

Connelly Builders, Inc.
STANDARD TERMS AND CONDITIONS

1. REPRESENTATION: CONNELLY BUILDERS, INC., hereinafter referred to as General Contractor, has been induced to make this contract by relying upon Sub-Contractor's representations that it is in all ways competent to complete performance and carry out the work required by this contract to the Contractor's satisfaction.

2. PERFORMANCE BY SUB-CONTRACTOR: Sub-Contractor shall complete all work required by the sub-contract documents in all respects as is stated therein. Sub-Contractor shall furnish, at its own expense, all materials, equipment and labor necessary to carry out the terms of this agreement. Sub-Contractor shall at all times be in the exclusive charge and control of its performance and shall not be subject to any control or supervision by General Contractor except as provided in paragraphs six (6) and seven (7) below relating to CHANGES and INSPECTION. Sub-Contractor shall furnish qualified and competent artisans, workmen and supervisors to carry out the work to be performed under this sub-contract, and cause such workmen to observe all fire prevention and safety rules and regulations established by General Contractor, or governmental agency or authority, as well as such rules and regulations customary to the locale of the job site. Damages caused by Sub -Contractor, or failure to carry out any of the terms of this Agreement, shall result in a back charge, plus a 15% administrative fee to cover costs incurred by General Contractor.

3. SUB-CONTRACT PRICE: General Contractor agrees to pay Sub-Contractor for the satisfactory performance of the work called for herein the sum set forth on the enclosed drawing sheets in current funds, subject to additions and deductions for changes as may be agreed upon pursuant to paragraph six (6) below titled CHANGES. General Contractor further agrees to make progress payments on account of the above specified sum based upon applications for payment submitted to it by Sub-Contractor as set forth on page 1. All such payments shall be subject to deduction for amounts paid by General Contractor, on behalf of Sub-Contractor for labor, taxes, materials, supplies or insurance plus a reasonable carrying charge made therefor.

4. INSURANCE: Sub-Contractor shall procure, pay the premiums and keep in force policies of insurance in companies satisfactory to General Contractor for insurance in the following coverages and amounts: **(a) Commercial General Liability:** (i) \$1,000,000 per occurrence limit; (ii) \$2,000,000 general aggregate limit; (iii) \$2,000,000 products / completed operations aggregate limit; (iv) Aggregate per Project endorsement; (v) Additional Insured endorsement - adding General Contractor, Owner, and Architect as Additional Insureds, on a "Primary and Non-contributory basis" (ISO endorsement CG 2001, 04 13 edition), providing "Your Work" coverage for both "Ongoing and Completed Operations" (ISO endorsement CG 2010, 11 85 edition if available, or CG 2010, 04 13 edition and CG 2037, 04 13 edition), "arising out of work performed" for General Contractor by or for Sub-Contractor; (vi) Waiver of Subrogation endorsement - waiving any right of subrogation against General Contractor; and (vii) Notice of Cancellation endorsement - providing General Contractor with 30 days (10 days for non-payment of premium) written notice of cancellation or non-renewal. Additional Insured coverage shall be maintained for the Completed Operations exposure through the applicable statute of repose for the state where the project is located (e.g. South Carolina is 8 years). **(b) Business Automobile Liability:** (i) \$1,000,000 Combined Single Limit of liability for all owned, non-owned, and hired autos; (ii) Additional Insured endorsement - adding General Contractor Owner, Architect (and others as required in upstream contracts) as Additional Insureds, on a "Primary and Non-contributory basis"; and (iii) Notice of Cancellation endorsement - providing General Contractor with 30 days (10 days for non-payment of premium) written notice of cancellation or non-renewal. **(c) Umbrella or Excess Liability:** (i) \$1,000,000 per occurrence minimum limit; (ii) Additional Insured endorsement - adding General Contractor Owner, Architect (and others as required in upstream contracts) as Additional Insureds, on a "Primary and Non-contributory basis", providing "Your Work" coverage for both "Ongoing and Completed Operations" (ISO endorsement CG 2010, 11 85 Edition or its equivalent), "arising out of work performed" for General Contractor by or for Sub-Contractor; if Umbrella is written on a "following form basis", no additional insured endorsement is required, but the Certificate of Insurance must indicate "Following Form" for Umbrella; and (iii) Notice of Cancellation endorsement - providing General Contractor with 30 days (10 days for non-payment of premium) written notice of cancellation or non-renewal. Additional Insured coverage shall be maintained for the Completed Operations exposure through the applicable statute of repose for the state where the project is located **(d) Workers' Compensation & Employer's Liability:** (i) Providing Statutory Workers' Compensation benefits in the specific state where the work is being performed; (ii) Employer's Liability limits of no less than: (1) \$100,000 per accident -

