Commonwealth of Kentucky
Transportation Cabinet
Frankfort, Kentucky 40622

Maxwell C. Bailey
Secretary of Transportation

Ernie Fletcher
Governor

MEMO

Date: December 18, 2003

To: Bob Lewis
Division of Construction

From: Rick Stansel
Division of Contract Procurement

Re: Montgomery/Bath County - PCN 030706
STPR 5256 (15)
The Walker Company of Kentucky, Inc.

Accompanying this memo is your copy of the Detailed Plan/Subcontract Requests, Sub-Contract Agreements and Certificates of Insurance for this project. The established goal for this project was 6%. Contract Procurement has reviewed and approved 7.43%. A work order was issued for this project on December 15, 2003.

CC: Dexter Newman
Arthur McKee

2003 DEC 19 A 8:38
DIV. OF CONSTRUCTION

KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
DIVISION OF CONSTRUCTION
DBE Detailed Plan/SUBCONTRACT REQUEST

Reviewed + Approved: RS 12/2/03 alh

TC 63-35DBE
Rev. 06/11/02

PROJECT CODE NO : 03-0706
DBE Firm/Subcontract # : 1
TO : Rick Stansel
Executive Director Division of Contract Procurement
FROM : The Walker Company of Kentucky, Inc.
Prime Contractor

SUBJECT : Montgomery-Bath (County) STPR 5256 (15) (Project Number)

I hereby request to utilize for DBE participation a portion of the subject project to:
N.H. Stone, Inc. of P.O. Box 239. Sharpsburg, KY 40374
DBE Employer Identification Numbers: Federal 61-0675026 KY 70049
The amount to be subcontracted by this request is DBE $514,387.46 or 4.04% Contract $514,387.46 or 4.04% of the
(original contract) or a subcontract amount of $ 12,729,853.09 $12,729,853.09

I have previously requested approval for subcontracts or agreements with other DBE as follows:

Name of DBE firm	DBE Amount	DBE %	Contract "Worth" Amount	Contract %
Totals based on original contract Amounts	$514,387.46	4.04%	$514,387.46	4.04%

This section applicable if DBE firm is also a Subcontractor of work on Project:
This subcontractor has been furnished a copy of Appendix B of 49 CFR Part 29 and advised to include the Certification in all lower tier covered transactions and in all solicitations for lower tier transactions (Federal Aid Contracts only).

The proposed subcontractor is on the Department's list of qualified contractors and has current insurance coverage: Policy Number C0979X7846, 810979X7846, CUP979X7846, 1041, 79815122 with
Palmer & Cay, Inc. (Name of Insurance Company) which expires on January 1, 2004 (Date)

Thomas L. Jones
Prime Contractor's Signature

11/25/03
Date

Recommended by Office of Minority Affairs Signature

Date Recommended by Office of Minority Affairs

KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
DIVISION OF CONSTRUCTION
DBE Detailed Plan/SUBCONTRACT REQUEST

TC 63-35 DBE
Rev. 04/16/02

Project Code Number (PCN) 03-0706 Prime Walker Company of Kentucky DBE Firm N.H. Stone, Inc.

(*) When description is limited by such as "Laying Only" "Erection Only" "Manipulation Only" etc. it should be so indicated and explained.

(**) When the quantity is not the entire amount of (Contract) or (Sub-Contract) estimate, limitations by stations must be shown or definitely designated in some suitable, positive manner.

Unit prices using Contract Unit Price should be for Bid Unit Price for work to be performed by Sub Contractor. DBE Unit price should be for the agreed upon price for item or portion of item of contract work.

DBE Participation Non-Pay Estimates Work Items

Description	Total Contract Quantity	Unit	DBE Unit Price	Dollar Amount based on DBE Price	Comments

Page Total

KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
DIVISION OF CONSTRUCTION
DBE Detailed Plan/SUBCONTRACT REQUEST

Project Code Number (PCN): **03-0706** DBE Firm **N.H. Stone, Inc.**

(*) When description is limited by such as "Laying Only" "Erection Only" "Manipulation Only" etc. it should be so indicated and explained.

(**) When the quantity is not the entire amount of (Contract) or (Sub-Contract) estimate, limitations by stations must be shown or definitely designated in some suitable, positive manner.

Unit prices using Contract "worth" Unit Price should be for Bid Unit Price for work to be performed by Sub Contractor. If partial work item ie "laying only" then use agreed to price for Contract "worth" Unit Price. DBE Unit price should be for the agreed upon price for item or portion of item of contract work.

The Items to be subcontracted are as follows:

Estimate Sub Section Seq. #	Proposal Item No.	Description	Unit	Contract Quantity	Contract "Worth" Unit Price	Dollar Amount based on Contract Price	DBE Quantity	DBE Unit Price	Dollar Amount based on DBE Price
A012/K007	28	GUARDRAIL-STEEL W BEAM-S FACE	METER	9,796.25	$29.83	$292,222.14	9,796.25	$29.83	$292,222.14
A013/K008	29	GUARDRAIL TERMINAL SECT NO 1	EACH	26.00	$28.25	$734.50	26.00	$28.25	$734.50
A014/K009	30	GUARDRAIL END TREATMENT TY 4A	EACH	47.00	$1,252.20	$58,853.40	47.00	$1,252.20	$58,853.40
A015/K010	31	GUARDRAIL CON TO BR END TYPE A	EACH	8.00	$1,187.45	$9,499.60	8.00	$1,187.45	$9,499.60
A016/K011	32	REMOVE GUARDRAIL	METER	156.85	$2.41	$378.01	156.85	$2.41	$378.01
A059/K031	76	SEEDING AND PROTECTION	SQ M	216,185.00	$0.26	$56,208.10	216,185.00	$0.26	$56,208.10
A060/K032	77	TEMP SEEDING AND PROTECTION	SQ M	21,720.00	$0.17	$3,692.40	21,720.00	$0.17	$3,692.40
A061/K033	78	SPECIAL SEEDING CROWN VETCH	SQ M	141,758.00	$0.17	$24,098.86	141,758.00	$0.17	$24,098.86
A062/K034	79	TOPDRESSING FERTILIZER	M TON	13.00	$268.00	$3,484.00	13.00	$268.00	$3,484.00
A063/K035	80	EROSION CONTROL BLANKET	SQ M	17,025.93	$1.29	$21,963.45	17,025.93	$1.29	$21,963.45
A071/K042	88	R/W MARKER RURAL TYPE 1	EACH	242.00	$62.20	$15,052.40	242.00	$62.20	$15,052.40
A072	89	R/W MARKER MUNICIPAL TYPE 1	EACH	1.00	$56.80	$56.80	1.00	$56.80	$56.80
I001	136	WHITE ASH	EACH	150.00	$24.70	$3,705.00	150.00	$24.70	$3,705.00
I002	137	SYCAMORE	EACH	150.00	$24.70	$3,705.00	150.00	$24.70	$3,705.00
I003	138	ROUGH-LEAF DOGWOOD	EACH	140.00	$24.70	$3,458.00	140.00	$24.70	$3,458.00
I004	139	HACKBERRY	EACH	140.00	$24.70	$3,458.00	140.00	$24.70	$3,458.00
I005	140	SHUMARD OAK	EACH	160.00	$24.70	$3,952.00	160.00	$24.70	$3,952.00
I006	141	BUR OAK	EACH	150.00	$24.70	$3,705.00	150.00	$24.70	$3,705.00
I007	142	WILLOW BUNDLE	EACH	680.00	$9.06	$6,160.80	680.00	$9.06	$6,160.80

Comments:

Page Total $514,387.46

$514,387.46

Client#: 42583 NHSTO

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 09/08/03

PRODUCER
Lexington - Commercial
Palmer & Cay, Inc.
360 East Vine Street
Lexington, KY 40507

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Travelers Prop Cas Ins Co	
INSURER B: AIK Comp	
INSURER C: Chubb Indemnity Insurance Co	
INSURER D:	
INSURER E:	

INSURED
N. H. Stone, Inc.
P. O. Box 239
Attention: Fred Clark
Sharpsburg, KY 40374

COVERAGES

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

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	CO979X7846	01/01/03	01/01/04	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$1,000,000 $300,000 $5,000 $1,000,000 $2,000,000 $2,000,000
A		AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	810979X7846	01/01/03	01/01/04	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$1,000,000 $ $ $
		GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
A		EXCESS/UMBRELLA LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE X RETENTION $ 10000	CUP979X7846	01/01/03	01/01/04	EACH OCCURRENCE AGGREGATE	$5,000,000 $5,000,000 $ $ $
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	1041	01/01/03	01/01/04	WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$2,000,000 $2,000,000 $2,000,000
C		OTHER Excess Comm. Excess Liability	79815122	01/01/03	01/01/04	$5,000,000 Ea. Occur. $5,000,000 Aggregate	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
Project: Montgomery-Bath Cos. STPR 5256(15)

CERTIFICATE HOLDER

The Walker Company
Attn: Tom Lowry
P.O. Box 308
Mount Sterling, KY 40353

CANCELLATION

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

AUTHORIZED REPRESENTATIVE
Chris P. Barth

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Kentucky Transportation Cabinet
Department of Highways
Division of Construction

SUBCONTRACTOR'S CERTIFICATION RECEIPT OF BID PROPOSAL

I hereby certify that N.H. Stone, Inc. (Subcontracting Company) of Sharpsburg, KY (City, State), has

a copy of the bid proposal in the Bid Letting 11-14-03 (Letting Date) for 03-0706 (Project Code No. (PCN))

Montgomery-Bath (County) STPR 5256(15) (Project Number)

and will abide by the conditions set forth in said bid proposal.

