As filed with the Securities and Exchange Commission on August 20, 2007

Registration No. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ORION MARINE GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**1600**	**26-0097459**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. Employer Identification Number)*

12550 Fuqua
Houston, Texas 77034
(713) 852-6500
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive officers)

J. Michael Pearson
President and Chief Executive Officer
12550 Fuqua, Houston, Texas 77034
(713) 852-6500
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), check the following box. ☑

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Share(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, par value $0.01 per share	20,949,196	$13.50	$282,814,146	$8,683

(1) Estimated solely for the purpose of calculating the registration fee under Rule 457(c) under the Securities Act. No exchange or over-the-counter-market exists for the registrant's common stock; however, shares of the registrant's common stock issued to qualified institution buyers, non-U.S. persons pursuant to Regulation S under the Securities Act and accredited investors in connection with its May 2007 private equity placement are eligible for the PORTAL Market®. The last sale of shares of the registrant's common stock that was eligible for PORTAL, of which the registrant is aware, occurred on [ ] at a price of [$].

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. These securities many not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED AUGUST 20, 2007

PROSPECTUS

20,949,196 Shares
Common Stock

Orion Marine Group, Inc. is a leading marine specialty contractor serving the heavy civil marine infrastructure market. We provide a broad range of marine construction and specialty services on, over and under the water along the Gulf Coast, the Atlantic Seaboard and the Caribbean Basin. We serve as general contractor on substantially all of our projects, self-perform in excess of 85% of our work and provide our services almost exclusively on a fixed-cost basis to both government and private industry clients.

This prospectus relates to up to 20,949,196 shares of our common stock which may be offered for sale by the selling shareholders named in this prospectus. The selling shareholders acquired the shares of common stock offered by this prospectus in private equity placements. We are registering the offer and sale of the shares of common stock to satisfy registration rights we have granted.

We are not selling any shares of common stock under this prospectus and will not receive any proceeds from the sale of common stock by the selling shareholders. The shares of common stock to which this prospectus relates may be offered and sold from time to time directly by the selling shareholders or alternatively through underwriters or broker dealers or agents. Please read "Plan of Distribution."

There is no current market for our common stock. We intend to apply to list our common stock on NASDAQ Global Market under the symbol "OMGI". Following the date of this prospectus, we anticipate that our shares will be listed on NASDAQ and that the selling shareholders may sell all or a portion of their shares from time to time in market transactions, in negotiated transactions or otherwise, and at prices and on terms that will be determined by the prevailing market price or at negotiated prices.

Investing in our common stock involves risks. You should read the section entitled "Risk Factors" beginning on page 10 for a discussion of certain risk factors that you should consider before investing in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2007.


(IMAGE)

You should rely on information contained in this prospectus or in any related free writing prospectus filed with the Securities and Exchange Commission and used or referred to in an offering to you of these securities. Neither we nor the selling shareholders have authorized anyone to provide you with different information. The shareholders are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.

NOTICE TO INVESTORS

Restrictions on Foreign Ownership

Certain U.S. maritime laws, including the Foreign Dredge Act of 1906, 46 U.S.C. section 55109, as amended (the "Dredging Act"), the Merchant Marine Act of 1920, 46 U.S.C. section 55101, et seq., as amended (the "Jones Act"), the Shipping Act of 1916, 46 U.S.C. section 50501, as amended (the "Shipping Act") and the U.S. vessel documentation laws set forth in 46 U.S.C. section 12101, et seq., as amended (the "Vessel Documentation Act"), prohibit foreign ownership or control of persons engaged in transporting merchandise or passengers or dredging in the navigable waters of the U.S. A corporation is considered to be foreign owned or controlled if, among other things, 25% or more of the ownership or voting interests with respect to its equity stock is held by non-U.S. citizens. If we should fail to comply with such requirements, our vessels would lose their eligibility to engage in coastwise trade or dredging activities within U.S. domestic waters. To facilitate our compliance, our organizational documents:

- limit ownership by non-U.S. citizens of any class or series of our capital stock (including our common stock) to 23%;
- permit us to withhold dividends and suspend voting rights with respect to any shares held by non-U.S. citizens;
- permit us to establish and maintain a dual stock certificate system under which different forms of certificates may be used to reflect whether the owner is a U.S. citizen;
- permit us to redeem any shares held by non-U.S. citizens so that our foreign ownership is less than 23%; and
- permit us to take measures to ascertain ownership of our stock.