Connelly Builders, Inc.
STANDARD TERMS AND CONDITIONS

each employee limit; (2) \$100,000 by disease – each employee limit; and (3) \$500,000 by disease - policy limit; (iii) Sole Proprietors, Partners, Members of an LLC, and Officers of a Corporation must not elect to exclude coverage for themselves; (iv) Waiver of Subrogation endorsement - waiving any right of subrogation against General Contractor; and (v) Notice of Cancellation endorsement - providing General Contractor with 30 days (10 days for non-payment of premium) written notice of cancellation or non-renewal. **(e) Certificates of Insurance:** (i) Must be received and accepted by General Contractor prior to commencement of Sub-Contractor's work; (ii) Must indicate policy numbers; binder numbers are not acceptable; (iii) Must include the specific project name and location in the comments sections; (iv) Must list General Contractor as the Certificate Holder; (v) Must indicate that General Contractor is an Additional Insured, on a Primary and Non-Contributory basis, with respect to both Ongoing Operations and Completed Operations for Commercial General Liability and Umbrella / Excess Liability policies; (vi) Must indicate that General Contractor is an Additional Insured, on a Primary and Non-Contributory basis, for Business Automobile coverage; (vii) Must indicate that the Workers' Compensation & Employer's Liability, Commercial General Liability, and Umbrella / Excess Liability policies have been endorsed to provide a Waiver of Subrogation in favor of General Contractor; and (viii) Copies of all Notice of Cancellation or Non-Renewal endorsements, and all Additional Insured endorsements, must be provided in addition to the Certificate of Insurance. **(f) Insurer Financial Ratings** - any insurer providing coverage as required in this section must have an A.M. Best financial strength rating of A- or better, and a Financial Size Category of V or better. Prior to commencement of performance, Sub-Contractor shall provide General Contractor with acceptable evidence that such above-stated insurance is in force and, if so required that General Contractor has been named an additional insured. Sub-Contractor shall also deliver to General Contractor a Certificate of Insurance (AIA Doc. G-705) manifesting such coverage with all questions thereon answered "yes". Where applicable, Sub-Contractor shall furnish General Contractor with an appropriate certificate from the State Industrial Commission, or such other state agency with equivalent powers, stating that Sub-Contractor has complied with all laws of the state in which the job site is located relating to proof of insurance and financial responsibility. Sub-Contractor further agrees to insure, at his own cost, all materials situated on or near the job site, and supplied by him until such time as said materials are incorporated into the improvements set forth on Page 1 and accepted by General Contractor. Sub-Contractor shall insure his own equipment situated on or near the job site against the following risks: fire, theft, vandalism, windstorm, and such other perils as are normally covered by extended coverage. Valid Workers Compensation & General Liability Certificates of insurance must be on file in the main office. Note: All Certificates must reflect insured to be the same as Sub-Contractor listed on this contract. Any missing certificates will result in applicable deductions or draws being held (at Contractor's sole discretion) until said certificates are received.

5. CONTRACT DOCUMENTS: The Contract Documents consist of this Agreement (including the Terms and Conditions set forth herein), plans, drawings, specifications set for in Section A of this Agreement and all Change Orders when properly issued as set forth in paragraph six (6) below. These form the entire contract as fully as if stated herein. These Sub-Contract Documents shall prevail over all prior negotiations and proposals whether written or implied. This Sub-Contract is bound by the same terms as set forth in the contracts between the General Contractor and the Owner, except that the any provision of this Subcontract that contradicts any provision of the contract between the General Contractor and the Owner supersedes any inconsistent provision of the contract between the General Contractor and the Owner. Such contract between the General Contractor and the Owner has been made available to the Sub-Contractor for review at 125 Old Chapin Road, Lexington, South Carolina 29072 upon Subcontractor's request prior to its signing this Contract.