N. H. Stone III (Representative) 11-20-03 (Date) N.H. Stone, Inc. (Subcontracting Company)

Hereby recognized as an official representative of this Company, with full authority to sign. I understand and am fully aware of the conditions set forth and herein by this statement.

SUBCONTRACT

THIS SUBCONTRACT is made and entered into by and between **N.H. Stone, Inc.**, with its principal place of business at **P.O. Box 239, Sharpsburg, KY 40374** ("Subcontractor"), and The Walker Company of Kentucky, Inc., with principal office at P.0. Box 308, Mt. Sterling, KY 40353 ("Contractor").

WHEREAS, Contractor has been awarded a contract for the construction project known as **Montgomery-Bath County, STPR 5256 (15)** for **Commonwealth of Kentucky, Kentucky Transportation Cabinet, Department of Highways, Frankfort, Kentucky 40622** ("Owner") at **Montgomery-Bath County** (the "Project"). The terms of this contract are more specifically set out in an agreement between Owner and Contractor dated _____ and bearing Contract Number **PCN 03-0706** (the "Prime Contract").

IT IS THEREFORE agreed between Contractor and Subcontractor as follows:

1. SCOPE OF WORK

Subcontractor shall furnish all labor, materials, supplies, services, equipment, machinery, tools, supervision, and other items required to fully complete the portion of work on the Project as described herein and shall fully perform the following items of work at the unit prices indicated:

ITEM NO	*DESCRIPTION*	*APPROX QUAN*	*UNIT*	*UNIT PRICE*	*TOTAL*
28	GUARDRAIL-STEEL W BEAM-S FACE	9,796.25	METER	$29.83	$292,222.14
29	GUARDRAIL TERMINAL SECT NO 1	26.00	EACH	$28.25	$734.50
30	GUARDRAIL END TREATMENT TY 4A	47.00	EACH	$1,252.20	$58,853.40
31	GUARDRAIL CON TO BR END TYPE A	8.00	EACH	$1,187.45	$9,499.60
32	REMOVE GUARDRAIL	156.85	METER	$2.41	$378.01

76	SEEDING AND PROTECTION	216,185.00	SQ M	$0.26	$56,208.10
77	TEMP SEEDING AND PROTECTION	21,720.00	SQ M	$0.17	$3,692.40
78	SPECIAL SEEDING CROWN VETCH	141,758.00	SQ M	$0.17	$24,098.86
79	TOPDRESSING FERTILIZER	13.00	M TON	$268.00	$3,484.00
80	EROSION CONTROL BLANKET	17,025.93	SQ M	$1.29	$21,963.45
88	R/W MARKER RURAL TYPE 1	242.00	EACH	$62.20	$15,052.40
89	R/W MARKER MUNICIPAL TYPE 1	1.00	EACH	$56.80	$56.80
136	WHITE ASH	150.00	EACH	$24.70	$3,705.00
137	SYCAMORE	150.00	EACH	$24.70	$3,705.00
138	ROUGH-LEAF DOGWOOD	140.00	EACH	$24.70	$3,458.00
139	HACKBERRY	140.00	EACH	$24.70	$3,458.00
140	SHUMARD OAK	160.00	EACH	$24.70	$3,952.00
141	BUR OAK	150.00	EACH	$24.70	$3,705.00
142	WILLOW BUNDLE	680.00	EACH	$9.06	$6,160.80
	TOTAL				$514,387.46

Items provided by Subcontractor on the Project will be provided in accordance with all terms, covenants and conditions of the Prime Contract. The Subcontractor acknowledges that all provisions, conditions, plans, drawings, specifications and addenda contained in the Prime Contract are incorporated by reference into this Subcontract. Copies of the Prime Contract are available for inspection by the Subcontractor at the Contractor's office.

2. SUBCONTRACT PRICE

Subcontractor shall be paid by Contractor, for the satisfactory performance and completion of Subcontractor's work described herein and all of the duties, obligations and responsibilities of the Subcontract under the Subcontract Documents, at the rate of the unit prices set forth in Paragraph 1 of this Subcontract (the "Subcontract Price") and subject to any additions and deductions as provided herein. It is specifically acknowledged and agreed by Subcontractor that the quantities of items set forth in Paragraph 1 are estimated quantities only and that the

earnings of Subcontractor under this Subcontract shall be determined by the quantities of work that are actually allowed and paid to Contractor by Owner.

The Subcontract Price includes all federal, state, county, municipal and other taxes and assessments imposed by law and based upon labor, services, materials, equipment or other items acquired, performed, furnished or used for or in connection with the Subcontractor's work, including, but not limited to, sales, use and personal property taxes payable by or levied against the Owner, Contractor or the Subcontractor. Where the law requires any such taxes or assessments to be stated and charged separately, the total price of all items included in Subcontractor's work, plus the amount of such taxes shall not exceed the Subcontract Price.

3. SUBCONTRACT DOCUMENTS

The Subcontract Documents consist of (1) this Subcontract, (2) the Prime Contract, consisting of the agreement between the Owner and Contractor and the other Contract Documents enumerated therein including, but not limited to, the Conditions (General, Special, Supplementary and other Conditions), Drawings, Plans, Specifications, Addenda and Modifications, whether issued before or after the execution of this Subcontract, and other Contract Documents, if any, listed in the Prime Contract, (3) any other documents specifically incorporated into this Subcontract by reference herein, and (4) modifications to this Subcontract issued after execution, all of which are hereby referred to and made a part of this Subcontract as though fully set out in this Subcontract (collectively referred to as the "Subcontract Documents").

This Subcontract shall be performed in strict accordance with the Subcontract Documents and to the satisfaction of Contractor and Owner. The Subcontractor represents and agrees that it has carefully examined and understands the Subcontract Documents, copies of which have been

and remain available for inspection and copying by Subcontractor, that it has investigated the nature, locality and site of the Project and the conditions and difficulties under which it is to be performed, and that it enters into this Subcontract on the basis of its own examination, investigation and evaluation of all such matters and not in reliance upon any opinions or representations of Contractor, Owner, or any of their respective officers, agents or employees.

4. PAYMENT

(a) Progress Payments & Retainage Subcontractor shall be paid by Contractor at the rate of the unit prices listed in Paragraph 1 for all work performed and materials and supplies furnished, payment to Subcontractor being expressly conditioned upon Contractor's prior receipt of payment from Owner. It is specifically acknowledged and agreed by Subcontractor that no payment by Contractor to Subcontractor shall be construed as acceptance of any portion of Subcontractor's work, a waiver of any defect or deficiency in Subcontractor's performance, or relieve Subcontractor of any of its obligations arising out of this Subcontract. Should Contractor at any time determine that payment has been made to Subcontractor, or on Subcontractor's behalf, in excess of the amount then due for work under this Subcontract, then Subcontractor shall promptly repay such excess to Contractor within three (3) days of demand for repayment.

(b) Final Payment Final Payment shall be made by Contractor to Subcontractor after completion and acceptance of the Subcontractor's work by Contractor and the Owner provided that (1) Contractor shall have first received final payment from the Owner, (2) Subcontractor shall have furnished, if requested, evidence satisfactory to Contractor that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, materials, equipment, taxes or other items performed, furnished or incurred for or in connection with the Subcontractor's work, and (3) Subcontractor shall have executed and delivered to Contractor, in a form satisfactory to

Contractor, a Release of Lien and an Affidavit of Payment running to and in favor of Contractor and the Owner.

(c) Payments Withheld Subcontractor shall meet all of its obligations and liabilities pertaining to this Subcontract on a timely basis and shall furnish, at any time requested, evidence satisfactory to Contractor that there are no claims outstanding or unsatisfied for labor, services, materials, equipment, taxes or other items performed, furnished or incurred for or in connection with Subcontractor's work. In the event that Subcontractor does not comply with the above, Contractor may retain from monies owing to Subcontractor sufficient sums to indemnify Contractor and Owner against any claims or obligations related to this Subcontract. Contractor may disburse monies owing to the Subcontractor as Contractor may determine necessary, including by joint check arrangements or payments directly to persons or entities claiming by or through Subcontractor, to satisfy the above claims against or obligations of Subcontractor. Should Contractor advance money to Subcontractor or pay on its behalf any bills, accounts, labor or other items, such advances, disbursements and payments may be deducted from amounts due or to become due to Subcontractor or the retained percentage, at the option of Contractor. Should such advances and payments be in excess of the total amount finally due Subcontractor, then Subcontractor shall promptly repay such excess to Contractor on demand.

5. COMMENCEMENT DATE & COMPLETION

Time is of the essence in the Prime Contract and it is expressly acknowledged by the Subcontractor that time is of the essence in its performance of this Subcontract. Subcontractor shall prosecute the Subcontract work with all possible diligence and all possible speed in order to insure completion of the work at the earliest possible date and shall fully cooperate with Contractor in scheduling and performing the Subcontract work to avoid conflict, delay in or

interference with the work of the Contractor or others on the Project. Subcontractor shall begin its work within five (5) days of receiving the notice to proceed from Contractor. In the event that Subcontractor does not perform its work promptly and the completion of the Project is delayed, Subcontractor shall assume and pay any damages including, but not limited to, any liquidated damages provided by the Prime Contract, that may be incurred by or assessed against the Contractor. No extension of time will be valid without the Contractor's prior written consent after receiving a written claim for adjustment from the Subcontractor.

