

**THIS CONTRACT IS SUBJECT TO ARBITRATION PURSUANT
TO SECTION 15-48-10 OF THE SOUTH CAROLINA CODE**

CONSTRUCTION CONTRACT

THIS Construction Contract (the "Agreement") is entered into by and between **Hartford Fire Insurance Company** (the "Company") and **R. H. Moore Company, Inc.** (the "Contractor"). The effective date of this Contract shall be December 11, 2013, and the Work shall begin upon issuance of a Notice to Proceed by Company.

In consideration of the premises set forth above, the parties hereto agree as follows:

1. Recitals and Status of Parties:

1.1 The Project is for the installation of certain site infrastructure and utilities in communities with a platted and approved Subdivision in the City of Georgetown, South Carolina known as The Plantation at Winyah Bay.

1.2 The Company is Surety for the original Developer of the Subdivision and issued its Subdivision Performance Bond in favor of the City of Georgetown relative to the installation of the site infrastructure and utilities pursuant to plans and specifications therefor approved by the City. The Company is not the Owner or Developer of the property or Subdivision in issue and does not otherwise have any obligations or interests therein.

1.3 The Company, as Surety, is entering the Construction Contract pursuant to, and in discharge of its obligations under its Subdivision Performance Bond and that certain Agreement, dated August 20, 2013, between it and the City.

1.4 The Company desires to avail itself of the services of the Contractor in connection with the construction of certain infrastructure work at The Plantation at Winyah Bay, Georgetown, South Carolina (the "Project"), as covered by its Subdivision Performance Bond and the above-referenced Agreement between the Company and the City, and the Contractor desires to provide such services.

1.5 The Company makes no other warranties or representations regarding the Subdivision, the subject property or the Plans and Specifications approved by the City for the Work.

A. SCOPE OF WORK; PAYMENTS TO OTHERS

2. Scope of Work:

2.1 "Work" includes all labor, materials, equipment and costs required or reasonably inferable from the scope of work established by the Contract Documents and as set forth in Section 25 (the "Scope of Work").

2.2 "Engineer" is Milone & MacBroom.

2.3 Contractor has made his own independent investigation and evaluation regarding the Project and the Work and is entering into this Contract on the basis of such investigation,

independent of any information or estimates provided by the Company. Contractor has provided written notice to Company and Engineer of any conflicts, errors, or inconsistencies in the documents setting forth the Scope of Work. Contractor has satisfied itself, by its own investigation and research, regarding all the conditions affecting the Work and materials to be furnished including all requirements, regulations, statutes and ordinances of all governmental entities and agrees to do the Work in compliance with all such requirements, regulations, statutes and ordinances.

2.4 The Contractor agrees to furnish all labor, materials, equipment, skill, and instrumentalities used in, or in connection with, the full performance of all Work required under the terms of this Contract and agrees to complete the Work no later than **one hundred eighty (180) calendar days** from the date Company issues written Notice to Proceed to Contractor ("Contract Time"). **TIME IS OF THE ESSENCE WITH RESPECT TO CONTRACTOR'S PERFORMANCE CONCERNING EACH AND EVERY TIME LIMIT ESTABLISHED BY THIS CONTRACT.**

2.5 Within ten (10) days of the issuance of the Notice to Proceed, Contractor shall prepare a critical path schedule establishing the most efficient and effective path for sequencing the Work. This schedule shall provide for coordination of all trades for each and every portion of the Work. Contractor shall update the status of the Work according to the schedule on a monthly basis, showing the amount of Work constructed and comparing the Work in place to the progress required on the original critical path schedule. Contractor shall inform Company in writing if, at any time, the progress of the Work is such that the Contractor will not be able to complete the Work within the Contract Time. In such case, Contractor shall also present a recovery schedule and plan for such overtime work or other measures that may be required to recover the schedule and complete the Work within the Contract Time.

2.6 The time of the completion of the Work is critical to the Company. In the event that Contractor does not achieve Substantial Completion of the Work within the Contract Time, Contractor shall pay Company liquidated damages in the amount of Five Hundred Dollars (\$500.00) per day for each day after the date for Substantial Completion that Contractor fails to properly complete the Work. Contractor acknowledges that these liquidated damages are fair and equitable and reflect the fact that it would be difficult or impossible to accurately assess the full scope of actual damages to Company if Contractor is late in completing the Work.

2.7 Contractor shall take sole and exclusive responsibility for initiating, maintaining and supervising all necessary safety precautions and programs in connection with all of the Work under this Contract. The Contractor shall give all notices and comply with all applicable laws, ordinances, rules, regulations and orders of all public authorities, related to the Work and/or the safety of persons or properties connected with the Project (collectively, "Laws").

