CEILING PLAN

FLOOR PLAN



GENERAL NOTES

- 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
- 2. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL ELECTRICAL CODE AND THE NATIONAL MECHANICAL CODE.
- 3. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL PLUMBING CODE AND THE NATIONAL GAS CODE.
- 4. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL FIRE PROTECTION ASSOCIATION (NFPA) HAZARD IDENTIFICATION GUIDE.
- 5. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NATIONAL SAFETY COUNCIL (NSC) SAFETY STANDARDS.

WALL TYPES

- 1. 1/2" GYPSUM BOARD ON STUDS
- 2. 5/8" GYPSUM BOARD ON STUDS
- 3. 1/2" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION
- 4. 5/8" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION
- 5. 1/2" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION
- 6. 5/8" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION
- 7. 1/2" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION AND FIRE RESISTANCE
- 8. 5/8" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION AND FIRE RESISTANCE

KEYNOTES

- 1. REMOVE EXISTING WALL AND REBUILD WITH 1/2" GYPSUM BOARD ON STUDS.
- 2. REMOVE EXISTING WALL AND REBUILD WITH 5/8" GYPSUM BOARD ON STUDS.
- 3. REMOVE EXISTING WALL AND REBUILD WITH 1/2" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION.
- 4. REMOVE EXISTING WALL AND REBUILD WITH 5/8" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION.
- 5. REMOVE EXISTING WALL AND REBUILD WITH 1/2" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION.
- 6. REMOVE EXISTING WALL AND REBUILD WITH 5/8" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION.
- 7. REMOVE EXISTING WALL AND REBUILD WITH 1/2" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION AND FIRE RESISTANCE.
- 8. REMOVE EXISTING WALL AND REBUILD WITH 5/8" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION AND FIRE RESISTANCE.

LEGEND

- 1. 1/2" GYPSUM BOARD ON STUDS
- 2. 5/8" GYPSUM BOARD ON STUDS
- 3. 1/2" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION
- 4. 5/8" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION
- 5. 1/2" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION
- 6. 5/8" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION
- 7. 1/2" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION AND FIRE RESISTANCE
- 8. 5/8" GYPSUM BOARD ON STUDS WITH FIBERGLASS INSULATION AND SOUND ATTENUATION AND FIRE RESISTANCE

OFFICE - SECOND FLOOR PLAN

A NEW HEADQUARTERS FOR
INTER-COUNTY ENERGY COOPERATIVE
 DANVILLE, KENTUCKY

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