Contractor shall not be liable to Subcontractor for any costs or damages due to delays, escalation, accelerations, nonperformance, interferences with performance, suspensions, or changes in the performance or sequence of the Subcontractor's work. Should this Subcontract, in whole or in part, be interfered with or delayed, or be suspended in commencement, prosecution or completion, for reasons beyond the Subcontractor's control, without its fault or negligence, Subcontractor shall be entitled to, and shall be fully compensated by, an extension of time in which to complete its work. However, such extension shall be given only if Subcontractor first notifies Contractor in writing of the cause of delay within two (2) days of the occurrence of the event and on the further condition that Contractor shall have received a similar extension of time from the Owner.

6. INTERUPTION OF WORK

Subcontractor shall not employ any personnel or means of construction which may cause strikes, work stoppages, work interruption or hindrance, or any other disturbances, of any nature whatsoever by Contractor's employees or the employees of any other contractor or subcontractor on the Project with respect to any work related to this Subcontract Agreement or the Project.

7. SUBCONTRACTOR DEFAULT

Should the Subcontractor fail, in the opinion of Contractor, to prosecute the work with sufficient force and speed, or default or neglect to carry out the work in accordance with this Subcontract, or cause by any act or omission the stoppage or delay of or interference with or damage to the work of Contractor or of any other contractors or subcontractors on the Project, including but not limited to any violation of the provisions of Paragraph 6 above, or fail in the performance of any of the terms and provisions of this Subcontract or the Subcontract Documents, or should the Owner or Contractor determine that Subcontractor's work or any portion thereof is not being performed in accordance with the Subcontract Documents, or should there be filed by or against Subcontractor a Petition in Bankruptcy, or should the Subcontractor become insolvent or be adjudicated bankrupt, or go into liquidation or dissolution either voluntarily or involuntarily, or make a general assignment for the benefit of creditors, or otherwise acknowledge insolvency, then in any of such event, each of which shall constitute a default by Subcontractor, and Subcontractor fails to immediately take measures to commence and continue correction of such default or neglect with diligence and promptness, the Contractor may, at its option and in addition to any other rights and remedies provided by this Subcontract or by law, elect to proceed in any one or more of the following manners:

(1) Contractor may employ and use on said work, or any portion thereof, such number of workers, laborers, supervisors, teams, tools, machinery, equipment and/or other subcontractors, at such wages, prices and rates as Contractor may deem necessary and expedient to insure the prompt completion of the work and Project, and it shall charge all of same to Subcontractor;

(2) Contractor may relet the work, either in whole or in part, to such other persons or entities as it may desire, at such prices as it may deem proper, and shall charge the costs thereof to Subcontractor;

(3) Contractor may declare the rights of Subcontractor under this Subcontract

to be terminated and, in such event, Subcontractor shall only be paid for the actual work done by it to the date of termination, less the amount of any damages, claims, obligations or liabilities incurred by Contractor or Owner by virtue of Subcontractor's actions; or

(4) Contractor may terminate the employment of Subcontractor for all or any portion of the Subcontractor's work, enter upon the premises and take possession of, for the purpose of completing the Subcontractor's work, all materials, equipment, tools, appliances and other items thereon, all of which the Subcontractor hereby transfers, assigns and sets over to Contractor for such purpose, and to employ any person or persons to complete the Subcontractor's work and provide all of the labor, services, materials, equipment and other items required therefore. In any such event, Subcontractor shall remain bound, and all other terms of this Subcontract shall remain in force, to the extent of the work or areas which have not been so terminated. In case of such termination of Subcontractor, it shall not be entitled to receive any further payment under this Subcontract until the Subcontractor's work shall be fully completed to the satisfaction of Contractor and the Owner and shall have been accepted by them, at which time, if the unpaid balance of the amount to be paid under this Subcontract shall exceed the costs and expenses incurred by Contractor in completing the Subcontractor's work, such excess shall be paid to Subcontractor; but in the event that such costs, and expenses, shall exceed the unpaid balance of the Subcontract Price, then Subcontractor shall pay the difference to Contractor upon demand.

For purposes of this paragraph, the costs and expenses recoverable by Contractor from Subcontractor for Subcontractor default shall include, in addition to the costs of completing the Subcontractor's work to the satisfaction of Contractor and the Owner and of performing and furnishing of all labor, services, materials, equipment and other items required therefore, but also all losses, damages, claims, obligations, liabilities, costs and expenses, including attorneys' fees, incurred or suffered by Contractor by reason of or resulting from the Subcontractor's default.

8. <u>CHANGES</u>

Subcontractor may, at any time during the progress of Subcontractor's work, be ordered in writing by Contractor, without invalidating this Subcontract, to make changes in the work of this Subcontract consisting of additions, deletions, deviations, or other revisions, including those required by modifications to the Prime Contract issued subsequent to the execution of this

Subcontract, the Subcontract Price and the time for completion being adjusted accordingly. Subcontractor shall, prior to the commencement of such changed or revised work, submit promptly to Contractor written copies of a claim for adjustment to the Subcontract Price and completion time for such revised work in a manner and time consistent with the requirements of the Subcontract Documents. No change orders or modifications of this Subcontract, whether for extras or otherwise, shall be valid unless authorized by the Contractor in writing after receipt of Subcontractor's claim for adjustment. Failure of the Subcontractor to make such a timely claim for adjustment shall bind the Subcontractor to the same consequences as those to which the Contractor is bound to the Owner.

In the event that Contractor and Subcontractor should not be able to agree as to the amount to be allowed as an adjustment to the Subcontract Price and time for completion for any changes made pursuant to this paragraph, it shall, nevertheless, be the duty of Subcontractor to proceed immediately with such change(s) upon written notice from Contractor. In any such event the determination of the appropriate adjustment to the Subcontract Price and time for completion for such revised work shall be resolved thereafter by mutual agreement or in accordance with Paragraph 13 below pertaining to dispute resolution.

9. <u>INDEMNIFICATION</u>

The Subcontractor shall indemnify and hold the Contractor, Owner and their agents, consultants and employees harmless from and against all claims, losses, costs, damages and attorneys' fees pertaining to the performance of this Subcontract and involving personal injury, sickness, disease, death or property damage, including loss of property, but only to the extent caused in whole or in part by the negligent acts or omissions of the Subcontractor or any of the Subcontractors' subcontractors, suppliers, manufacturers, or other persons or entities for whose

acts the Subcontractor may be liable. This indemnification agreement is binding on the Subcontractor, to the fullest extent permitted by law, regardless of whether any or all of the persons or entities indemnified hereunder are responsible in part for the claims, damages, losses or expenses for which the Subcontractor is obligated to provide indemnification. This indemnification provision does not negate, abridge or reduce any other rights or obligations of the persons and entities described herein with respect to indemnity.

10. <u>INSURANCE</u>

Prior to the start of Subcontractor's Work, the Subcontractor shall procure and maintain in force worker's compensation insurance, employer's liability insurance, comprehensive general liability insurance, automobile liability insurance and all insurance required of the Contractor under the Contract Documents. Subcontractor shall maintain at least the following limits of insurance coverage:

Worker's Compensation	Statutory Requirements
Employer's Liability	$1,000,000
General Liability Including Contractual Coverage	$1,000,000
Vehicle Bodily Injury	$1,000,000
Vehicle Property Damage	$1,000,000

Subcontractor shall provide Contractor with a certificate of insurance certifying that the required insurance policies will not be cancelled during the Subcontractor's performance of this Subcontract. In addition, the Subcontractor shall procure and maintain insurance coverage upon such form of occurrence policy and with such coverages, endorsements and policy limits as shall be acceptable to Contractor, providing coverage for all exposures to liability for pollutants, hazardous materials, and environmental hazards.

The Contractor and Owner shall be named as additional insureds on each of these policies except for worker's compensation. The Subcontractor shall maintain in effect all insurance coverage required under this Subcontract at the Subcontractor's sole expense and with insurance companies acceptable to the Contractor.

11. PERFORMANCE & PAYMENT BONDS

Subcontractor shall provide Contractor with a payment and performance bond during the life on this Subcontract in an amount equal to 100% of the Subcontract Price and conditioned upon and covering the faithful performance of, and compliance with, all the terms, provisions, and conditions of this Subcontract. In lieu of Subcontractor providing such bonds, Contractor may, in its discretion, deduct from the Subcontractor's payment monies sufficient to cover the Subcontractor's pro rata share of the Contractor's bonding costs.

12. WARRANTY

Subcontractor warrants to the Contractor and Owner that all materials and equipment furnished under this Subcontract will be of good quality and new unless otherwise required or permitted by the Subcontract Documents, that the work under this Subcontract will be free from defects not inherent in the quality required or permitted, and that Subcontractor's warranty and work will conform in all respects with the requirements of the Prime Contract and the Subcontract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. This warranty shall be in addition to, and not in limitation of, any other warranty or remedy provided by law or by the Subcontract Documents.

13. DISPUTE RESOLUTION

Any claim, controversy or dispute between the Contractor and Subcontractor arising out of or related to this Subcontract, or a breach hereof, and which claim, controversy or dispute is not resolved by mutual agreement between the parties, shall, unless otherwise required by the Prime Contract or applicable law, be submitted to a judicial court of competent jurisdiction located in Montgomery County, Kentucky. The Subcontractor further covenants and agrees that no dispute shall interfere with the progress of Subcontractor's work and the Subcontractor agrees to proceed with the Subcontract work as required in spite of any claim, controversy or dispute it may have with Contractor, the Owner or other parties.

14. LAWS, PERMITS, FEES & NOTICES

The Subcontractor shall give all notices required by and comply with all laws, ordinances, rules, regulations and orders of any public authorities applicable to the performance of the Subcontract work. The Subcontractor shall secure and pay for all permits, fees, licenses and inspections necessary for proper execution and completion of the Subcontractor's work as required by the Subcontract Documents.