3. Payments to Others:

3.1 Contractor agrees to:

3.1.1 Pay for all expenses, including, but not limited to, materials, skills, labor, equipment and instrumentality's used in, or in connection with, the performance of this Contract and any other claims arising out of Contractor's Work, when and as bills or claims therefore become due or are made. Nothing herein shall limit Contractor's ability to withhold payment from subcontractors for improper work or in the event of other reasonable dispute over payment due to subcontractors. However, in all cases, Contractor shall save and protect the property and the Company from all manner of claims, including without limitation, mechanics' liens on account thereof, and to furnish satisfactory evidence to the Company, when and if required, that it has complied with the above requirements;

3.1.2 Satisfy and discharge any claims, or transfer to bond with good and sufficient surety acceptable to Company any liens, filed by its subcontractors, suppliers, sub-subcontractors, or their materialmen within ten (10) days of such claim having been made or lien filed or recorded. If within such ten (10) day period, Contractor shall not have removed, satisfied, or discharged any lien claim, or with respect to any other claim, have satisfied the same or have given the Company such further assurances as the Company may request, then the Company may, at its option, pay such claims or remove such lien at the Contractor's expense and may set off and deduct from any payments due or to become due to Contractor all costs and expenses of removing or satisfying such liens or other claims; and

3.1.3 Indemnify, defend, and hold harmless the Company and any related entities from any costs, including reasonable attorneys' fees, incurred as a result of liens or claims filed by subcontractors, suppliers, sub-subcontractors, or materialmen.

B. PAYMENTS

4. Partial Payments - Final Payment - Release:

4.1 The price to be paid to Contractor by the Company for timely, proper performance of the Work accepted by the Company under this Contract is [REDACTED] (the "Contract Price"). The Contract Price is based in part on unit prices, allowances and quantities provided in the Contract Documents and includes (i) all materials, equipment, labor, delivery, installation, overhead, and profit, and (ii) any other costs or expenses in connection with, or incidental to, the performance of the Work. Contractor understands and agrees that Contractor shall not be entitled to a Change Order, additional time or additional compensation unless the Scope of Work is increased through a modification of the plans and specifications for the Project.

If there is an increase in the Scope of Work through a modification of the plans or specifications then Contractor shall be paid for Work based on the amount agreed to in writing in advance by Contractor and Company. Measurement and payment for such additional Work shall be made at the unit prices set forth in the Contractor's Bid Proposal but only for units actually installed/performed by Contractor and certified by the Engineer. If at any time measurements, tests, or other inquiries by the Engineer or Company reveal a prior overpayment to Contractor for any item of additional Work, Company shall be entitled to deduct the amount of such overpayment from any subsequent progress payment or from the final payment due Contractor; if there are no funds or an insufficient amount of funds due to Contractor at the time such overpayment is discovered, then Contractor shall pay to Company the amount of such

overpayment within ten (10) days of demand therefore by Company. Neither Company's nor Engineer's approval of any application for payment shall be considered a waiver of Company's right to later deduct from amounts due to Contractor or demand payment from Contractor for prior overpayments made to Contractor.

4.2 Payment shall be made to the Contractor based upon applications for payment for Work properly performed. Such applications for payment shall be submitted to the Engineer and the Company on a monthly basis in the form requested by the Company and the Engineer. Subject to retainage in the amount of ten percent (10%), Contractor shall be paid based upon the Engineer's approval of the Work performed and the amounts due pursuant to such applications for payment. Payment for approved Work will be made no later than 30 days after the date of invoice.

Final payment, including the release of retainage, if any, shall not be made to Contractor until all of the following have occurred: (1) all Work is properly completed; (2) the Engineer has certified all of the Work as being properly completed; and (3) certification by the Engineer of Record for DHEC that the improvements have been constructed in accordance with the plans and specifications.

4.3 As further conditions precedent to Contractor's right to receive any payment:

4.3.1 Contractor shall submit to the Engineer and the Company an application for payment on the form required by the Engineer, and the Engineer shall approve or reject all or part of such pay application as appropriate.

4.3.2 Together with the application for payment, Contractor shall deliver to the Company fully executed lien releases or certifications that all wages, materials, and any and all other indirect costs have been paid, corresponding with the Work for which payment is sought and in the amount of the payment sought.

4.3.3 All necessary approvals of the Work for which payment is sought shall have been received from the Engineer and any governmental authority whose approval is required under applicable Laws.

4.3.4 The truthful and complete preparation of interim lien waivers from Contractor and its subcontractors in a form acceptable to the Company in its sole discretion, shall be an express condition precedent to the Company's duty to make any payments to Contractor under this Contract. Contractor agrees that the Company has the right to disclosure of the information requested in the lien waiver and that the Company has the right to withhold any and all payments due under this Contract if Contractor fails to submit the lien waiver or if any information contained in any lien waiver or certification is determined to be false. The submission of any information in the lien waiver that is in any way false or misleading shall constitute a material breach under this Contract and entitle Company to withhold payments due under this Contract. Contractor further agrees to payments being made under this Contract by way of check being made jointly payable to Contractor and any person or entity who is owed funds by Contractor in connection with the Work. However, payment by joint check shall be at the sole discretion of the Company, and Company shall have no duty to issue joint check.