6. CHANGES: General Contractor reserves the right to change, modify or alter the job or performance set forth on page 1, it being agreed that any such changes requested by General Contractor prior to the performance of said work shall be made by a written Change Order issued and signed by an authorized representative of General Contractor. Sub-Contractor agrees to make any and all changes so requested by General Contractor and to furnish all materials and labor necessary to perform the work, without nullifying this agreement, at a reasonable addition to, or deduction from, the contract price specified on page 1. The amount to be paid by General Contractor, or allowed by Sub-Contractor because of any alterations made pursuant to this provision shall set forth in the Change Order request, together with any change in the contract time. If Sub-Contractor to make a claim for an increase in the Contract Price or an extension in the Contract Time, it shall give General Contractor written notice thereof within five (5) days after the issuance of any Change Order or receipt of revised plans. In all cases, Sub-Contractor shall

Connelly Builders, Inc.
STANDARD TERMS AND CONDITIONS

give such notice BEFORE proceeding to execute the change requested. No claim for additional cost or time to Sub-Contractor shall be valid unless so made. No alterations or changes shall be made, except upon such written order of General Contractor and Sub-Contractor shall make no claim for any extra work unless supported by such a Change Order. Otherwise, this contract integrates all understandings between General Contractor and Sub-Contractor, and neither shall it be amended, modified, canceled, terminated, nor shall any provisions be waived except by written agreement signed by an authorized representative of General Contractor or by the party or parties to be charged with the obligations set forth therein. Sub-Contractor further agrees that no course of prior dealings and no trade practices (other fire prevention and safety rules) shall be relevant to supplement or explain this contract.

7. INSPECTION: General Contractor may at any time, and from time to time, have its architect (if any), agent or other representative (hereinafter called "inspector") inspect Sub-Contractor's performance to determine if the work is being, or has been done, as bargained for, and to certify to the progress made for purposes of General Contractor, making appropriate progress payments as required in Page 1. Sub-Contractor shall abide by any additional drawings and explanations that the inspector determines as useful to detail and illustrate the work to be done in so far as they are consistent with the purpose and intent of the original plans and specifications incorporated herein by reference. Sub-Contractor shall provide sufficient, safe and proper space at all times for such inspections. Upon proper notice given by the General Contractor, Sub-Contractor shall immediately eliminate, take down, or otherwise remove, all materials or work which the inspector shall condemn as unsound, improper, or as failing in any way to conform to the contract documents. Sub-Contractor agrees to make good and prosecute to General Contractor's satisfaction together with all such condemned work any and all other work previously completed which is damaged in the making good of such improper work.