The Subcontractor shall abide by all laws, ordinances, rules, regulations and orders of any state and federal authorities applicable to the Environmental Protection Act and/or water and air pollution requirements. Subcontractor further covenants and agrees to pay its own payrolls, taxes and all other costs and expense associated with the work required under this Subcontract, to furnish Contractor with copies of all weekly payrolls and other documentation showing compliance with applicable laws and regulations, if required, to furnish Contractor with copies of Material Safety Data Sheets for all materials used on the Project and a copy of Subcontractor's written hazard communication program, and acknowledges and agrees that any payment received

by Subcontractor shall be held in trust for the purpose of paying its subcontractors, laborers, material men, suppliers and any others claiming by or through Subcontractor and who may be entitled to assert a lien or other claim against the Project.

15. REMOVAL OF EQUIPMENT

Subcontractor shall not, without the prior consent of Contractor, remove or permit to be removed from the Project, any equipment, machinery, tools, materials, supplies or other items that have been purchased for or placed on the Project for use in connection with the Project until the Subcontract work has been completed.

16. RENTAL EQUIPMENT

If Subcontractor makes use of Contractor's equipment, Subcontractor shall pay current AED rental rates, or the rates commonly charged in the area where the work is to be performed in the event that AED rental rates are not provided, unless otherwise agreed to by the parties in writing.

17. CLEANUP

Subcontractor shall keep the Project site and surrounding area free from accumulation of waste materials or rubbish caused by operations performed under this Subcontract and shall, upon completion of its work, leave the Project site in a clean and orderly condition.

18. TRAFFIC CONTROL & SAFETY DEVICES

Subcontractor shall not remove or alter any traffic control devices, safety equipment, safety guards or safety appliances unless Subcontractor has secured the express consent of Contractor or Contractor's authorized representative. Subcontractor shall replace such devices, guards and appliances promptly and failure to make such replacement will authorize Contractor to do such work and charge the costs thereof to Subcontractor. Subcontractor assumes all

responsibility for removal or alteration of any traffic control devices, safety equipment, safety guards or safety appliances.

19. EQUAL EMPLOYMENT OPPORTUNITY & AFFIRMATIVE ACTION

Subcontractor shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, age, religion, national origin, physical or mental handicap, or because he or she is a disabled veteran or veteran of the Vietnam era. Subcontractor agrees to take affirmative action to insure that qualified applicants are employed, and that employees are treated during employment, without regard to race, creed, color, sex, age, religion, national origin, physical or mental handicap, or status as a disabled veteran or veteran of the Vietnam era.

To the extent applicable, Subcontractor shall comply with all provisions of Executive Order No. 11246, dated September 24, 1976; the Vietnam Era Veterans Readjustment Assistance Act of 1974, the Rehabilitation Act of 1973, and all amendments thereto, and all rules, regulations, orders, instructions, designations and other directives promulgated pursuant thereto, the terms of all of which are incorporated herein by reference. Violation of this provision shall be considered a material breach of this Subcontract and shall entitle Contractor to exercise any of the options set forth in Paragraph 7, including termination or suspension of this Subcontract in whole or in part.

20. ASSIGNMENT

Subcontractor shall not sublet or assign any portion of this Subcontract, nor any monies due or to become due, or Subcontractor's earnings and compensation hereunder, without the prior written consent of Contractor. Any such assignment or subletting without prior written consent of Contractor shall be void and of no effect.

21. NOTICE

All notices, demands and other communications provided for in this Subcontract shall, unless otherwise provided, be sufficient if in writing and if delivered personally to the other party, or mailed by United States Mail, postage prepaid, to the respective addresses of Contractor and Subcontractor as set forth herein, or such other address as either may have designated from time to time. Contractor may exercise any right given to it immediately after mailing the letter containing such notice. However, this right does not preclude a Contractor from giving notice in any other legal matter.

22. GOVERNING LAW

This Subcontract shall be governed by the laws of the Commonwealth of Kentucky and any action by the Subcontractor against the Contractor as a result of this Contract shall be brought in Montgomery County, Kentucky, Circuit Court.

23. SEVERABILITY & WAIVER

The partial or complete invalidity of any one or more provisions of this Subcontract and the Subcontract Documents shall not affect the validity or continuing force and effect of any other provision or the application of such provisions to persons and circumstances other than those as to which it is determined invalid or unenforceable. The failure of Contractor to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of this Subcontract or to exercise any right herein, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right.

24. ENTIRE AGREEMENT

This Subcontract represents the entire and integrated agreement between the Contractor and Subcontractor and supersedes all prior negotiations, representations or agreements, either

written or oral, and shall not be altered, modified or amended in any manner whatsoever unless the same shall be in writing and signed by the parties.

25. SAFETY

Subcontractor agrees to provide its employees with a safe place to work, to perform the Subcontract work in a safe manner and to comply with all health and safety provisions of the applicable Federal, state and municipal agencies.

Subcontractor acknowledges that it has been provided with a copy of *The Walker Company of Kentucky, Inc. Safety Policy* and that it has familiarized itself with the safety program of the Contractor and agrees to be bound by the provisions of the policy. Subcontractor further agrees that it will cooperate with the Contractor's Safety Director and appointed safety personnel on the Project.

Subcontractor expressly acknowledges that failure to correct or prevent unsafe conditions or conduct, failure to comply with the above mentioned health and safety provisions or failure abide by the Contractor's Safety Policy may constitute a breach of this Subcontract and result in immediate termination of Subcontractor. Additionally, Subcontractor agrees to hold Contractor harmless for any damages, costs, deficiencies or fines resulting from Subcontractor's failure to correct or prevent unsafe conditions or conduct, failure to comply with the above mentioned health and safety provisions or failure abide by the Contractor's Safety Policy

IN WITNESS WHEROF, The Contractor and Subcontractor have executed this Subcontract for themselves, their heirs, executors, successors, administrators and assigns on this 24th day of Nov, 2003.

THE WALKER COMPANY OF KENTUCKY, INC.

(Thomas D. Lowry, Vice President)

STATE OF KENTUCKY COUNTY OF MONTGOMERY

The foregoing Subcontract was subscribed, sworn to and acknowledged before me by **(Thomas D. Lowry)** in his capacity as **(Vice President)** of The Walker Company of Kentucky, Inc. on this 24th day of Nov, 2003.

Notary Public

My Commission Expires: 8-27-07

N. H. STONE COMPANY, INC.

N H Stone III

Title Vice-President

STATE OF KENTUCKY COUNTY OF (Bath)

The foregoing Subcontract was subscribed, sworn to and acknowledged before me by (N.H. Stone, III) in his/her capacity as (Vice-President) of **N.H. Stone, Inc.** on this 20th day of November, 2003.

Joseph E. Clark

Notary Public

My Commission Expires: 02-05-04

Federal Identification Number: 61-0675026

State Identification Number: 070049

KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
DIVISION OF CONSTRUCTION
DBE Detailed Plan/SUBCONTRACT REQUEST

Reviewed + Approved: 12/2/03 alh

TC 63-35DBE
Rev. 06/11/02

PROJECT CODE NO : **03-0706**
DBE Firm/Subcontract # : 2
TO : Rick Stansel
Executive Director Division of Contract Procurement
FROM : The Walker Company of Kentucky, Inc.
Prime Contractor
SUBJECT : Bath (County) STPR 5256 (15) (Project Number)

I hereby request to utilize for DBE participation a portion of the subject project to:
Cinco, Inc. of P.O. Box 1187, Mt. Sterling, KY 40353
DBE Employer Identification Numbers: Federal 61-1059353 KY 192921
The amount to be subcontracted by this request is DBE $420,550.85 or 3.30% Contract $420,550.85 or 3.30% of the (original contract) or a subcontract amount of $ 12,729,853.09 $12,729,853.09

I have previously requested approval for subcontracts or agreements with other DBE as follows:

Name of DBE firm	DBE Amount	DBE %	Contract "Worth" Amount	Contract %
N.H. Stone, Inc.	$514,387.46	4.04%	514,387.46	4.04%
Totals based on original contract Amounts	$934,938.31	7.34%	$934,938.31	7.34%

This section applicable if DBE firm is also a Subcontractor of work on Project:
This subcontractor has been furnished a copy of Appendix B of 49 CFR Part 29 and advised to include the Certification in all lower tier covered transactions and in all solicitations for lower tier transactions (Federal Aid Contracts only).

The proposed subcontractor is on the Department's list of qualified contractors and has current insurance coverage: Policy Number CPP0716218, C43309596 with

Powell Walton Milward (Name of Insurance Company) which expires on November 1, 2004 (Date)

Thomas D. [signature] (Prime Contractor's Signature) 11/25/03 (Date)

Recommended by Office of Minority Affairs Signature

Date Recommended by Office of Minority Affairs

KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
DIVISION OF CONSTRUCTION
DBE Detailed Plan/SUBCONTRACT REQUEST

Project Code Number (PCN) 03-0706 Prime Walker Company of Kentucky DBE Firm Cinco, Inc.

(*) When description is limited by such as "Laying Only" "Erection Only" "Manipulation Only" etc. it should be so indicated and explained.

(**) When the quantity is not the entire amount of (Contract) or (Sub-Contract) estimate, limitations by stations must be shown or definitely designated in some suitable, positive manner.

Unit prices using Contract Unit Price should be for Bid Unit Price for work to be performed by Sub Contractor. DBE Unit price should be for the agreed upon price for item or portion of item of contract work.