4.3.5 Once Contractor has completed all Work, Contractor shall certify completion of the Work to the Company and shall submit a Final Pay Application to the Company including all amounts that Contractor contends is owed under the Contract, including, but not limited to, any and all outstanding claims or Change Orders between

the parties. Along with the Final Application for Payment, Contractor shall furnish to the Company a complete, final and unconditional release of all liens and claims from Contractor as well as all other persons, firms and corporations who have performed more than \$10,000 of work or supplied more than \$10,000 of materials or equipment in connection with this Contract. Contractor shall also submit an affidavit to the Company stating that all of the Work requiring inspection by governmental authorities has been appropriately and fully approved and accepted by such governmental authorities. Such approval and acceptance of the Work by all the applicable governmental authorities as being complete and ready for dedication and acceptance as a public roadway is a condition precedent to Final Payment. Thereafter, upon Contractor's meeting all of the requirements in this Contract concerning submission of its Final Application for Payment and approval by the Company and/or the Company's Engineer of Contractor's Final Application for Payment, the Company will remit payment to Contractor within thirty (30) days of that time.

5. Change Orders:

5.1 Contractor shall not make any change in the Work or deviate from the plans and specifications set forth in the Scope of Work unless Contractor receives a written Change Order signed by the Company prior to making such a change. Every Change Order initiated by Contractor shall be preceded by a written Change Order proposal from the Contractor which shall describe the physical nature of the proposed change and the proposed amount of the adjustment, if any, in the Contract Price and/or Contract Time. If the Company requests a proposal for a Change Order, the Contractor shall submit a proposal within ten (10) days. The Company will then, within ten (10) days of receiving the Change Order proposal, either approve, deny or approve with conditions the Change Order proposal submitted by the Contractor. If Contractor performs any change in the Work without following the requirements of this paragraph, then Contractor waives the right to seek or receive any additional compensation or time related to such Work.

5.2 In the event that the Company issues a Change Order to Contractor, Contractor shall perform such additional Work. If the Change Order is issued or to be issued on a basis other than an agreed upon lump sum or unit price for the Work to be performed, Contractor shall only be entitled to receive payment for the actual Cost incurred for such changed Work plus ten percent (10%) for overhead and profit. Extended general conditions, if any, for Change Orders extending the Contract Time will be based on a negotiated agreement between Company and Contractor at the time of such Change Order. Contractor shall provide the Company with any information reasonably requested by the Company to substantiate the Cost of such changed Work. Contractor shall not be entitled to request or receive any payment for overhead and profit for such changed Work except as specifically set forth above.

6. Deductions in General:

In addition to the rights enumerated elsewhere herein, the Company may withhold from any amounts due or to become due to Contractor sums equal to indebtedness owed by Contractor to the Company or others for labor or material or equipment, or any other obligations of Contractor on this Project or regarding matters for which the Company has received notice and for which the Company is or may possibly become liable or on account of which Company has incurred any indebtedness, as determined or certified by the Engineer. In the event of any breach by Contractor of any provision or obligation of this Contract, Company shall have the right to retain out of and deduct from any payments due or to become due to Contractor an amount sufficient to completely protect the Company from any and all loss, damage, or expenses therefrom until the breach, cause, or claim which prompted the withholding has been

satisfactorily remedied or adjusted by Contractor. The rights of the Company under this Section shall not be exclusive of any other rights of the Company herein or provided by Laws.

C. PERFORMANCE

7. Prosecution of Work:

7.1 Contractor shall comply with reasonable instructions given by the Company, including any to suspend, delay or accelerate the Work. In the event, that Contractor believes that Company's instructions entitle Contractor to a Change Order or to a claim for additional compensation or time, Contractor shall seek such a Change Order or assert such a Claim as otherwise provided in the Contract.

7.2 The Contractor shall cooperate with the Company and other contractors whose work may interfere with the Work and shall participate in the preparation of coordinated drawings and work schedules as required by the Company in areas of congestion, specifically noting and advising the Company of any interference by others.

7.3 Contractor shall keep the construction area reasonably clear of debris resulting from the performance of the Work and shall remove from the construction area and lawfully dispose of all debris generated by the execution of the Work. If the Contractor fails to comply with this paragraph within forty-eight (48) hours after receipt of notice of noncompliance from the Company, Company may perform such necessary clean up and deduct the reasonable cost from any amounts due to the Contractor.

7.4 Contractor shall give adequate notices pertaining to the Work to the applicable governmental authorities, and shall secure and pay for all necessary licenses and permits to carry on its Work, a copy to be provided to the Company by Contractor prior to the start of the Work under this Contract.

7.5 Contractor is obligated to inform the Company of any material or design it may view as unsuitable for its intended purpose.

7.6 The Contractor shall review for compliance with the Scope of Work, approve and submit to the Company and Engineer for review and approval, shop drawings, product data, samples and other submittals in reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Company or of separate contractors. By submitting shop drawings, product data, samples or similar submittals, the Contractor represents to the Company and Engineer that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work.