8. TIME OF PERFORMANCE: Time is of the essence in the performance of this contract. Sub-Contractor agrees that all work will be carried on without delaying or interfering with other stages of construction. Without excluding General Contractor other remedies provided for herein, it is agreed that damages arising from non-fulfillment of this contract as regards the completion date may be deducted from any part or the entire unpaid contract price. Any delay in Sub -Contractor's performance occasioned by the damage caused by fire, and act of God, or other casualty for which Sub -Contractor is not responsible and over which Sub-Contractor has no control shall not be included in determination of the completion date specified above, and the time agreed upon for completion shall be extended the number of days that Sub-Contractor has been so delayed. Provided, however, no allowance or extension shall be made unless the claim therefore is presented in writing to General Contractor within five (5) days of the occurrence of such delay and such claims, in General Contractor's opinion, found to be factually substantiated; provided further that no such casualty shall entitle Sub-Contractor to walk off the job. This Contract ties to a time critical schedule, therefore, the Sub-Contractor, upon execution of this sub-contract, agrees to provide adequate tools, manpower, equipment and supervision necessary to complete his/her scope of work in the allowed time in any event. The General Contractor reserves the right to adjust, change or modify such schedules without notice to Sub-Contractor. It action or claim (Whether groundless or otherwise): provided, however, General Contractor may, at its option and without notice to Sub-Contractor prior thereto consider such notice or action an event of default of this contract or pay any and all such claims for labor and materials, and in turn charge same amounts to Sub-Contractor against any or all of the contract price due or thereafter to become due. The affidavit issued by Sub-Contractor shall warrant that all work is free of defects (apparent and latent) from materials and/or workmanship. Sub-Contractor agrees to and shall repair or replace all such defective work, and defend, indemnify, and hold General Contractors harmless from and against all liability, claims, causes (whether groundless or otherwise), judgments or demands arising from or connected with the performance covered by this contract. It is agreed that all warranties, express or implied, given by Sub-Contractor shall survive final payment as set forth below in paragraph # 12 titled PAYMENTS AS EVIDENCE OF PERFORMANCE. At General Contractor's option and upon request, Sub-Contractor shall furnish a) all partial or final Waivers of Lien from material suppliers and/or (sub) Sub-Contractors; and b) all names and addresses of material suppliers or (sub) Sub-Contractors or laborers prior to payment of any draw requests. Sub-Contractor shall be liable for liquidated damages and \$1,000.00 per day for delay of job, or any liquidated damages passed down from the Owner to the General Contractor for delays that are caused by or contributed to by the Subcontractor.

Connelly Builders, Inc.
STANDARD TERMS AND CONDITIONS

9. LIEN WAIVER AND WARRANTY CERTIFICATE: Prior to receipt of full and final payment for work performed, Sub-Contractor shall execute an affidavit stating that such work is in good condition and free and clear of all claims for unpaid labor or materials, encumbrances and all other liens. In the event any notice is given or any action is brought to establish a lien or to recover an obligation of Sub-Contractor by any person, firm or corporation employed by or furnishing materials to Sub-Contractor for work performed under this agreement, at his own expense Sub-Contractor shall defend, indemnify and hold General Contractor harmless against such

10. INDEMNIFICATION: The Contractor and the Sub-Contractor hereby agree to the following separate and divisible indemnifications as part of this subcontract. If the project is located in South Carolina, the following indemnification at subsection (a) controls: (a) To the fullest extent permitted by law, the Sub-contractor shall indemnify, defend, and hold harmless the Contractor, Owner and their respective officers, directors, employees and agents ("Indemnified Parties") from and against all claims, damages, demands, losses, expenses, fines, causes of action, suits or other liabilities, (including all costs reasonable attorneys' fees, consequential damages, and punitive damages), arising out of or resulting from, or alleged to arise out of or arise from, the performance of Sub-contractor's performance of its scope of work under the Subcontract, and any other work the Sub-contractor may provide on the project, whether such claim, damage, demand, loss or expense is attributable to bodily injury, personal injury, sickness, disease or death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom; caused in whole or in part by the negligence or wrongful conduct of the Sub-contractor or any entity for which it is legally responsible or vicariously liable and; regardless whether the claim is presented by an employee of Sub-contractor. (b) If the project is not located in South Carolina, the following indemnification in this subsection (b) controls in lieu of the indemnification at subsection (a): To the fullest extent permitted by law, the Sub-contractor shall indemnify, defend, and hold harmless the Contractor, Owner and their respective officers, directors, employees and agents ("Indemnified Parties") from and against all claims, damages, demands, losses, expenses, fines, causes of action, suits or other liabilities, (including all costs reasonable attorneys' fees, consequential damages, and punitive damages), arising out of or resulting from, or alleged to arise out of or arise from, the performance of Sub-contractor's performance of its scope of work under the Subcontract, and any other work the Sub-contractor may provide on the project, whether such claim, damage, demand, loss or expense is attributable to bodily injury, personal injury, sickness, disease or death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom; but only to the extent attributable to the negligence or wrongful conduct of the Sub-contractor or any entity for which it is legally responsible or vicariously liable and; regardless whether the claim is presented by an employee of Sub -contractor. The following indemnification at subsection (c) applies to all projects: (c) Sub-Contractor shall also defend, indemnify, and save General Contractor harmless against every suit, action (whether groundless or otherwise), proceeding, claim, etc. which may be brought against General Contractor for Subcontractor's alleged non-performance of the Subcontractor's scope of work called for by the contract documents. The following indemnification at subsection (d) applies to all projects: (d) General Contractor shall not be responsible or held liable for any damage to person(s) or property caused by the use, misuse, or failure of any equipment used by Sub-Contractor or any of its employees, even though such equipment furnished, rented, or loaned to Contractor by General Contractor. By accepting or using any such equipment, Sub-Contractor accepts full responsibility for and agrees to indemnify and save General Contractor harmless from and against any and all claims for any damage or injury whatsoever resulting from Sub -Contractor's use, misuse or failure of such equipment. The following indemnification at subsection (e) applies to all projects: (e) Sub-Contractor assumes full responsibility for, and shall defend, indemnify and save General Contractor harmless from, the payment of all Federal, State and local taxes or contributions imposed or required both under unemployment insurance, Social Security, State and Federal income tax laws that are owed to such governmental authority by Sub -Contractor with respect to Sub-Contractor's employees engaged in the prosecution of this subcontract, and all Sales, Use and Excise taxes applicable to materials, supplies and equipment furnished by the Sub-contractor for use in the performance of this subcontract. Such indemnity obligations above shall not be in derogation or limitation of any other obligation or liability of the Subcontractor or the rights of the Contractor contained in this Subcontract or otherwise. Each indemnification shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Subcontractor under any workers' compensation acts, disability benefits acts or other employee benefits acts and includes any loss or injury suffered by an employee of the subcontractor. The indemnifications in this Section 10 shall be in addition to any indemnity