DBE Participation Non-Pay Estimates Work Items

Description	Total Contract Quantity	Unit	DBE Unit Price	Dollar Amount based on DBE Price	Comments

Page Total

KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
DIVISION OF CONSTRUCTION
DBE Detailed Plan/SUBCONTRACT REQUEST

TC 63-35 DBE
Rev. 06/11/02

Project Code Number (PCN): **03-0706** DBE Firm **Cinco, Inc.**

(*) When description is limited by such as "Laying Only" "Erection Only" "Manipulation Only" etc. it should be so indicated and explained.

(**) When the quantity is not the entire amount of (Contract) or (Sub-Contract) estimate, limitations by stations must be shown or definitely designated in some suitable, positive manner.

Unit prices using Contract "worth" Unit Price should be for Bid Unit Price for work to be performed by Sub Contractor. If partial work item ie "laying only" then use agreed to price for Contract "worth" Unit Price. DBE Unit price should be for the agreed upon price for item or portion of item of contract work.

The Items to be subcontracted are as follows:

Estimate Sub Section Seq. #	Proposal Item No.	Description	Unit	Contract Quantity	Contract "Worth" Unit Price	Dollar Amount based on Contract Price	DBE Quantity	DBE Unit Price	Dollar Amount based on DBE Price
A004/K003	23	CONCRETE-CLASS A	CU M	141.56	$900.00	$127,404.00	141.56	$900.00	$127,404.00
A005/K004	24	STEEL REINFORCEMENT	KG	6,559.40	$1.50	$9,839.10	6,559.40	$1.50	$9,839.10
A042	58	PERF PIPE HEADWALL TY 2-150 MM	EACH	1.00	$590.00	$590.00	1.00	$590.00	$590.00
A043/K024	59	PERF PIPE HEADWALL TY 3-150 MM	EACH	7.00	$625.00	$4,375.00	7.00	$625.00	$4,375.00
A044/K025	60	PERF PIPE HEADWALL TY 4-150 MM	EACH	5.00	$595.00	$2,975.00	5.00	$595.00	$2,975.00
A047	63	DROP BOX INLET TYPE 7	EACH	1.00	$3,000.00	$3,000.00	1.00	$3,000.00	$3,000.00
A048/K028	64	S & F BOX INLET-OUTLET-450 MM	EACH	2.00	$2,200.00	$4,400.00	2.00	$2,200.00	$4,400.00
A049	65	S & F BOX INLET-OUTLET-600 MM	EACH	4.00	$2,300.00	$9,200.00	4.00	$2,300.00	$9,200.00
A050	66	S & F BOX INLET-OUTLET-750 MM	EACH	6.00	$2,700.00	$16,200.00	6.00	$2,700.00	$16,200.00
A051	67	S & F BOX INLET-OUTLET-900 MM	EACH	1.00	$3,200.00	$3,200.00	1.00	$3,200.00	$3,200.00
A052/K029	68	METAL END SECTION TY 1-375 MM	EACH	29.00	$525.00	$15,225.00	29.00	$525.00	$15,225.00
A053	69	METAL END SECTION TY 1-450 MM	EACH	1.00	$1,500.00	$1,500.00	1.00	$1,500.00	$1,500.00
A054	70	METAL END SECTION TY 1-600 MM	EACH	1.00	$1,800.00	$1,800.00	1.00	$1,800.00	$1,800.00
A055	71	METAL END SECTION TY 1-750 MM	EACH	2.00	$2,000.00	$4,000.00	2.00	$2,000.00	$4,000.00
K030	72	METAL END SECTION TY 3-450 MM	EACH	1.00	$750.00	$750.00	1.00	$750.00	$750.00
A056	73	METAL END SECTION TY 3-900 MM	EACH	2.00	$2,350.00	$4,700.00	2.00	$2,350.00	$4,700.00
A057	74	JUNCTION BOX	EACH	2.00	$2,100.00	$4,200.00	2.00	$2,100.00	$4,200.00
A058	75	FLUME INLET TYPE 2	EACH	2.00	$2,500.00	$5,000.00	2.00	$2,500.00	$5,000.00
A073/K043	90	ISLAND INTEGRAL CURB	METER	22.33	$98.00	$2,188.34	22.33	$98.00	$2,188.34
G001	119	SEWER PIPE-200 MM-PVC	METER	662.29	$104.00	$68,878.16	662.29	$104.00	$68,878.16
G002	120	SANITARY SEWER MANHOLE	EACH	14.00	$2,450.00	$34,300.00	14.00	$2,450.00	$34,300.00
G003	121	ADJUST MANHOLE	EACH	2.00	$1,500.00	$3,000.00	2.00	$1,500.00	$3,000.00
G004	122	CUT & CAP-200 MM	EACH	7.00	$575.00	$4,025.00	7.00	$575.00	$4,025.00
G005	123	ABANDON MANHOLE	EACH	14.00	$600.00	$8,400.00	14.00	$600.00	$8,400.00
G006	124	CONCRETE ENCASEMENT	METER	23.00	$192.00	$4,416.00	23.00	$192.00	$4,416.00

Page Total $343,565.60 $343,565.60

KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
DIVISION OF CONSTRUCTION
DBE Detailed Plan/SUBCONTRACT REQUEST

Project Code Number (PCN): **03-0706** DBE Firm **Cinco, Inc.**

(*) When description is limited by such as "Laying Only" "Erection Only" "Manipulation Only" etc. it should be so indicated and explained.

(**) When the quantity is not the entire amount of (Contract) or (Sub-Contract) estimate, limitations by stations must be shown or definitely designated in some suitable, positive manner.

Unit prices using Contract "worth" Unit Price should be for Bid Unit Price for work to be performed by Sub Contractor. If partial work item ie "laying only" then use agreed to price for Contract "worth" Unit Price. DBE Unit price should be for the agreed upon price for item or portion of item of contract work.

The Items to be subcontracted are as follows:

Estimate Sub Section Seq. #	Proposal Item No.	Description	Unit	Contract Quantity	Contract "Worth" Unit Price	Dollar Amount based on Contract Price	DBE Quantity	DBE Unit Price	Dollar Amount based on DBE Price
G007	125	SEWER PIPE-150 MM-PVC	METER	52.00	$79.00	$4,108.00	52.00	$79.00	$4,108.00
G008	126	STEEL ENC PIPE-350 MM-OPEN CUT	METER	48.00	$286.00	$13,728.00	48.00	$286.00	$13,728.00
G009	127	STEEL ENC PIPE-350 MM-JACK & BORE	METER	39.50	$478.00	$18,881.00	39.50	$478.00	$18,881.00
G010	128	STEEL ENC PIPE-300 MM-OPEN CUT	METER	77.50	$98.50	$7,633.75	77.50	$98.50	$7,633.75
G011	129	SANITARY SEWER SIDEWALL	METER	16.20	$675.00	$10,935.00	16.20	$675.00	$10,935.00
G012	130	DROP INLET	METER	8.10	$495.00	$4,009.50	8.10	$495.00	$4,009.50
G013	131	CONNECT TO EXISTING MANHOLE	EACH	1.00	$950.00	$950.00	1.00	$950.00	$950.00
G014	132	CUT & CAP-150 MM	EACH	15.00	$265.00	$3,975.00	15.00	$265.00	$3,975.00
G015	133	TEE 200 MM X 150MM	EACH	15.00	$51.00	$765.00	15.00	$51.00	$765.00
G016	134	CLEANOUT-150 MM	EACH	15.00	$250.00	$3,750.00	15.00	$250.00	$3,750.00
G017	135	RECONNECT SEWER SERVICE	EACH	15.00	$550.00	$8,250.00	15.00	$550.00	$8,250.00

Comments:

Page Total $76,985.25

$76,985.25

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY) 11/20/03

PRODUCER

Acordia of Kentucky-Lex
Lexington Green Two, Suite 410
220 Lexington Green Circle
Lexington KY 40503-3311
(859) 273-6600

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Cinco, Inc.
P.O. Box 1187
Mt. Sterling, KY 40353

COMPANIES AFFORDING COVERAGE

COMPANY A Westfield Insurance Company

COMPANY B Kentucky Employers Mutual Ins

COMPANY C

COMPANY D

COVERAGES

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	**GENERAL LIABILITY**	CWP3442774	11/01/03	11/01/04	GENERAL AGGREGATE	$ 2,000,000
	X COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG	$ 2,000,000
	CLAIMS MADE X OCCUR				PERSONAL & ADV INJURY	$ 1,000,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	$ 1,000,000
					FIRE DAMAGE (Any one fire)	$ 100,000
					MED EXP (Any one person)	$ 5,000
A	**AUTOMOBILE LIABILITY**	CWP3442774	11/01/03	11/01/04	COMBINED SINGLE LIMIT	$ 1,000,000
	X ANY AUTO				BODILY INJURY (Per person)	$
	ALL OWNED AUTOS					
	SCHEDULED AUTOS				BODILY INJURY (Per accident)	$
	X HIRED AUTOS					
	X NON-OWNED AUTOS				PROPERTY DAMAGE	$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	$
	ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	$
					AGGREGATE	$
A	**EXCESS LIABILITY**	CWP3442774	11/01/03	11/01/04	EACH OCCURRENCE	$ 1,000,000
	X UMBRELLA FORM				AGGREGATE	$ 1,000,000
	OTHER THAN UMBRELLA FORM					$
B	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY**	321146	11/01/03	11/01/04	WC STATUTORY LIMITS / OTHER	
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: INCL / EXCL				EL EACH ACCIDENT	$ 100,000
					EL DISEASE-POLICY LIMIT	$ 500,000
					EL DISEASE-EA EMPLOYEE	$ 100,000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Job: Montgomery-Bath Co. STPR-5256(15)

CERTIFICATE HOLDER

The Walker Company
P.O. Box 308
Mt. Sterling, KY 40353

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

Fred Orthmeyer

© ACORD CORPORATION 1988

CERTIFICATE: 001/001/ 00002

Kentucky Transportation Cabinet
Department of Highways
Division of Construction

SUBCONTRACTOR'S CERTIFICATION RECEIPT OF BID PROPOSAL

I hereby certify that Cinco, Incorporated (Subcontracting Company) of Mt. Sterling Ky (City, State), has a copy of the bid proposal in the Bid Letting Nov. 14th 2003 (Letting Date) for 03-0706 (Project Code No. (PCN)) Montgomery-Bath (County) STPR-5256(19) (Project Number) and will abide by the conditions set forth in said bid proposal.