You may be required to certify whether you are a U.S. citizen before purchasing or transferring our common stock. If you or a proposed transferee cannot make such certification, or a sale of stock to you or a transfer of your stock would result in the ownership by non-U.S. citizens of 23% or more of our common stock, you may not be allowed to purchase or transfer our common stock. All certificates representing the shares of our common stock will bear legends referring to the foregoing restrictions.

MARKET DATA

Market data used in this prospectus has been obtained from independent industry sources and publications as well as from research reports prepared for other purposes. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this prospectus.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus, but it does not contain all of the information that you may consider important in making your investment decision. Therefore, you should read the entire prospectus carefully, including, in particular, the "Risk Factors" section beginning on page 10 of this prospectus and the financial statements and related notes included elsewhere in this prospectus. As used in this prospectus, unless the context otherwise requires or indicates, references to "Orion," "the company," "we," "our," and "us" refer to Orion Marine Group, Inc. and its subsidiaries taken as a whole.

About Orion

We are a leading marine specialty contractor serving the heavy civil marine infrastructure market. We provide a broad range of marine construction and specialty services on, over and under the water along the Gulf Coast, the Atlantic Seaboard and the Caribbean Basin. Our customers are federal, state and municipal governments as well as private commercial and industrial enterprises. We are headquartered in Houston, Texas.

We act as a single-source, turnkey solution for our customers' marine contracting needs. Our heavy civil marine construction services include marine transportation facility construction, dredging, repair and maintenance, bridge building and marine pipeline construction, as well as specialty services. Our specialty services include salvage, demolition, diving and underwater inspection, excavation and repair. While we bid on projects up to $50.0 million, during 2006 our average revenue per project was between $1.0 million and $3.0 million. Projects we bid on can take up to 36 months to complete, but the typical duration of our projects is from three to nine months. In 2006, we provided 99% of our services under fixed-price contracts, measured by revenue, and we self-performed over 85% of our work, measured by cost.

We focus on selecting the right projects on which to work, controlling the critical path items of a contract by self-performing most of the work, managing the profitability of a contract by recognizing change order opportunities and rewarding project managers for outperforming the estimated costs to complete projects. We use state-of-the-art, scalable enterprise-wide project management software to integrate functions such as estimating project costs, managing financial reporting and forecasting profitability.

Our revenue grew from $101.4 million in 2003 to $183.3 million in 2006, a compounded annual growth rate ("CAGR") of 21.8%, substantially all of which was organic. During that same period, our EBITDA grew from $15.3 million in 2003 to $33.0 million in 2006, a CAGR of 29.2%. For an explanation of EBITDA and a reconciliation of EBITDA to net income calculated and presented in accordance with generally accepted accounting principles, or GAAP, please see "Summary Consolidated Financial Data — Non-GAAP Financial Measures."

Our growth has been driven by our ability to capitalize on increased infrastructure spending in our markets across our scope of operations. This increased spending has caused shortages of specialized equipment and labor, creating a favorable bidding environment for heavy civil marine projects. We believe that the demand for our infrastructure services has been, and will continue to be, driven and funded primarily by a wide variety of factors and sources including the following:

- increasing North American freight capacity / port and channel expansion and maintenance;
- deteriorating conditions of U.S. intracoastal waterways and bridges;
- historic federal transportation funding bill;
- robust cruise industry activity;
- continuing U.S. base realignment and closure program;
- strong oil and gas capital expenditures;
- ongoing U.S. coastal and wetland restoration and reclamation; and
- recurring hurricane restoration and repair.

We believe the diversity of industry drivers and funding sources that affect our market as well as our ability to provide a broad range of services result in a less volatile revenue stream year-to-year.

At June 30, 2007, our backlog was approximately $120.6 million, compared with $112.3 million on June 30, 2006. Given the typical duration of our contracts, which ranges from three to nine months, our backlog at any point in time usually represents only a portion of the revenue that we expect to realize during a twelve month period. In addition to our backlog, we also have a substantial number of projects in negotiation or pending award at any given time. At June 30, 2007, we were in negotiation or pending award for approximately $14.6 million in new contracts we expect to be awarded; however, there can be no assurances that the negotiations will be successful or that these contracts will be executed and added to backlog. We expect to continue to grow our business organically, as well as selectively consider strategic acquisitions that improve our market position within our existing markets, expand our geographic footprint and increase our portfolio of services.