Connelly Builders, Inc.
STANDARD TERMS AND CONDITIONS

liability imposed by other provisions of the contract documents, and shall survive the completion of the Work or the termination of the Subcontract. Notwithstanding the above, Sub-contractor shall not be required to defend, indemnify, or hold harmless one of the Indemnified Parties pursuant to the indemnification agreements in this subcontract to the extent the act or occurrence for which one of the Indemnified Parties seeks indemnification was caused by the sole negligence or wrongful conduct of such Indemnified Parties.

11. EVENTS OF AND REMEDIES UPON DEFAULT: (a) Events of Default. The occurrence of any of the following shall be deemed an event of Default. Should the Sub-Contractor (1) refuse, neglect or be unable to prosecute the work called for by the contract documents, or (2) fail to perform in a timely manner any provision of this contract, or (3) should Sub-Contractor file or suffer to have filed a petition in bankruptcy, or (4) should Sub-Contractor make a general assignment for benefit or creditors, or (5) should a receiver be appointed for Sub-Contractor's business or any of his property, or (6) should General Contractor have reason to believe that Sub-Contractor is insolvent (for this purpose, insolvency means the inability to pay obligations to creditors as they mature), or (7) should Sub-Contractor use dangerous or defective equipment in prosecution of the work; or (8) Failure to provide adequate supervision for on-site workers at all times. (b) Remedies. Upon the occurrence of any Event of Default, General Contractor shall be entitled to pursue any of or all of the following remedies: (1) Make good any deficiency in Sub-Contractor's performance and deduct the cost thereof from any unpaid progress payments or from any other payment on this or any other project or contract may have with General Contractor; (2) Terminate this contract, by notice to Sub-contractor, and thereafter finish the work called for by the contract documents (either through use of its own personnel or through contracting for completion of the work) and take possession of all materials, tools and equipment situated on or near the job site so as to use the same in completing performance (Sub-Contractor waiving all its rights against General Contractor which might otherwise result from the use by or through it of such materials, tools and equipment). General Contractors shall be entitled to withhold all further progress payments until the work contracted for shall be completed to General Contractor 's satisfaction. Upon completion of the General Contractor's contract, if the unpaid balance of the amount to be paid under this subcontract exceeds the expenses incurred by General Contractor completing the job, such excess shall be paid to the Sub-Contractor, but if said expenses are more than unpaid balance, than the Sub-Contractor shall pay the General Contractor, and the General Contractor shall have a security interest in and lien upon all materials, tools and equipment furnished by the Sub -Contractor remaining on or near the job site to secure the payment of such difference; (3) Charge a minimum of \$100.00 per day to Sub-Contractor for not having adequate supervision on site; and (4) Contractor shall be entitled to charge back to Subcontractor all reasonable costs incurred in this regard (including attorney's fees) plus an allowance for administrative burden equal to fifteen percent (15%) of the amount of this unperformed Subcontract. (c) The remedies of General Contractor shall be cumulative and shall be an addition to any and all other remedies afforded General Contractor by law or in equity; and the election by General Contractor of any particular remedy shall not prevent General Contractor from pursuing any other remedy or remedies. (d) Should Sub-Contractor have entered into any agreement with General Contractor other than this agreement, the Sub-Contractor agrees that the General Contractor may assert a right of setoff against any payment due to the Sub-Contractor under this contract for damages due to the General Contractor by the Sub-Contractor for the Sub-Contractor's breach of that other agreement or for the Sub-Contractor's breach of any warranty owed to the General Contractor arising by virtue of the work performed under that other agreement.