7.7 Contractor represents and warrants to the Company that Contractor has complied with all terms of this Contract in connection with any Work that may have been performed prior to the date of this Contract.

7.8 Should the Contractor fall behind in its progress of the Work (taking into account extensions of the Contract Time approved in accordance with the Contract), or otherwise fail to timely progress the Work to meet the Company's reasonable expectations, Contractor shall, without being entitled to any additional compensation or extension of the Contract Time, work overtime, increase its forces, or take other such action as may be necessary or appropriate to complete the Work within the Contract Time.

7.9 Before acceptance of the whole or any part of the Work, such Work shall be subjected to observation and tests to determine that it is in accordance with the Contract Documents. The Contractor will be required to maintain all Work for a 30-day operating period after the same has been completed as a whole and the Engineer has notified the Contractor in writing that the Work has been finished to its satisfaction. The Contractor shall pay for all reasonable testing, and shall engage, if reasonably necessary, the laboratory, Company or qualified individual identified by the Engineer and the Company to conduct the tests in accordance with the Contract Documents. The Contractor shall give the Engineer a minimum of forty-eight (48) hours notice for all required observations or tests. All re-testing shall be conducted at Contractor's sole expense.

7.10 It is agreed that the Contractor occupies and shall occupy the status of an "independent contractor," and that Contractor's employees are not employees of the Company.

7.11 Contractor shall provide temporary sanitary facilities for the use of its employees, subcontractors, sub-subcontractors, and other workmen (including the Engineer) during the progress of the Work. The sanitary facilities shall conform to the requirements of the Horry County health engineer and applicable Laws. All facilities shall be removed at the completion of the Work.

7.12 Contractor shall be responsible for restoring any property corners or monuments disturbed during construction, which shall be restored by a professional surveyor registered in the State of South Carolina.

7.13 Contractor shall keep accurate, legible records of the locations, types, and sizes of sanitary sewage lines, service laterals, manholes, cleanouts, water lines, fittings, valves, hydrants, drainage pipes, drainage structures and other related work performed under this Contract. On a set of Project construction prints, the Contractor shall prepare a set of "record" drawings from the data stated above. The horizontal locations of all portions of items installed on the Project shall be accurately tied down to features that are physical and visible, such as property corner markers and/or permanent type structures. Invert and frame elevations of all manholes, storm sewers and structures, potable water services, sanitary sewers, sanitary laterals and lift stations shall be clearly indicated. These "record" drawings shall be kept clean and dry and maintained in a current state with the progress of the Work. If at any time a copy of this set of "record" drawings (or any portion thereof) is requested by the Company, such copy shall be made available within twenty-four (24) hours after the request is made.

Before final acceptance of the completed Work and before final payment by the Company is due, the Contractor shall deliver to the Engineer a completed set of "record" drawings accurately depicting the data described above. The horizontal and vertical locations as shown on the "record" drawings for the items installed on the Project shall be certified by a licensed engineer or surveyor, other than Engineer, registered in the State of South Carolina. "Record" drawings shall be submitted either on a marked-up set of Project construction prints or electronically in a CADD file. Engineer shall prepare original "record" drawings from the Contractor's submitted data. When completed, Engineer shall stamp and sign the original "record" drawings before making copies available to the Company or to appropriate governmental agencies.

8. Coordination with Others:

The Contractor agrees to perform and coordinate its Work with that of the Company and other contractors to the best interests of the Project as a whole.

9. Protection of Work:

9.1 Contractor agrees to adequately and properly protect the Work (including all staking and surveying work with regard to the Project) and the safety of the public, including by erecting and maintaining suitable and sufficient lights, barricades, barriers, supports, signs, guards, and any other necessary devices or means, so as to avoid injury or damage to persons or property. Traffic lanes closed to traffic shall be protected by effective barricades which shall be lighted during hours of darkness, and suitable warning signs shall be provided to control and direct traffic and to warn pedestrians. Upon completion of the Work (or, if applicable, portion of the Work), all barricades, signs, and the like shall be removed by Contractor. Contractor agrees to be directly responsible for damages to persons and property occasioned by its failure to comply with the requirements of this Section 9.1 and for any negligence in the performance of the Work, that it shall be responsible for the repair costs of others' work which Contractor damages or fails to protect, and that it shall indemnify and hold harmless the Indemnified Parties from all losses, costs, and expenses as set forth more fully in Section 14.2 arising from or relating to Contractor's failure to comply with this Section 9.1.