As of June 30, 2007, we employed a workforce of 867 people, many of whom occupy highly skilled positions. None of our employees are members of a union. Our workforce is supported by a large fleet of specialty equipment, substantially all of which we own. We have built much of our most highly specialized equipment, including many of our dayboats, tenders and dredges, and we provide maintenance and repair service to our entire fleet. Our fleet is highly mobile, which enables us to easily relocate our specialized equipment to and across all of the regions that we serve.

On May 31, 2007, we completed a private placement of 20,949,196 shares of our common stock at a sale price of $13.50 per share to qualified institutional buyers, non-U.S. persons and accredited investors (the "2007 Private Placement"). The registration statement of which this prospectus is a part is being filed pursuant to the requirements of the registration rights agreement that we executed in connection with the 2007 Private Placement. We received net proceeds of approximately $261.5 million (after purchaser's discount and placement fees) from the 2007 Private Placement. We used approximately $242.0 million of the net proceeds to purchase and retire all of our outstanding preferred stock and 16,053,816 shares of our common stock from our former principal stockholders. The remaining net proceeds of $19.5 million from the 2007 Private Placement are being used for working capital and general corporate purposes. In connection with the 2007 Private Placement, we entered into employment agreements and transaction bonus agreements with our executive officers and certain key employees. Under the agreements, we granted an aggregate of 26,426 shares of common stock, granted options to acquire an aggregate of 327,357 shares of common stock, and made an aggregate of $2.2 million in cash payments.

History

We were founded in 1994 as a marine construction project management business. Initially, we performed work along the continental U.S. coastline, as well as in Alaska, Hawaii and the Caribbean Basin, and our revenue grew to $14.4 million in 1996.

To improve our financial and competitive position, we decided in 1997 to expand beyond the project management business by establishing fixed geographic operating bases. Between 1997 and 2003 we invested approximately $30.0 million in four acquisitions to broaden our operating capabilities and geographic footprint, and our revenue grew to $101.4 million in 2003.

In October 2004, we were acquired by Orion Marine Group, Inc., formerly known as Hunter Acquisition Corp., a corporation formed and controlled by our former principal stockholders. Our former principal stockholders provided incremental financial and strategic resources necessary for our continued success, including implementing stock based compensation, transitioning senior leadership and establishing standardization of systems and more scalable internal systems, such as project control systems.

In September 2006, we acquired the assets of F. Miller Construction, based in Lake Charles, Louisiana, to serve as a platform for expansion within Louisiana and other Gulf Coast markets. F. Miller Construction was originally founded in 1932 and performs specialty marine construction projects, bridge construction projects, and complex sheet pile installations for both government and private industry customers.

Competitive Strengths

We believe we have the following competitive strengths:

Breadth of Capabilities. Unlike many of our competitors, we provide a broad range of marine construction services for our customers. These services include marine transportation facility construction, dredging, repair and maintenance, bridge building and marine pipeline construction, as well as specialty services. Our specialty services include salvage, demolition, diving and underwater inspection, excavation and repair. By offering a breadth of services, we act as a single-source provider with a turnkey solution for our customers' marine contracting needs. We believe this distinguishes us from smaller, local competitors, giving us an advantage in competitive bidding for certain projects. Furthermore, we believe our broad service offering and ability to complete smaller projects strengthens our relationships with our customers.

Experienced Management Team. Our executive officers and senior project managers have an average of 28 years of experience in the heavy civil construction industry, an average of 26 years of experience in the heavy civil marine infrastructure industry and an average of 18 years of experience with us and our predecessor companies. Our strong management team has driven operational excellence for us, as demonstrated by our high organic growth, disciplined bidding process and what we believe to be leading industry margins. We believe our management has fostered a culture of loyalty, resulting in high employee retention rates.

High Quality Fleet and Marine Maintenance Facilities. Our fleet, substantially all of which we own, consists of over 260 vessels of specialized equipment, including 55 spud barges and material barges, and five major cutter suction dredges and three portable dredges, 49 tug boats and push boats. In addition, we have over 215 cranes and other large pieces of equipment, including 48 crawler cranes and hydraulic cranes, as well as numerous pieces of smaller equipment.