12. PAYMENTS AS EVIDENCE OF PERFORMANCE: No payment made to Sub-Contractor hereunder shall have any evidentiary value as to the satisfactory performance of this contract. In whole or in part, and no payment shall be construed to be acceptance of defective work or improper materials.

13. REQUESTS FOR PAYMENT: All request(s) for payment must be submitted as outlined in this Contract. All request(s) for payment must be on the supplied Pay Request Form and be presented to and signed by the Superintendent. Applications for payment shall not exceed the accomplished percentage complete or the balance of funds available on the supplied draw sheet. Where a unit priced item is included in this Subcontract, it shall not exceed its estimated quantity without a prior written change order. To be paid as set forth in: All request(s) for payment shall be submitted to **CONNELLY Builders, Inc.** on the supplied form that will be given to you on the job site by the Superintendent. A **10% retainage** shall be withheld and payable 50% @ 180 days after General

Connelly Builders, Inc.
STANDARD TERMS AND CONDITIONS

Contractor receives Certificate of Substantial Completion from Architect or Owner's representative and 100% @ 180 days thereafter. Invoice to be received and paid according to **Exhibit "A" attached.**

14. COMPLIANCE WITH APPLICABLE LAWS: (a) In the performance of this contract, Sub-Contractor shall comply with all applicable laws, statutes, rules, regulations or orders of the United States government or of any state or political subdivision thereof. Sub-Contractor shall comply with such regulations, wage schedules, and requirements as to payments to and relations with his employees as have been or may be promulgated by any department or agency of the Federal, State or local governments, when such are applicable to work required by this agreement. (b) Immigration Compliance – Sub- Contractor shall comply with all applicable federal, state and/or local immigration laws and regulations. Sub-Contractor and Contractor have not established an employer-employee relationship for purposes of this Agreement, and Contractor is not the employer of Sub-Contractor's employees. Sub-Contractor is solely responsible for ensuring its employees are lawfully authorized to work in the United States.

15. WRITTEN NOTICE: Any written notice required by this Subcontract to be given to Subcontractor shall be delivered in person to Subcontractor or a representative of the Subcontractor, or, by registered or certified mail, hand delivery or courier to the Subcontractor's business address stated in this Subcontract or by FAX or email to an officer or agent of the Subcontractor. Such notice shall be deemed sufficient advice of the content contained therein to any and all agents, sub-subcontractors, employees, workmen and other representatives of Subcontractor engaged in the performance of this Subcontract. Any notice required by this Subcontract to be given to General Contractor by Subcontractor shall be in writing and shall be delivered in person, sent by registered or certified mail, or sent by national courier service to General Contractor, at the business address stated in this Subcontract. If notice under this Subcontract is not specified as written notice, verbal notice is permitted as notice. Actual notice is not a substitution for required written notice.