Terry Taul (Representative) 11/21/2003 (Date) Cinco, Incorporated (Subcontracting Company)

Hereby recognized as an official representative of this Company, with full authority to sign. I understand and am fully aware of the conditions set forth and herein by this statement.

SUBCONTRACT

THIS SUBCONTRACT is made and entered into by and between **Cinco, Inc.**, with its principal place of business at **P.O. Box 1187, Mt. Sterling, Kentucky 40353** ("Subcontractor"), and The Walker Company of Kentucky, Inc., with principal office at P.0. Box 308, Mt. Sterling, KY 40353 ("Contractor").

WHEREAS, Contractor has been awarded a contract for the construction project known as **Montgomery-Bath County, STPR 5256 (19)** for **Commonwealth of Kentucky, Kentucky Transportation Cabinet, Department of Highways, Frankfort, Kentucky 40622** ("Owner") at **Montgomery-Bath County** (the "Project"). The terms of this contract are more specifically set out in an agreement between Owner and Contractor dated_____and bearing Contract Number

PCN 03-0706 (the "Prime Contract").

IT IS THEREFORE agreed between Contractor and Subcontractor as follows:

1. SCOPE OF WORK

Subcontractor shall furnish all labor, materials, supplies, services, equipment, machinery, tools, supervision, and other items required to fully complete the portion of work on the Project as described herein and shall fully perform the following items of work at the unit prices indicated:

ITEM NO	*DESCRIPTION*	*APPROX QUAN*	*UNIT*	*UNIT PRICE*	*TOTAL*
23	CONCRETE-CLASS A	141.56	CU M	$900.00	$127,404.00
24	STEEL REINFORCEMENT	6,559.40	KG	$1.50	$9,839.10
58	PERF PIPE HEADWALL TY 2-150 MM	1.00	EACH	$590.00	$590.00
59	PERF PIPE HEADWALL TY 3-150 MM	7.00	EACH	$625.00	$4,375.00
60	PERF PIPE HEADWALL TY 4-150 MM	5.00	EACH	$595.00	$2,975.00

63	DROP BOX INLET TYPE 7	1.00	EACH	$3,000.00	$3,000.00
64	S & F BOX INLET-OUTLET-450 MM	2.00	EACH	$2,200.00	$4,400.00
65	S & F BOX INLET-OUTLET-600 MM	4.00	EACH	$2,300.00	$9,200.00
66	S & F BOX INLET-OUTLET-750 MM	6.00	EACH	$2,700.00	$16,200.00
67	S & F BOX INLET-OUTLET-900 MM	1.00	EACH	$3,200.00	$3,200.00
68	METAL END SECTION TY 1-375 MM	29.00	EACH	$525.00	$15,225.00
69	METAL END SECTION TY 1-450 MM	1.00	EACH	$1,500.00	$1,500.00
70	METAL END SECTION TY 1-600 MM	1.00	EACH	$1,800.00	$1,800.00
71	METAL END SECTION TY 1-750 MM	2.00	EACH	$2,000.00	$4,000.00
72	METAL END SECTION TY 3-450 MM	1.00	EACH	$750.00	$750.00
73	METAL END SECTION TY 3-900 MM	2.00	EACH	$2,350.00	$4,700.00
74	JUNCTION BOX	2.00	EACH	$2,100.00	$4,200.00
75	FLUME INLET TYPE 2	2.00	EACH	$2,500.00	$5,000.00
90	ISLAND INTEGRAL CURB	22.33	METER	$98.00	$2,188.34
119	SEWER PIPE-200 MM-PVC	662.29	METER	$104.00	$68,878.16
120	SANITARY SEWER MANHOLE	14.00	EACH	$2,450.00	$34,300.00
121	ADJUST MANHOLE	2.00	EACH	$1,500.00	$3,000.00
122	CUT & CAP-200 MM	7.00	EACH	$575.00	$4,025.00
123	ABANDON MANHOLE	14.00	EACH	$600.00	$8,400.00
124	CONCRETE ENCASEMENT	23.00	METER	$192.00	$4,416.00
125	SEWER PIPE-150 MM-PVC	52.00	METER	$79.00	$4,108.00
126	STEEL ENC PIPE-350 MM-OPEN CUT	48.00	METER	$286.00	$13,728.00
127	STEEL ENC PIPE-350 MM-JACK & BORE	39.50	METER	$478.00	$18,881.00
128	STEEL ENC PIPE-300 MM-OPEN CUT	77.50	METER	$98.50	$7,633.75
129	SANITARY SEWER SIDEWALL	16.20	METER	$675.00	$10,935.00
130	DROP INLET	8.10	METER	$495.00	$4,009.50
131	CONNECT TO EXISTING MANHOLE	1.00	EACH	$950.00	$950.00
132	CUT & CAP-150 MM	15.00	EACH	$265.00	$3,975.00
133	TEE 200 MM X 150MM	15.00	EACH	$51.00	$765.00
134	CLEANOUT-150 MM	15.00	EACH	$250.00	$3,750.00
135	RECONNECT SEWER SERVICE	15.00	EACH	$550.00	$8,250.00
	TOTAL				$420,550.85

All labor, materials, supplies, services, equipment, machinery, tools, supervision, and other items provided by Subcontractor on the Project will be provided in accordance with all terms, covenants and conditions of the Prime Contract. The Subcontractor acknowledges that all

provisions, conditions, plans, drawings, specifications and addenda contained in the Prime Contract are incorporated by reference into this Subcontract. Copies of the Prime Contract are available for inspection by the Subcontractor at the Contractor's office.

2. SUBCONTRACT PRICE

Subcontractor shall be paid by Contractor, for the satisfactory performance and completion of Subcontractor's work described herein and all of the duties, obligations and responsibilities of the Subcontract under the Subcontract Documents, at the rate of the unit prices set forth in Paragraph 1 of this Subcontract (the "Subcontract Price") and subject to any additions and deductions as provided herein. It is specifically acknowledged and agreed by Subcontractor that the quantities of items set forth in Paragraph 1 are estimated quantities only and that the earnings of Subcontractor under this Subcontract shall be determined by the quantities of work that are actually allowed and paid to Contractor by Owner.

The Subcontract Price includes all federal, state, county, municipal and other taxes and assessments imposed by law and based upon labor, services, materials, equipment or other items acquired, performed, furnished or used for or in connection with the Subcontractor's work, including, but not limited to, sales, use and personal property taxes payable by or levied against the Owner, Contractor or the Subcontractor. Where the law requires any such taxes or assessments to be stated and charged separately, the total price of all items included in Subcontractor's work, plus the amount of such taxes shall not exceed the Subcontract Price.

3. SUBCONTRACT DOCUMENTS

The Subcontract Documents consist of (1) this Subcontract, (2) the Prime Contract, consisting of the agreement between the Owner and Contractor and the other Contract Documents enumerated therein including, but not limited to, the Conditions (General, Special,

Supplementary and other Conditions), Drawings, Plans, Specifications, Addenda and Modifications, whether issued before or after the execution of this Subcontract, and other Contract Documents, if any; listed in the Prime Contract, (3) any other documents specifically incorporated into this Subcontract by reference herein, and (4) modifications to this Subcontract issued after execution, all of which are hereby referred to and made a part of this Subcontract as though fully set out in this Subcontract (collectively referred to as the "Subcontract Documents").

This Subcontract shall be performed in strict accordance with the Subcontract Documents and to the satisfaction of Contractor and Owner. The Subcontractor represents and agrees that it has carefully examined and understands the Subcontract Documents, copies of which have been and remain available for inspection and copying by Subcontractor, that it has investigated the nature, locality and site of the Project and the conditions and difficulties under which it is to be performed, and that it enters into this Subcontract on the basis of its own examination, investigation and evaluation of all such matters and not in reliance upon any opinions or representations of Contractor, Owner, or any of their respective officers, agents or employees.

4. PAYMENT

(a) Progress Payments & Retainage Subcontractor shall be paid by Contractor at the rate of the unit prices listed in Paragraph 1 for all work performed and materials and supplies furnished, payment to Subcontractor being expressly conditioned upon Contractor's prior receipt of payment from Owner. It is specifically acknowledged and agreed by Subcontractor that no payment by Contractor to Subcontractor shall be construed as acceptance of any portion of Subcontractor's work, a waiver of any defect or deficiency in Subcontractor's performance, or relieve Subcontractor of any of its obligations arising out of this Subcontract. Should Contractor

at any time determine that payment has been made to Subcontractor, or on Subcontractor's behalf, in excess of the amount then due for work under this Subcontract, then Subcontractor shall promptly repay such excess to Contractor within three (3) days of demand for repayment.