We are capable of building, and have built, much of our highly specialized equipment and we provide maintenance and repair service to our entire fleet. For example, we recently manufactured our newest dredge, which can operate on either diesel fuel or electric power, allowing us to complete projects with specified limits on nitrogen oxide (NOX) emissions, an increasingly common specification on our projects. Because some of our equipment operates 24 hours a day, seven days a week, it is essential that we are able to minimize equipment downtime. We strive to minimize downtime by operating our own electrical, mechanical and machine shops, stocking long-lead spares and staffing maintenance teams on-call 24 hours a day, seven days a week to handle repair emergencies. We also own and maintain dry dock facilities, which reduce our equipment downtime and dependence on third party facilities. Our primary field offices in Channelview, Texas, Port Lavaca, Texas, and Tampa, Florida, are all located on waterfront properties and allow us to perform repair and maintenance activities on our equipment and to mobilize and demobilize equipment to and from our projects in a cost efficient manner.

Financial Strength /Conservative Balance Sheet. Financial strength is often an important consideration for many customers in selecting infrastructure contractors and directly affects our bonding capacity. In 2006, approximately 69% of our projects, measured by revenue, required some form of bonding. As of December 31, 2006, we had cash on hand of $18.6 million and senior debt of $25.0 million, resulting in a net debt position of $6.4 million. Most of our competitors are smaller, local companies with limited bonding capacity. We believe our financial strength and bonding capacity allow us to bid multiple projects and larger projects that most of our competitors may not be able to bond.

Self-Performance of Contracts. In 2006, we self-performed over 85% of our marine construction and dredging projects, measured by cost. By self-performing our contracts, we believe we can more effectively manage the costs and quality of each of our projects, thereby better serving our customers and increasing our profitability. Our breadth of capabilities and our high quality fleet give us the ability to self-perform our contracts, which we believe distinguishes us from many of our competitors, who will often subcontract significant portions of their projects.

Project Selection and Bidding Expertise. Our roots as a project management business have served us well, creating a project management culture that is pervasive throughout our organization. We focus on selecting the right projects on which to bid, controlling the critical path items of a contract by self-performing the work and managing the contract profitably by appropriately structuring rewards for project managers and recognizing change order

opportunities, which generally allow us to increase revenue and realize higher margins on a project. Our intense focus on profitably executing contracts has resulted in only a small number of unprofitable contracts since our founding. We use state-of-the-art, scalable enterprise-wide project management software to integrate functions such as estimating project costs, managing financial reporting and forecasting profitability.

Strong Regional Presence. We are a market leader in most of our primary markets. We believe our operations are strategically located to benefit from favorable industry trends, including increasing port expansion and maintenance, highway funding, oil and gas expenditures, coastal restoration and hurricane restoration and repair activity. For example, the Port of Houston, one of the largest ports in the U.S., and the Port of Tampa and their adjacent private industry customers generate both new marine construction and annual maintenance of existing dock facilities. In addition, the Texas Gulf Coast does not have any natural deep water ports, requiring all of its channels and ports to depend significantly on maintenance dredging, which is a significant source of recurring revenue. Our strong regional presence allows us to more efficiently deploy and mobilize our equipment throughout the areas in which we operate.

Growth Strategy

We intend to use the following strategies to increase revenue:

Expand and Fill in Our Service Territory. We intend to continue to grow our business by seeking opportunities in other geographic markets by establishing a physical presence in new areas through selective acquisitions or greenfield expansions. Over the last several years, we have successfully expanded our services into Florida, the Caribbean Basin and Louisiana through strategic acquisitions. We have also pursued greenfield growth opportunities on the Atlantic Seaboard by opening a Jacksonville, Florida office and on the Gulf Coast by opening a Corpus Christi, Texas office. We believe that the establishment of a geographic base improves our returns within a given market, reducing mobilization and demobilization costs, improving and increasing capacity utilization and improving work force economics and morale. We focus on establishing bases in markets with solid, long-term fundamentals. In particular, in the near-term we intend to establish additional operating bases in two geographic regions: along the Gulf Coast between Texas and Florida and along the Atlantic Seaboard, working north from Florida to the Chesapeake Bay. In the longer term, we intend to establish a presence in the Mississippi River System, on the West Coast of the U.S. and on the New England Coast of the U.S.

Pursue Strategic Acquisitions. We intend to evaluate acquisition opportunities in parallel with our greenfield expansion. Our strategy will include timely and efficient integration of such acquisitions into our culture, bidding process and internal controls. We believe that attractive acquisition candidates are available due to the highly fragmented and regional nature of the industry, high cost of capital for equipment and the desire for liquidity among an aging group of existing business owners. We believe our financial strength, industry expertise and experienced management team will be attractive to acquisition candidates.