16. ASSIGNMENT: Sub-contractor shall not subcontract, assign, or transfer, this contract or any part hereof or delegate any duties or responsibilities hereunder to any person, firms or corporation not in the employ of directly associated with Sub-Contractor without the prior written consent of General Contractor.

17. LITTER REMOVAL: Sub-contractor shall remove all litter and debris left behind in the performance of this contract on a daily basis and shall leave the job site broom clean and respect to his performance. No further or final progress payments shall be made to Sub-Contractor until this obligation has been completed. Any litter not removed by Sub-Contractor and removed by contractor; a back charge, plus a 15% administration fee, will be applied to cover expenses incurred by General Contractor.

18. WAIVER: The failure of General Contractor to insist, in any one or more instances, upon the performance of any of the terms of conditions stated herein or to exercise any right hereunder, shall not be construed as a waiver or the future performance of same said terms of conditions or the future exercise of such rights: the duties and obligations of Sub-Contractor, and the remedies of General Contractor for breach thereof, as to such future performance shall continue in full force and effect. The Subcontractor also waives any and all direct damages, indirect damages, consequential damages, incidental damages, actual damages, statutory damages, punitive damages, and exemplary damages against General Contractor for any delay of any kind, not caused by the General Contractor, and agrees that Subcontractor 's sole remedy for such delay is only whatever remedy, if any, the General Contractor may seek from the Owner for such delay under the contract between the Owner and General Contractor.

19. SEVERABILITY: In the event that any court of competent jurisdiction shall determine that any provision of this contract is void or unenforceable, or that the application of any provision in any particular manner is unlawful, then the remainder of this contract shall remain in full force, including, without limitation, the application of any provision to events different from those found unenforceable.

Connelly Builders, Inc.
STANDARD TERMS AND CONDITIONS

20. PARAGRAPH HEADINGS AND GENDER: The paragraph titles used herein are not to be considered a substantive part of this contract, but merely descriptive aids to identify the paragraph to which they refer. Use of the masculine gender includes the feminine and neuter, and vice versa, when useful to impart contextual continuity.

21. CONTROLLING LAW: Unless otherwise indicated by written agreement, this contract shall be governed by the law of the State of the location of the job site set forth on page 1.

22. COSTS AND COUNSEL FEES: To the extent permitted by law, Sub-Contractor shall pay all costs and reasonable attorney's fees incurred by General Contractor in the enforcement of any provision of this agreement or arising out of any default or breach of this Agreement on the part of Sub -Contractor. Sub-Contractor shall be responsible for his/her own attorney's fees for any controversy, claim or arbitration proceedings brought forth by the Sub-Contractor. Sub-Contractor shall be responsible for the General Contractor's attorney's fees for any controversy, claim or arbitration proceedings brought forth by the Sub-Contractor in which the General Contractor prevails.

23. REMEDIES: The remedies contracted for herein shall be cumulative and shall be in addition to any and all other remedies afforded General Contractor by law or equity. Election by General Contractor of any particular remedy shall not prevent General Contractor from pursuing any and all other remedies.

24. TERMINATION BY THE GENERAL CONTRACTOR FOR CONVENIENCE: Provided that the Sub-Contractor is not deemed in default pursuant to Article 11 of this Contract, the General Contractor may, at any time, terminate the Contract for the General Contractor's convenience and without cause. Upon receipt of written notice from the General Contractor of such termination for the General Contractor's convenience, the Sub-Contractor shall:

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

In case of such termination for the General Contractor's convenience, the Sub-Contractor shall be entitled to receive payments for Work acceptably executed or stored on site, along with reasonable overhead and profit on the Work acceptably executed. In the event no work has been performed or materials stored on site, sub-contractor shall be due no compensation.