(b) Final Payment Final Payment shall be made by Contractor to Subcontractor after completion and acceptance of the Subcontractor's work by Contractor and the Owner provided that (1) Contractor shall have first received final payment from the Owner, (2) Subcontractor shall have furnished, if requested, evidence satisfactory to Contractor that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, materials, equipment, taxes or other items performed, furnished or incurred for or in connection with the Subcontractor's work, and (3) Subcontractor shall have executed and delivered to Contractor, in a form satisfactory to Contractor, a Release of Lien and an Affidavit of Payment running to and in favor of Contractor and the Owner.

(c) Payments Withheld Subcontractor shall meet all of its obligations and liabilities pertaining to this Subcontract on a timely basis and shall furnish, at any time requested, evidence satisfactory to Contractor that there are no claims outstanding or unsatisfied for labor, services, materials, equipment, taxes or other items performed, furnished or incurred for or in connection with Subcontractor's work. In the event that Subcontractor does not comply with the above, Contractor may retain from monies owing to Subcontractor sufficient sums to indemnify Contractor and Owner against any claims or obligations related to this Subcontract. Contractor may disburse monies owing to the Subcontractor as Contractor may determine necessary, including by joint check arrangements or payments directly to persons or entities claiming by or through Subcontractor, to satisfy the above claims against or obligations of Subcontractor. Should Contractor advance money to Subcontractor or pay on its behalf any bills, accounts, labor

or other items, such advances, disbursements and payments may be deducted from amounts due or to become due to Subcontractor or the retained percentage, at the option of Contractor. Should such advances and payments be in excess of the total amount finally due Subcontractor, then Subcontractor shall promptly repay such excess to Contractor on demand.

5. COMMENCEMENT DATE & COMPLETION

Time is of the essence in the Prime Contract and it is expressly acknowledged by the Subcontractor that time is of the essence in its performance of this Subcontract. Subcontractor shall prosecute the Subcontract work with all possible diligence and all possible speed in order to insure completion of the work at the earliest possible date and shall fully cooperate with Contractor in scheduling and performing the Subcontract work to avoid conflict, delay in or interference with the work of the Contractor or others on the Project. Subcontractor shall begin its work within five (5) days of receiving the notice to proceed from Contractor. In the event that Subcontractor does not perform its work promptly and the completion of the Project is delayed, Subcontractor shall assume and pay any damages including, but not limited to, any liquidated damages provided by the Prime Contract, that may be incurred by or assessed against the Contractor. No extension of time will be valid without the Contractor's prior written consent after receiving a written claim for adjustment from the Subcontractor.

Contractor shall not be liable to Subcontractor for any costs or damages due to delays, escalation, accelerations, nonperformance, interferences with performance, suspensions, or changes in the performance or sequence of the Subcontractor's work. Should this Subcontract, in whole or in part, be interfered with or delayed, or be suspended in commencement, prosecution or completion, for reasons beyond the Subcontractor's control, without its fault or negligence, Subcontractor shall be entitled to, and shall be fully compensated by, an extension of

time in which to complete its work. However, such extension shall be given only if Subcontractor first notifies Contractor in writing of the cause of delay within two (2) days of the occurrence of the event and on the further condition that Contractor shall have received a similar extension of time from the Owner.

6. INTERUPTION OF WORK

Subcontractor shall not employ any personnel or means of construction which may cause strikes, work stoppages, work interruption or hindrance, or any other disturbances, of any nature whatsoever by Contractor's employees or the employees of any other contractor or subcontractor on the Project with respect to any work related to this Subcontract Agreement or the Project.

7. SUBCONTRACTOR DEFAULT

Should the Subcontractor fail, in the opinion of Contractor, to prosecute the work with sufficient force and speed, or default or neglect to carry out the work in accordance with this Subcontract, or cause by any act or omission the stoppage or delay of or interference with or damage to the work of Contractor or of any other contractors or subcontractors on the Project, including but not limited to any violation of the provisions of Paragraph 6 above, or fail in the performance of any of the terms and provisions of this Subcontract or the Subcontract Documents, or should the Owner or Contractor determine that Subcontractor's work or any portion thereof is not being performed in accordance with the Subcontract Documents, or should there be filed by or against Subcontractor a Petition in Bankruptcy, or should the Subcontractor become insolvent or be adjudicated bankrupt, or go into liquidation or dissolution either voluntarily or involuntarily, or make a general assignment for the benefit of creditors, or otherwise acknowledge insolvency, then in any of such event, each of which shall constitute a default by Subcontractor, and Subcontractor fails to immediately take measures to commence

and continue correction of such default or neglect with diligence and promptness, the Contractor may, at its option and in addition to any other rights and remedies provided by this Subcontract or by law, elect to proceed in any one or more of the following manners:

(1) Contractor may employ and use on said work, or any portion thereof, such number of workers, laborers, supervisors, teams, tools, machinery, equipment and/or other subcontractors, at such wages, prices and rates as Contractor may deem necessary and expedient to insure the prompt completion of the work and Project, and it shall charge all of same to Subcontractor;

(2) Contractor may relet the work, either in whole or in part, to such other persons or entities as it may desire, at such prices as it may deem proper, and shall charge the costs thereof to Subcontractor;

(3) Contractor may declare the rights of Subcontractor under this Subcontract to be terminated and, in such event, Subcontractor shall only be paid for the actual work done by it to the date of termination, less the amount of any damages, claims, obligations or liabilities incurred by Contractor or Owner by virtue of Subcontractor's actions; or

(4) Contractor may terminate the employment of Subcontractor for all or any portion of the Subcontractor's work, enter upon the premises and take possession of, for the purpose of completing the Subcontractor's work, all materials, equipment, tools, appliances and other items thereon, all of which the Subcontractor hereby transfers, assigns and sets over to Contractor for such purpose, and to employ any person or persons to complete the Subcontractor's work and provide all of the labor, services, materials, equipment and other items required therefore. In any such event, Subcontractor shall remain bound, and all other terms of this Subcontract shall remain in force, to the extent of the work or areas which have not been so terminated. In case of such termination of Subcontractor, it shall not be entitled to receive any further payment under this Subcontract until the Subcontractor's work shall be fully completed to the satisfaction of Contractor and the Owner and shall have been accepted by them, at which time, if the unpaid balance of the amount to be paid under this Subcontract shall exceed the costs and expenses incurred by Contractor in completing the Subcontractor's work, such excess shall be paid to Subcontractor; but in the event that such costs, and expenses, shall exceed the unpaid balance of the Subcontract Price, then Subcontractor shall pay the difference to Contractor upon demand.

For purposes of this paragraph, the costs and expenses recoverable by Contractor from Subcontractor for Subcontractor default shall include, in addition to the costs of completing the Subcontractor's work to the satisfaction of Contractor and the Owner and of performing and

furnishing of all labor, services, materials, equipment and other items required therefore, but also all losses, damages, claims, obligations, liabilities, costs and expenses, including attorneys' fees, incurred or suffered by Contractor by reason of or resulting from the Subcontractor's default.

8. <u>CHANGES</u>

Subcontractor may, at any time during the progress of Subcontractor's work, be ordered in writing by Contractor, without invalidating this Subcontract, to make changes in the work of this Subcontract consisting of additions, deletions, deviations, or other revisions, including those required by modifications to the Prime Contract issued subsequent to the execution of this Subcontract, the Subcontract Price and the time for completion being adjusted accordingly. Subcontractor shall, prior to the commencement of such changed or revised work, submit promptly to Contractor written copies of a claim for adjustment to the Subcontract Price and completion time for such revised work in a manner and time consistent with the requirements of the Subcontract Documents. No change orders or modifications of this Subcontract, whether for extras or otherwise, shall be valid unless authorized by the Contractor in writing after receipt of Subcontractor's claim for adjustment. Failure of the Subcontractor to make such a timely claim for adjustment shall bind the Subcontractor to the same consequences as those to which the Contractor is bound to the Owner.

In the event that Contractor and Subcontractor should not be able to agree as to the amount to be allowed as an adjustment to the Subcontract Price and time for completion for any changes made pursuant to this paragraph, it shall, nevertheless, be the duty of Subcontractor to proceed immediately with such change(s) upon written notice from Contractor. In any such event the determination of the appropriate adjustment to the Subcontract Price and time for completion for such revised work shall be resolved thereafter by mutual agreement or in

accordance with Paragraph 13 below pertaining to dispute resolution.

9. INDEMNIFICATION

The Subcontractor shall indemnify and hold the Contractor, Owner and their agents, consultants and employees harmless from and against all claims, losses, costs, damages and attorneys' fees pertaining to the performance of this Subcontract and involving personal injury, sickness, disease, death or property damage, including loss of property, but only to the extent caused in whole or in part by the negligent acts or omissions of the Subcontractor or any of the Subcontractors' subcontractors, suppliers, manufacturers, or other persons or entities for whose acts the Subcontractor may be liable. This indemnification agreement is binding on the Subcontractor, to the fullest extent permitted by law, regardless of whether any or all of the persons or entities indemnified hereunder are responsible in part for the claims, damages, losses or expenses for which the Subcontractor is obligated to provide indemnification. This indemnification provision does not negate, abridge or reduce any other rights or obligations of the persons and entities described herein with respect to indemnity.