Continue to Capitalize on Favorable Long-Term Industry Trends. Our growth has been driven by our ability to capitalize on increased infrastructure spending across the multiple end-markets we serve including port infrastructure, government funded projects transportation, oil and gas, and environmental restoration markets. We believe these long-term industry trends, described in more detail in "Business — Industry Overview," have significantly contributed to the funding and demand for our infrastructure services. This increased spending has caused shortages of specialized equipment and labor, creating a favorable bidding environment for heavy civil marine projects. We are well-positioned to continue to benefit from these long-term industry trends.

Continue to Enhance Our Operating Capabilities. Since our inception, we have focused on pursuing technically complex projects where our specialized services and equipment differentiate us from our competitors. Our breadth of services and ability to self-perform a high percentage of our projects has enabled us to better and more cost-effectively serve our customers' needs. We intend to continue to enhance our operating capabilities across all of our present and future markets in order to better serve our customers and further differentiate ourselves from our competitors.

Risk Factors

You should carefully consider all of the information contained in this prospectus prior to investing in the common stock. In particular, we urge you to carefully consider the information set forth under "Risk Factors" beginning on page 10 for a discussion of risks and uncertainties relating to our business and an investment in our common stock.

Corporate Information

We were founded in 1994. We are a Delaware corporation. On October 14, 2004, we were acquired by Orion Marine Group, Inc., formerly known as Hunter Acquisition Corp., a corporation formed and controlled by our former principal stockholders. In May 2007, our current stockholders purchased our stock in the 2007 Private Placement. Our principal executive offices are located at 12550 Fuqua, Houston, Texas 77034. Our website is www.orionmarinegroup.com, and our main telephone number is (713) 852-6500.

THE OFFERING

The following summary is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus. For a more detailed description of the common stock, see "Description of Capital Stock."

Common stock offered by selling shareholders(1)	20,949,196 shares
Common stock outstanding after the offering	21,565,324 shares
Dividend policy	We do not anticipate paying cash dividends on shares of our common stock for the foreseeable future.
Use of proceeds	We will not receive any of the proceeds from the sale of the shares of common stock by the selling shareholders.
Listing and Trading	We intend to apply to list our common stock on the NASDAQ Global Market under the symbol "OMGI".
Risk factors	For a discussion of factors you should consider in making an investment, see "Risk Factors" beginning on page 10.

(1) See "Selling Shareholders" for more information on the selling shareholders. Currently represents all outstanding shares of our common stock except for 26,426 shares of our common stock granted to certain of our executive officers and key employees in May 2007 and 589,702 shares of our common stock granted to certain of our executive officers and key employees pursuant to our 2005 Stock Incentive Plan.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following table sets forth certain of our summary consolidated financial information for the periods represented. The financial data as of and for each of the three years in the period ended December 31, 2006 has been derived from our audited consolidated financial statements and notes thereto, which have been audited by Grant Thornton LLP. The financial data as of and for the two years in the period ended December 31, 2003 has been derived from the audited consolidated financial statements and notes thereto of Orion Marine Group Holdings Inc., our parent entity prior to the 2004 acquisition. The share and per share financial data presented below has been adjusted to give effect to the 2.23 for one reverse split of our common stock that we effected on May 17, 2007 in connection with the 2007 Private Placement.

On October 14, 2004, we were acquired by Orion Marine Group, Inc., formerly known as Hunter Acquisition Corp., a corporation formed and controlled by our former principal stockholders. For accounting purposes, our company as it existed until the time we were acquired by Hunter Acquisition Corp. is referred to as our "Predecessor" and our company as it has existed since the acquisition is referred to as our "Successor." Concurrent with the acquisition and in accordance with GAAP, we wrote up the value of our assets to their current market value (as determined by appraisals for certain of our assets, such as equipment and land) at the time of the transaction. The result of this write up increased the book value of our assets and the associated depreciation expense. Therefore, depreciation expense for our Predecessor was less than depreciation expense for our Successor. Additionally, certain expenses related to the maintenance and repair of our equipment and other items directly attributable to contract revenues were classified as selling, general and administrative expenses and other (income) loss for each of the two years in the period ended December 31, 2003. Beginning January 1, 2004 through December 31, 2006, these same expenses were classified as cost of contract revenues. Consequently, the cost of contract revenues, selling, general, and administrative expenses, and other (income) loss for each of the two years ended December 31, 2003 are not comparable to the cost of contract revenues, selling, general, and administrative expenses, and other (income) loss for the periods beginning January 1, 2004 through December 31, 2006.