9.2 Contractor acknowledges that any utility interferences shown in the Contract Documents may not be complete, and the existence and location of underground utilities will be investigated and verified in the field by the Contractor before starting the Work. Contractor is responsible for coordinating with the utility companies any relocation, adjustment, or replacement of utility facilities. Excavation in the vicinity of existing structures and utilities shall be carefully done by hand. Contractor shall take all necessary precautions to protect in place all overhead, underground and surface improvements, including but not necessarily limited to pole lines, pipe lines, conduits, cabling, subsurface facilities, sewer lines, water lines, service and meters, valves, hydrants, irrigation facilities and any other improvements located within or adjacent to the Project. Contractor shall be responsible for any damage to and for maintenance and protection of existing utilities and structures.

9.3 The Contractor shall provide, at the Project site, such equipment and medical facilities as are necessary to supply first-aid service to anyone who may be injured in connection with the Work. The Contractor must report in writing to the Engineer and the Company within forty-eight (48) hours thereof all accidents or occurrences whatsoever arising out of, or in connection with, the performance of the Work, whether on or adjacent to the Project site, which cause death, personal injury, or property damage, giving a full statement of details (including an identification of witnesses) known to Contractor. Contractor shall also furnish Company with a copy of all reports made by Contractor to Contractor's insurer or others regarding such accidents or occurrences.

10. Claims:

10.1 The Contractor agrees to give immediate written notice of any claims for which the Company is or may be liable so the Company may timely address such claims. Provided that the proceeding sentence does not require earlier action within the earlier of five (5) days after the event for which a claim is to be made or the date Contractor becomes aware or reasonably should have become aware of the event. In the case of a personal injury or a potential workmen's compensation claim, Contractor must provide Company and Engineer written notice within 24 hours of the event. Failure to strictly comply with the notice requirements set forth herein shall constitute a waiver by Contractor of any such claims, including claims for additional time or compensation related to such notice requirements.

10.2 As a precondition to Contractor making a claim for an extension of the Contract Time arising out of abnormal weather conditions ("Weather Delay Claim"), Contractor shall

submit data from the National Oceanic Atmospheric Administration (NOAA) showing the number of days where precipitation or other inclement weather occurred during the period for which the claim is made along with daily weather logs which must be kept at the job site and which must indicate that adverse weather or site conditions precluded Work. Contractor agrees that a comparison of (1) the number of days of precipitation for the month or months in question during the Project (the "On-Site Precipitation Days"), and (2) the average number of days where precipitation for the month or months in question during the previous five years exceeded .5 inches (the "Five Year Average"), is a proper comparison by which to determine Contractor's potential entitlement for extension of time for Weather Delay Claims, and that no Weather Delay Claim shall be made unless – and then, only to the extent that – the On-Site Precipitation Days exceed the Five Year Average ("Abnormal Weather Days"). Contractor acknowledges that it has taken weather conditions into account in agreeing to meet the Contract Time under this Contract and that Contractor shall only be allowed an extension of time based upon the comparison set forth in this Section. If Contractor experiences a rain event on site in excess of one inch in a 24 hour period, Contractor may also claim additional days of precipitation for the month as outlined above if Contractor establishes that site conditions remained too wet to allow work to proceed the following day(s). Notwithstanding anything else to the contrary, Contractor shall not be entitled to an extension of the Contract Time for abnormal weather unless it can show that the abnormal weather specifically affected the critical path for the Work in such a manner as to cause the Work to extend beyond the Contract Time.

10.3 *No Damages for Delay.* In no event shall Contractor be entitled to recover costs, overhead or any other damages for delays regardless of the cause or basis for such delay, and Contractor specifically waives its right to seek or recover any such delay damages. Contractor's sole and exclusive remedy for a delay claim shall be an extension of the Contract Time.

10.4 In the event that Contractor or the Work is damaged by a third party other than Company, Contractor waives any and all claims against Company arising out of or related to such damage. Contractor further agrees that its sole and exclusive remedy in such case shall be to pursue claims against the third party responsible for the damages incurred by Contractor or caused to the Work.

11. Testing:

Reasonable costs for all testing and re-testing required for Contractor's Work shall be conducted by the laboratory, Company or qualified individual approved by the Engineer and the Company and shall be paid for by the Contractor. However, the Company may choose to have additional testing conducted at the Company's expense.

12. Warranty:

12.1 Neither the final payment nor any provision or modification of this Contract nor any review or approval of Work by the Company or its consultants shall relieve Contractor of responsibility for faulty materials or workmanship. Contractor is solely responsible for the accuracy, completeness and sufficiency of all Work. In addition to the specific guarantees required by the Scope of Work and any plans and specifications, Contractor warrants that materials and equipment furnished under this Agreement will be of good quality and new, unless otherwise required or permitted in writing by the Company; that the Work of this Contract will be free from defects; and that the Work will conform with the requirements of this Contract, as well as all applicable laws, codes, standards and regulations. In addition, Contractor further warrants that it will repair or replace any Work performed or materials furnished under this Contract against defects in material or workmanship, at its own expense and without cost to the

Company, for a period beginning at Substantial Completion of the Project, and continuing until one (1) year after Substantial Completion of the Work. Such one (1) year repair warranty shall not reduce the duration of any other warranties herein or any applicable common law, state or federal statutory warranties or statutes of limitation. Accordingly, Contractor shall, if possible, complete all correction items within five (5) working days from receipt of the original notice. In the event of an emergency, Contractor agrees to respond and repair or replace any defective Work or materials within twenty-four (24) hours from receipt of such notice, if possible.