10. INSURANCE

Prior to the start of Subcontractor's Work, the Subcontractor shall procure and maintain in force worker's compensation insurance, employer's liability insurance, comprehensive general liability insurance, automobile liability insurance and all insurance required of the Contractor under the Contract Documents. Subcontractor shall maintain at least the following limits of insurance coverage:

Worker's Compensation	Statutory Requirements
Employer's Liability	$1,000,000
General Liability Including Contractual Coverage	$1,000,000
Vehicle Bodily Injury	$1,000,000
Vehicle Property Damage	$1,000,000

Subcontractor shall provide Contractor with a certificate of insurance certifying that the required insurance policies will not be cancelled during the Subcontractor's performance of this Subcontract. In addition, the Subcontractor shall procure and maintain insurance coverage upon such form of occurrence policy and with such coverages, endorsements and policy limits as shall be acceptable to Contractor, providing coverage for all exposures to liability for pollutants, hazardous materials, and environmental hazards.

The Contractor and Owner shall be named as additional insureds on each of these policies except for worker's compensation. The Subcontractor shall maintain in effect all insurance coverage required under this Subcontract at the Subcontractor's sole expense and with insurance companies acceptable to the Contractor.

11. PERFORMANCE & PAYMENT BONDS

Subcontractor shall provide Contractor with a payment and performance bond during the life on this Subcontract in an amount equal to 100% of the Subcontract Price and conditioned upon and covering the faithful performance of, and compliance with, all the terms, provisions, and conditions of this Subcontract. In lieu of Subcontractor providing such bonds, Contractor may, in its discretion, deduct from the Subcontractor's payment monies sufficient to cover the Subcontractor's pro rata share of the Contractor's bonding costs.

12. WARRANTY

Subcontractor warrants to the Contractor and Owner that all materials and equipment furnished under this Subcontract will be of good quality and new unless otherwise required or permitted by the Subcontract Documents, that the work under this Subcontract will be free from defects not inherent in the quality required or permitted, and that Subcontractor's warranty and work will conform in all respects with the requirements of the Prime Contract and the

Subcontract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. This warranty shall be in addition to, and not in limitation of, any other warranty or remedy provided by law or by the Subcontract Documents.

13. DISPUTE RESOLUTION

Any claim, controversy or dispute between the Contractor and Subcontractor arising out of or related to this Subcontract, or a breach hereof, and which claim, controversy or dispute is not resolved by mutual agreement between the parties, shall, unless otherwise required by the Prime Contract or applicable law, be submitted to a judicial court of competent jurisdiction located in Montgomery County, Kentucky. The Subcontractor further covenants and agrees that no dispute shall interfere with the progress of Subcontractor's work and the Subcontractor agrees to proceed with the Subcontract work as required in spite of any claim, controversy or dispute it may have with Contractor, the Owner or other parties.

14. LAWS, PERMITS, FEES & NOTICES

The Subcontractor shall give all notices required by and comply with all laws, ordinances, rules, regulations and orders of any public authorities applicable to the performance of the Subcontract work. The Subcontractor shall secure and pay for all permits, fees, licenses and inspections necessary for proper execution and completion of the Subcontractor's work as required by the Subcontract Documents.

The Subcontractor shall abide by all laws, ordinances, rules, regulations and orders of any state and federal authorities applicable to the Environmental Protection Act and/or water and air pollution requirements. Subcontractor further covenants and agrees to pay its own payrolls, taxes and all other costs and expense associated with the work required under this Subcontract, to

furnish Contractor with copies of all weekly payrolls and other documentation showing compliance with applicable laws and regulations, if required, to furnish Contractor with copies of Material Safety Data Sheets for all materials used on the Project and a copy of Subcontractor's written hazard communication program, and acknowledges and agrees that any payment received by Subcontractor shall be held in trust for the purpose of paying its subcontractors, laborers, material men, suppliers and any others claiming by or through Subcontractor and who may be entitled to assert a lien or other claim against the Project.

15. REMOVAL OF EQUIPMENT

Subcontractor shall not, without the prior consent of Contractor, remove or permit to be removed from the Project, any equipment, machinery, tools, materials, supplies or other items that have been purchased for or placed on the Project for use in connection with the Project until the Subcontract work has been completed.

16. RENTAL EQUIPMENT

If Subcontractor makes use of Contractor's equipment, Subcontractor shall pay current AED rental rates, or the rates commonly charged in the area where the work is to be performed in the event that AED rental rates are not provided, unless otherwise agreed to by the parties in writing.

17. CLEANUP

Subcontractor shall keep the Project site and surrounding area free from accumulation of waste materials or rubbish caused by operations performed under this Subcontract and shall, upon completion of its work, leave the Project site in a clean and orderly condition.

18. TRAFFIC CONTROL & SAFETY DEVICES

Subcontractor shall not remove or alter any traffic control devices, safety equipment, safety guards or safety appliances unless Subcontractor has secured the express consent of Contractor or Contractor's authorized representative. Subcontractor shall replace such devices, guards and appliances promptly and failure to make such replacement will authorize Contractor to do such work and charge the costs thereof to Subcontractor. Subcontractor assumes all responsibility for removal or alteration of any traffic control devices, safety equipment, safety guards or safety appliances.

19. EQUAL EMPLOYMENT OPPORTUNITY & AFFIRMATIVE ACTION

Subcontractor shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, age, religion, national origin, physical or mental handicap, or because he or she is a disabled veteran or veteran of the Vietnam era. Subcontractor agrees to take affirmative action to insure that qualified applicants are employed, and that employees are treated during employment, without regard to race, creed, color, sex, age, religion, national origin, physical or mental handicap, or status as a disabled veteran or veteran of the Vietnam era.

To the extent applicable, Subcontractor shall comply with all provisions of Executive Order No. 11246, dated September 24, 1976; the Vietnam Era Veterans Readjustment Assistance Act of 1974, the Rehabilitation Act of 1973, and all amendments thereto, and all rules, regulations, orders, instructions, designations and other directives promulgated pursuant thereto, the terms of all of which are incorporated herein by reference. Violation of this provision shall be considered a material breach of this Subcontract and shall entitle Contractor to exercise any of the options set forth in Paragraph 7, including termination or suspension of this Subcontract in whole or in part.

20. ASSIGNMENT

Subcontractor shall not sublet or assign any portion of this Subcontract, nor any monies due or to become due, or Subcontractor's earnings and compensation hereunder, without the prior written consent of Contractor. Any such assignment or subletting without prior written consent of Contractor shall be void and of no effect.

21. NOTICE

All notices, demands and other communications provided for in this Subcontract shall, unless otherwise provided, be sufficient if in writing and if delivered personally to the other party, or mailed by United States Mail, postage prepaid, to the respective addresses of Contractor and Subcontractor as set forth herein, or such other address as either may have designated from time to time. Contractor may exercise any right given to it immediately after mailing the letter containing such notice. However, this right does not preclude a Contractor from giving notice in any other legal matter.

22. GOVERNING LAW

This Subcontract shall be governed by the laws of the Commonwealth of Kentucky and any action by the Subcontractor against the Contractor as a result of this Contract shall be brought in Montgomery County, Kentucky, Circuit Court.

23. SEVERABILITY & WAIVER

The partial or complete invalidity of any one or more provisions of this Subcontract and the Subcontract Documents shall not affect the validity or continuing force and effect of any other provision or the application of such provisions to persons and circumstances other than those as to which it is determined invalid or unenforceable. The failure of Contractor to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of

this Subcontract or to exercise any right herein, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right.

24. ENTIRE AGREEMENT

This Subcontract represents the entire and integrated agreement between the Contractor and Subcontractor and supersedes all prior negotiations, representations or agreements, either written or oral, and shall not be altered, modified or amended in any manner whatsoever unless the same shall be in writing and signed by the parties.

25. SAFETY

Subcontractor agrees to provide its employees with a safe place to work, to perform the Subcontract work in a safe manner and to comply with all health and safety provisions of the applicable Federal, state and municipal agencies.

Subcontractor acknowledges that it has been provided with a copy of *The Walker Company of Kentucky, Inc. Safety Policy* and that it has familiarized itself with the safety program of the Contractor and agrees to be bound by the provisions of the policy. Subcontractor further agrees that it will cooperate with the Contractor's Safety Director and appointed safety personnel on the Project.

Subcontractor expressly acknowledges that failure to correct or prevent unsafe conditions or conduct, failure to comply with the above mentioned health and safety provisions or failure abide by the Contractor's Safety Policy may constitute a breach of this Subcontract and result in immediate termination of Subcontractor. Additionally, Subcontractor agrees to hold Contractor harmless for any damages, costs, deficiencies or fines resulting from Subcontractor's failure to correct or prevent unsafe conditions or conduct, failure to comply with the above mentioned health and safety provisions or failure abide by the Contractor's Safety Policy

IN WITNESS WHEROF, The Contractor and Subcontractor have executed this Subcontract for themselves, their heirs, executors, successors, administrators and assigns on this 25th day of Nov., 2003.

THE WALKER COMPANY OF KENTUCKY, INC.

Thomas D. Lowry, Vice President

STATE OF KENTUCKY COUNTY OF MONTGOMERY

The foregoing Subcontract was subscribed, sworn to and acknowledged before me by **Thomas D. Lowry** in his capacity as **Vice President** of The Walker Company of Kentucky, Inc. on this 25th day of Nov., 2003.

Notary Public

My Commission Expires: 8-27-07

CINCO, INC.

Terry Taul President
Title

STATE OF KENTUCKY COUNTY OF Montgomery

The foregoing Subcontract was subscribed, sworn to and acknowledged before me by Terry Taul in his/her capacity as President of **Cinco, Inc.** on this 21st day of November, 2003.

Tiffany C. Taul
Notary Public

My Commission Expires: 6/20/2007

Federal Identification No. 61-1059353

Kentucky Identification No. 078668