25. ARBITRATION: Any controversy or claim arising out of or relating to this contract, or breach thereof, shall be settled by arbitration proceedings in the City of Columbia, South Carolina by the American Arbitration Association (or any other arbitrator the parties may agree to) according to the Construction Industry Rules then in effect of the American Arbitration Association. This contract shall be governed by the laws of the State of South Carolina, and the parties consent to the jurisdiction of the courts of South Carolina or the United States District Court for the District of South Carolina for all purposes including enforcement of the arbitration agreement and proceedings for entry of judgment on the award rendered by the arbitrator(s), and further consent that any process or notice of motion may be served either personally or by certified mail, return receipt requested, provided a reasonable time for appearance is allowed. The arbitrator(s) sitting in any such controversy shall have no power to alter or modify an express provision of this contract or to render any award which by its terms causes any such alteration or modification. The arbitration shall be enforceable by the provisions of the South Carolina Arbitration Act, S.C. Code 15-48-10 et. Seq. (Supp. 1999). If for some reason the South Carolina Arbitration Act is held to be inapplicable to this contract, this arbitration clause shall be enforceable pursuant to the Federal Arbitration Act. The Subcontractor also consents to any joinder by General Contractor in any arbitration with the Owner or other party.

Connelly Builders, Inc.
STANDARD TERMS AND CONDITIONS

PERFORMANCE OF WORK AND SAFETY REQUIREMENTS

1. It should be clearly understood that ALL EMPLOYEES OF SUB-CONTRACTORS and their SUB-SUB-CONTRACTORS MUST wear hard sole shoes, hard hats and observe all other safety practices on this project as prescribed by O.S.H.A.
2. It should be clearly understood that CONNELLY BUILDERS, INC. intends to run a clean and orderly project and that Sub-Contractors shall remove all debris and rubbish caused by his activities to a place designated by the Project Superintendent daily. In the event the Sub-Contractor fails to comply, the work will be done by General Contractor and charged against monies owned to the Sub-Contractor without notice.
3. It should be clearly understood that there are to be no fires of any nature on the project for personal warmth, trash disposal or any other reason. All Sub-Contractor's personnel shall be made aware of the requirement.
4. It should be clearly understood that Sub-Contractor's includes any and all Sales/Use taxes on material and equipment. It shall further be clear that Sub-Contractor shall pay all payroll taxes and insurance as required by law. Proof of such payments must be supplied by Sub-Contractors monthly.
5. It is clearly understood the Sub-Contractor shall not commence any work on this project until **CONNELLY BUILDERS, INC.** has been supplied a current Certificate of Insurance, valid according to minimums noted in this contract.
6. It is clearly understood that sub-contractor shall supply AT ALL TIMES adequate personnel for the work, according to the posted project schedule and as further directed by the Project Superintendent. Sub-Contractor shall devote so much of his personal time to know at all times his progress.
7. It is clearly understood that in the event a Sub-Contractor Sub-Contracts portions of his work to sub-sub-contractors, the Sub-Contractor shall continue to be liable for all terms and items in this contract.
8. It is clearly understood that the Sub-Contractor, in addition to work progress, and as directed by the Project Superintendent, MUST accomplish his work exactly as directed by the Plans and Specifications, any Addenda or Change Orders. No verbal agreements are or will be accepted or paid for. Any modification to Plans or Specifications must be made by written Change Order signed by the General Contractor.
9. Sub-Contractor shall provide to General Contractor "Material Specification Data Sheets(s)" on any and all materials supplied by this Sub-Contractor that are deemed HAZARDOUS by the Occupational Safety and Hazard Administration (OSHA). These MSDS sheets are to be provided prior to commencement of any work and will be kept on file at such said jobsite or general office until work is completed and all hazardous materials removed from the above -mentioned jobsite.
10. Sub-Contractor shall be responsible for complying with all OSHA regulations and agrees by signature of this Sub-Contract agreement that he/she (Sub-Contractor) holds General Contractor harmless of any liability resulting directly or indirectly from any and all non-compliances.
11. Sub-Contractor understands that General Contractor is required by OSHA to carry out disciplinary action against subcontractors for not observing OSHA safety regulations and shall be subject to fines levied against them by the General Contractor for serious or repeated safety violations.
12. It is clearly understood that all of the above items are serious and failure to conform, adhere to, or rectify a condition when brought to the attention of the sub-contractor, will cause immediate cancellation of this contract.