12.2 In the event Contractor fails to repair or replace any Work or materials after receiving reasonable notice of the Company's request to repair or replace the same, the Company may, at its sole option and discretion, elect to repair or replace such Work or materials and hold Contractor liable for such repair or replacement (including any administrative costs incurred by the Company), and may backcharge or withhold the cost of such repair or replacement from any account then payable by Contractor. Nothing in the foregoing provision shall, in any manner, diminish or defeat any legal right Company may have to proceed against Contractor, including, but not limited to the right to recover for latent effects.

D. INSURANCE, BONDS AND INDEMNITY

13. Insurance and Bonds:

13.1 Neither Contractor nor any of its Contractor Representatives (as defined in Section 14 below) shall commence any Work until such time as the Company has received, reviewed, and approved evidence satisfactory to the Company that all bonds and insurance as required in Exhibit A to this Contract have been obtained by such parties and that such bonds and insurance are in form and substance satisfactory to the Company. Without in any way limiting Contractor's obligations under Section 14 below, Contractor shall, during the term of this Contract, maintain the policies of insurance required and all insurance certificates and endorsements must be in compliance prior to payment of invoices. However, the Company's failure to receive, review or approve evidence of insurance prior to the commencement of Work shall not be deemed a waiver by the Company of the insurance requirements of the Contract.

14. Hold Harmless - Indemnity:

14.1 The parties understand and agree that \$1,000.00 of the price to be paid to Contractor is specific consideration from the Company to the Contractor for Contractor's indemnification of the Company from liability for damage to persons or property arising from Contractor's act, omission or default in connection with this Contract or the Work.

14.2 To the fullest extent permitted by law, Contractor for its own acts or failure to act, and for those of its agents, employees, suppliers, subconsultants, subcontractors and sub-subcontractors (including those employed directly or indirectly by such agents, employees, suppliers, subconsultants, subcontractors and sub-subcontractors) (collectively, the "Contractor Representatives"), shall indemnify, defend, protect and hold harmless the Company, all subsidiary or affiliated companies of the Company, and all of such parties' representatives, partners, stockholders, designees, officers, directors, agents, and employees and their respective heirs, executors, administrators, successors, and assigns, and the Company's lender(s) (collectively the "Indemnified Parties"), from any and all losses, costs, expenses, reasonable attorneys' fees and other costs of defense incurred in defending against any claim(s) or in enforcing this indemnity and defense obligation, liabilities, claims, court costs, demands, debts, causes of action, fines, judgments and penalties (collectively, "Liability") which may arise from or relate to: (a) death or injury to people or damage or injury to property in connection with the performance of the Work; (b) the negligent acts, errors or omissions of

Contractor or any Contractor Representative in connection with the performance of the Work; (c) any and all liens, stop notices and charges of any type, nature, kind or description which may at any time be filed or claimed against the site of the Project or community or any portion thereof, or the Company or the Company's lender (except when such liens or stop notices are caused by the Company's default in its obligation to pay Contractor pursuant to the provisions of this Contract) in connection with performance of the Work; (d) any claim(s) under workers' compensation acts, disability benefits acts, and other employee benefit acts, (provided, however, the indemnity and defense obligation hereunder shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable under such acts); (e) Contractor's failure to fulfill its obligations under this Contract in accordance with its terms, including Contractor's breach of any representations or covenants given in this Contract or elsewhere by Contractor; (f) violation of any local, state or federal law, regulation or code; or (g) infringement of any patent, trademark or copyright, or violation of trade secret or other proprietary right, in connection with performance of the Work. Notwithstanding the foregoing, Contractor shall not be obligated to indemnify the Indemnified Parties to the extent such Liability is determined by a court of competent jurisdiction to have been caused by the negligence or willful misconduct of one or more Indemnified Parties. In the event an Indemnified Party incurs Liability by reason of strict liability, or a similar legal theory, Contractor shall, nonetheless, indemnify, protect and hold each Indemnified Party harmless from such portion of such Liability that, directly or indirectly, relates to Contractor or one or more Contractor Representatives or others for whose negligent acts they may be liable or any or all of them. Payment to Contractor by any Indemnified Party shall not be a condition precedent to enforcing such party's rights to indemnification. The obligations under this Section 14 shall survive expiration or termination of this Contract. Nothing in this Section 14 shall be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity (including, without limitation, equitable indemnity) which would otherwise exist as to the Indemnified Parties.