Historical results are not necessarily indicative of results we expect in future periods. The data presented below should be read in conjunction with, and are qualified in their entirety by reference to, "Capitalization," "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes thereto included elsewhere in this prospectus.

The following table includes the non-GAAP financial measure of EBITDA. For a definition of EBITDA and a reconciliation to net income calculated and presented in accordance with GAAP, please see "— Non-GAAP Financial Measures."

	Predecessor			Successor				
	Year Ended December 31,		January 1 to October 13	October 14 to December 31,	Year Ended December 31,		Six Months Ended June 30,	
	2002	2003	2004	2004	2005	2006	2006	2007
							(Unaudited)	(Unaudited)
	(In thousands, except for share and per share data)							
Statement of Operations Data:								
Contract revenues	$ 106,793	$ 101,369	$ 97,989	$ 32,570	$ 167,315	$ 183,278	$ 82,124	$ 89,772
Cost of contract revenues	80,149	77,354	79,185	30,065	145,740	144,741	68,614	69,182
Gross profit	26,644	24,015	18,804	2,505	21,575	38,537	13,510	20,590
Selling, general and administrative expenses	15,478	16,376	7,752	1,611	10,685	18,225	5,840	11,368
Operating income	11,166	7,639	11,052	894	10,890	20,312	7,670	9,222
Interest expense, net	310	282	24	446	2,179	1,755	950	279
Other (income) loss, net	(605)	(1,030)	(52)	(237)	(405)	(886)	(368)	(20)
Income before income taxes	11,461	8,387	11,080	685	9,116	19,443	7,088	8,963
Income tax expense	4,621	3,508	4,378	266	3,805	7,040	2,568	3,397
Net income	6,840	4,879	6,702	419	5,311	12,403	4,520	5,566
Preferred dividends	—	—	—	460	2,100	2,100	1,042	777
Income (loss) available to common shareholders	$ 6,840	$ 4,879	$ 6,702	$ (41)	$ 3,211	$ 10,303	$ 3,478	$ 4,789
Adjusted Per Common Share Data(2):								
Net income per share								
Basic	$ 0.43	$ 0.31	$ 0.42	$ —	$ 0.20	$ 0.65	$ 0.22	$ 0.28
Diluted	$ 0.42	$ 0.30	$ 0.41	—	$ 0.20	$ 0.63	$ 0.21	$ 0.27
Weighted average shares outstanding								
Basic	15,872,360	15,872,360	15,872,360	15,695,067	15,706,960	15,872,360	15,777,884	17,254,063
Diluted	16,407,250	16,407,250	16,407,250	15,695,067	16,135,211	16,407,250	16,383,194	17,990,674
Other Financial Data:								
EBITDA(1)	$ 17,550	$ 15,318	$ 16,544	$ 3,091	$ 22,331	$ 33,003	$ 13,832	$ 15,562
Capital expenditures	5,003	7,044	8,407	2,383	9,149	11,931	4,806	3,941
Cash interest expense	325	282	150	263	2,146	3,453	1,218	820
Depreciation and deferred financing cost amortization	5,779	6,649	5,440	1,960	11,036	11,805	5,794	6,320
Net cash provided by operating activities	11,900	15,591	8,193	3,262	11,618	32,475	11,967	1,884
Net cash (used in) investing activities	(14,273)	(6,809)	(6,634)	(61,654)	(5,431)	(11,987)	(4,578)	(2,407)
Net cash provided by (used in) financing activities	4,682	(5,476)	(1,055)	66,094	(6,244)	(9,572)	(2,568)	(2,103)

	Predecessor		Successor			
	As of December 31,					As of June 30,
	2002	2003	2004	2005	2006	2007
						(Unaudited)
	(In thousands)					
Balance Sheet Data:						
Cash and cash equivalents	$ 5,114	$ 8,420	$ 7,701	$ 7,645	$ 18,561	$ 15,935
Working capital	6,478	7,775	11,475	14,729	12,970	23,096
Total assets	54,448	53,711	113,739	114,626	125,072	123,138
Total debt	11,556	5,965	40,489	34,548	25,000	3,095
Total stockholders' equity	27,045	32,039	35,419	40,730	53,239	78,877

(1) For an explanation of EBITDA and a reconciliation of EBITDA to net income calculated and presented in accordance with generally accepted accounting principles, or GAAP, please see "— Non-GAAP Financial Measures."