E. DISPUTES

15. Disputes Clause:

15.1 Mandatory Mediation. Any claim arising out of or related to the Contract shall be subject to mediation as a condition precedent to the institution of legal or equitable proceedings by either party. The parties shall endeavor to resolve their claims by mediation within ninety (90) days of receipt by a party of a Notice of Mandatory Mediation setting forth the general basis for the mediation received from the other party, which shall be conducted in accordance with the construction industry mediation rules of the American Arbitration Association in effect on the effective date of this Contract. The request for mediation shall be filed in writing with the other party and with the American Arbitration Association. The parties shall share the mediator's fee and any filing fees equally, and the mediation shall be held in Charleston, South Carolina.

15.2 Arbitration.

15.2.1 Every claim between the parties arising out of or related to the Contract that is not resolved by mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the effective date of the Contract. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. 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.

15.2.2 A demand for arbitration shall not be allowed if it is made after the date when the institution of legal or equitable proceedings based on the claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim.

15.2.3 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.

15.2.4 This agreement to arbitrate shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

15.2.5 Either party, at its sole discretion, may consolidate an arbitration conducted under this Contract with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

15.2.6 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. 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.

15.2.7 The Company and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.2, whether by joinder or consolidation, the same rights of joinder and consolidation as the Company and Contractor under this Contract.

F. MISCELLANEOUS

16. Compliance With Laws:

16.1 The Contractor is in compliance and shall comply with all Laws effective where the Work is to be performed under this Contract, and to pay all fees, permits, taxes (including sales and use taxes), and expenses connected with such compliance, and also to pay all taxes imposed by any Laws for any employment insurance, pensions, old age retirement funds, or any similar purpose.

16.2 If any of the provisions under this Contract are in conflict with any Laws, then such Laws shall control over this Contract. In such case, the Contractor is obligated to inform the Company in writing of such non-compliance with such Law(s) within three (3) days of the discovery of such non-compliance.

16.3 To the extent that any term or provision of this Contract may be deemed void or not in compliance with any applicable Laws, that term or provision will be void, and where possible, void language shall be modified to the minimum extent necessary to conform to such Law(s) with all other terms and provisions of this Contract remaining in full force and effect.

17. Safety:

As to safety on the Project, Contractor:

17.1 Shall familiarize itself and comply with all prevailing safety Laws; and

17.2 Agrees that it is responsible for compliance with all applicable Laws applying to safety, including the Occupational Safety & Health Act (OSHA). Without limiting the foregoing, Contractor shall perform the Work using only those employees and/or subcontractors, if any, who are fully trained and certified pursuant to 29 C.F.R. § 1910.120. It shall further assure itself that any tools, equipment, scaffolding, or other items which may be loaned or rented to it by the Company or others, are in good order and in compliance with OSHA standards and any other Laws designed to protect the safety of persons at the job site. Contractor agrees to indemnify and hold the Company harmless with respect to any penalties or fines for violations of applicable safety Laws or for injuries or death resulting from non-compliance.

18. Termination of Contract:

18.1 The Company may immediately terminate this Contract or portion thereof:

18.1.1 If Contractor at any time shall breach this Contract, fail, refuse or neglect to supply sufficient, properly skilled workmen or materials or equipment of the proper quality or quantity, or fail in any respect to prosecute the Work with promptness and diligence, or cause by any action or omission the stoppage or interference with the Work of the Company or others, or fail in the performance of any of the covenants or conditions herein contained, or be unable to meet its debts as they mature, the Company shall deliver written notice to Contractor setting forth the basis for the breach and allowing Contractor fourteen (14) days to cure the breach or, if the cure reasonably would take longer than fourteen (14) days, reasonable time for Contractor to cure the breach. If the breach is not cured within such time, as determined by the Engineer, Contractor may, at its option, terminate this Contract by delivering written notice of termination to Contractor. Thereafter, the Company may take possession of the Work, and through itself or others provide labor, equipment, and materials to prosecute Contractor's Work on such terms and conditions as shall be deemed necessary, and shall deduct the reasonable costs thereof, including all charges, expenses, losses, costs, damages, and attorney's fees, incurred as a result of Contractor's failure to perform or other breach, from any money then due or thereafter to become due to Contractor.

18.1.2 If the Company terminates this Contract for cause, Contractor shall not be entitled to any further payments under this Contract until the Work has been completed as verified by the Engineer. In the event that the unpaid balance due to Contractor exceeds the Company's cost of completion, the difference shall be paid to Contractor; but if the Company's cost of completion exceeds the balance due to Contractor, Contractor agrees to pay the difference to the Company within ten (10) calendar-days of written certification from the Engineer that the additional costs were reasonable and necessary for the completion of the Work. Termination of this Contract, or portion thereof, shall not relieve the Contractor of its responsibilities for the Work it performed prior to completion, nor shall it relieve its surety and indemnity obligation for and concerning any claim arising out of the Work performed by the Contractor. To the extent that any termination for cause by the Company is found to be without adequate cause, such termination shall be treated in all respects as a termination for convenience as set forth below in Article 18.1.3.