(2) The share and per share financial data presented for all periods has been adjusted to give effect to the 2.23 for one reverse split of our common stock that we effected on May 17, 2007 in connection with the 2007 Private Placement. Adjusted per share common data for the Predecessor is calculated as our net income for such period over the basic and diluted weighted average shares outstanding as of December 31, 2006.

Non-GAAP Financial Measures

We include in this prospectus the non-GAAP financial measure of EBITDA. We define EBITDA as net income before interest, income taxes, depreciation and amortization. EBITDA is used as a supplemental financial measure by our management and by external users of our financial statements such as investors, commercial banks and others, to assess:

- the financial performance of our assets without regard to financing methods, capital structure or historical cost basis;
- the ability of our assets to generate cash sufficient to pay interest costs and support our indebtedness;
- our operating performance and return on capital as compared to those of other companies in our industry, without regard to financing or capital structure; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return on alternative investment opportunities.

EBITDA is not a presentation made in accordance with GAAP. EBITDA should not be considered an alternative to, or more meaningful than, net income, operating income, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP as measures of operating performance, liquidity or ability to service debt obligations. Because EBITDA excludes some, but not all, items that affect net income and is defined differently by different companies in our industry, our definition of EBITDA may not be comparable to similarly titled measures of other companies. EBITDA has important limitations as an analytical tool, and you should not consider it in isolation.

The following table provides a reconciliation of EBITDA to our net income for the periods indicated as calculated and presented in accordance with GAAP:

	Predecessor			Successor				
	Year Ended December 31,		January 1 to October 13	October 14 to December 31,	Year Ended December 31,		Six Months Ended June 30,	
	2002	2003	2004	2004	2005	2006	2006	2007
							(Unaudited)	(Unaudited)
				(In thousands)				
Net income	$ 6,840	$ 4,879	$ 6,702	$ 419	$ 5,311	$ 12,403	$ 4,520	$ 5,566
Income tax expense	4,621	3,508	4,378	266	3,805	7,040	2,568	3,397
Interest expense, net	310	282	24	446	2,179	1,755	950	279
Deferred financing cost	—	—	24	41	171	171	86	92
Depreciation and amortization	5,779	6,649	5,416	1,919	10,865	11,634	5,708	6,228
EBITDA	$17,550	$15,318	$ 16,544	$ 3,091	$ 22,331	$ 33,003	$ 13,832	$ 15,562

RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in this prospectus before deciding to invest in our common stock. The risks and uncertainties described below are not the only ones we face. If any of the following risks actually occur, our business, financial condition and results of operations could be harmed and we may not be able to achieve our goals. If that occurs, the value of our common stock could decline and you could lose some or all of your investment.

Risk Factors Relating to Our Business

We may be unable to obtain sufficient bonding capacity for our contracts and the need for performance and surety bonds may adversely affect our business.

We are generally required to post bonds in connection with our contracts to ensure job completion if we were to fail to finish a project. During the year ended December 31, 2006, approximately 69% of our projects, measured by revenue, required us to post a bond. We have entered into a bonding agreement with Liberty Mutual Surety of America ("Liberty") pursuant to which Liberty acts as surety, issues bid bonds, performance bonds and payment bonds, and obligates itself upon other contracts of guaranty required by us in the day-to-day operations of our business. However, Liberty is not obligated under the bonding agreement to issue bonds for us. We may not be able to maintain a sufficient level of bonding capacity in the future, which could preclude us from being able to bid for certain contracts and successfully contract with certain customers, or increase our letter of credit utilization in lieu of bonds, thereby reducing availability under our credit facility. In addition, the conditions of the bonding market may change, increasing our costs of bonding or restricting our ability to get new bonding which could have a material adverse effect on our business, operating results and financial condition.

Our business depends on key customer relationships and our reputation in the heavy civil marine infrastructure market, which is developed and maintained by our key project managers. Loss of any of our relationships, reputation or key project managers would materially reduce our revenues and profits.

Our contracts are typically entered into on a project-by-project basis, so we do not have continuing contractual commitments with our customers beyond the terms of the current contract. We benefit from key relationships with certain general and construction contractors in the heavy civil marine infrastructure industry. We also benefit from our reputation in the heavy civil marine infrastructure market developed over years of successfully performing on projects. Both of these aspects of our business were developed and are maintained through our chief executives and key project managers. We do not maintain key person life insurance policies on any of our employees. Our inability to retain our chief executives and key project managers would have a material adverse affect on our current customer relationships and reputation. The inability to maintain relationships with these customers or obtain new customers based on our reputation could have a material adverse effect on our business, operating results and financial condition.