18.1.3 By written notice, without Contractor being at fault and for the Company's convenience, the Company may require Contractor to immediately stop work and/or terminate this Contract. In such event, the Company shall pay Contractor for that portion of the Work actually performed in compliance with this Contract in an amount proportionate to the fixed price set forth in or calculated pursuant to Section 4.1. Under no circumstances shall the Company be liable to Contractor for any other costs, expenses or damages, including any lost or prospective profits.

19. Entire Agreement:

It is agreed that the terms and conditions of this Contract are fully covered as part of this document, and that any verbal statements made by either party, or agents claiming to represent either party, are to be considered of no effect whatsoever. The failure of the Company to enforce at any time, or for any period of time, any one or more of the provisions of this Contract shall not be construed to be and shall not be a waiver of such provision or provisions or of its right thereafter to enforce each and every such provision.

20. Assignment:

Contractor understands, agrees and consents to the Company's assignment of this Contract to a third party upon completion of the Work and payment to Contractor. Contractor understands that the Work is only a portion of a larger project being undertaken by the Company and, as such, the Company may hire a third party general contractor to complete the larger project at which time this Contract would be assigned by Company to the third party general contractor.

21. Severability:

If any provisions contained in this Contract are held illegal, invalid or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. The Court shall instead reform or replace any void or unenforceable provision with a valid and enforceable provision that gives meaning to the intention of the provision or shall strike the provision from the Contract.

22. Applicable Law:

This Contract shall be construed and enforced in accordance with the Laws of the State of South Carolina, excluding only its conflict of laws principles.

23. Construction of this Contract:

It is agreed that the terms and conditions of the Contract shall not be construed in favor of or against either party and that both parties have legal counsel available to review this Contract in connection with this arms-length transaction.

24. Notices:

24.1 Except as otherwise provide in this Contract, all communications required or permitted hereunder must be in writing (including email) and will be effective only when actually received by the parties. All notices shall be sent to the following individuals as set forth below:

Company:

Name: Gary Judd
Address: Hartford Bond Claims
Hartford Plaza, Tower 4
Hartford, CT 06115
e-mail Gary.Judd@thehartford.com

with a copy to:

Name: James L. Werner
Address: Parker Poe Adams & Bernstein LLP
PO Box 1509
Columbia SC 29202-1509

Contractor:

Name: Kevin Moore
Address: R. H. Moore Company, Inc.
Post Office Box 830
Murrels Inlet, SC 29576
e-mail kevinmoore@rhmoorecompany.com

25. Contract Documents:

The Contract Documents which comprise the entire agreement between Company and Contractor concerning the Work are set forth below. In the event of any conflict between any Contract Document other than a Change Order executed in accordance with this Agreement, and this Agreement, the terms of this Agreement shall govern:

- 25.1 This Contract;
- 25.2 Exhibits to this Contract;
- 25.3 Performance Bond;
- 25.4 Labor and Materials (or "Payment") Bond;
- 25.5 Notice to Proceed;
- 25.6 Specifications prepared by the Engineer dated April 2, 2007 and revised August 9, 2013, and attached hereto as Exhibit B;
- 25.7 Drawings and plans listed in Exhibit C;
- 25.8 Permit information attached hereto in Exhibit D;
- 25.9 Scope of Work listed in the Request for Proposal, dated August 29, 2013, attached hereto as Exhibit E.
- 25.10 Addendum Number 1 (dated September 13, 2013) to the Request for Proposal, dated August 29, 2013;
- 25.11 Addendum Number 2 (dated September 22, 2013) to the Request for Proposal, dated August 29, 2013;

- 25.12 Addendum Number 3 (dated October 1, 2013) to the Request for Proposal, dated August 29, 2013;
- 25.13 Contractor's Bid Proposal and Bid Form, as amended and corrected, attached hereto as Exhibit F.
- 25.14 Special Instructions from the Request for Proposal, dated August 29, 2013, attached hereto as Exhibit G.
- 25.15 Quote for conduit installation, attached hereto as Exhibit H.
- 25.16 Change Orders and any other written modification agreed to by the parties.

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IN WITNESS WHEREOF, the Company and Contractor have hereunto set their hands and seals in duplicate the day and year written below.

HARTFORD FIRE INSURANCE COMPANY

Date: December 11, 2013

By: 

Printed Name: Gary Judd

Title: Director

R. H. MOORE COMPANY, INC.

Date: _____

By: _____

Printed Name: _____

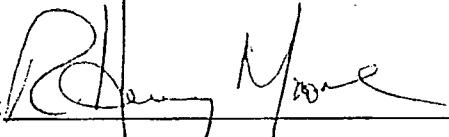
Title _____

IN WITNESS WHEREOF, the Company and Contractor have hereunto set their hands and seals in duplicate the day and year written below.

HARTFORD FIRE INSURANCE COMPANY

Date: _____ By: _____
Printed Name: _____
Title: _____

R. H. MOORE COMPANY, INC.

Date: 12-10-2013 By: 
Printed Name: R. HENRY MOORE
Title: PRESIDENT