To be successful, we need to attract and retain qualified personnel, and any inability to do so would adversely affect our business.

Our future success depends on our ability to attract, retain and motivate highly skilled personnel in various areas, including engineering, project management, procurement, project controls, finance and senior management. If we do not succeed in retaining and motivating our current employees and attracting new high quality employees, our business could be adversely affected. Accordingly, our ability to increase our productivity and profitability will be limited by our ability to employ, train and retain skilled personnel necessary to meet our requirements. Many companies in our industry are currently experiencing shortages of qualified personnel, and we may not be able to maintain an adequate skilled labor force necessary to operate efficiently. Our labor expenses may also increase as a result of a shortage in the supply of skilled personnel, or we may have to curtail our planned internal growth as a result of labor shortages. We may also spend considerable resources training employees who may then be hired by our competitors, forcing us to spend additional funds to attract personnel to fill those positions. In addition, certain of our employees hold licenses and permits under which we operate. The loss of any such employees could result in our inability to operate under such licenses and permits, which could adversely affect our operations until

replacement licenses or permits are obtained. If we are unable to hire and retain qualified personnel in the future, there could be a material adverse effect on our business, operating results or financial condition.

We could lose money if we fail to accurately estimate our costs or fail to execute within our cost estimates on fixed-price, lump-sum contracts.

Most of our net revenue is derived from fixed-price, lump-sum contracts. Under these contracts, we perform our services and execute our projects at a fixed price and, as a result, benefit from cost savings, but we may be unable to recover any cost overruns. Fixed-price contracts carry inherent risks, including risks of losses from underestimating costs, operational difficulties and other changes that may occur over the contract period. If our cost estimates for a contract are inaccurate, or if we do not execute the contract within our cost estimates, we may incur losses or the project may not be as profitable as we expected. In addition, we are sometimes required to incur costs in connection with modifications to a contract (change orders) that may be unapproved by the customer as to scope and/or price, or to incur unanticipated costs, including costs for customer-caused delays, errors in specifications or designs, or contract termination, that we may not be able to recover. These, in turn, could have a material adverse effect on our business, operating results and financial condition. The revenue, cost and gross profit realized on such contracts can vary, sometimes substantially, from the original projections due to changes in a variety of factors, such as:

- failure to properly estimate costs of engineering, material, equipment or labor;
- unanticipated technical problems with the structures or services being supplied by us, which may require that we spend our own money to remedy the problem;
- project modifications creating unanticipated costs;
- changes in the costs of equipment, materials, labor or subcontractors;
- our suppliers' or subcontractors' failure to perform;
- difficulties in our customers obtaining required governmental permits or approvals;
- changes in local laws and regulations;
- delays caused by local weather conditions; and
- exacerbation of any one or more of these factors as projects grow in size and complexity.

These risks increase if the duration of the project is long-term because there is an elevated risk that the circumstances upon which we based our original bid will change in a manner that increases costs. In addition, we sometimes bear the risk of delays caused by unexpected conditions or events.

We may incur higher costs to acquire, manufacture and maintain equipment necessary for our operations.

We have traditionally owned most of the equipment used in our projects, and we do not bid on contracts for which we do not have, or cannot quickly procure, whether through construction, acquisition or lease, the necessary equipment. We are capable of building much of the specialized equipment used in our projects, including dayboats, tenders and dredges. To the extent that we are unable to buy or build equipment necessary for our needs, either due to a lack of available funding or equipment shortages in the marketplace, we may be forced to rent equipment on a short-term basis, which could increase the costs of completing contracts. In addition, our equipment requires continuous maintenance, which we provide through our own repair facilities and dry docks, as well as certification by the U.S. Coast Guard. If we are unable to continue to maintain the equipment in our fleet or unable to obtain the requisite certifications, we may be forced to obtain third-party repair services or unable to use our uncertified equipment or be unable to bid on contracts, which could have a material adverse effect on our business, operating results and financial condition.

In addition, our vessels may be subject to arrest/seizure by claimants as security for maritime torts committed by the vessel or us or the failure by us to pay for necessaries, including fuel and repair services, which were furnished to the vessel. Such arrest/seizure could preclude the vessel from working, thereby causing delays in marine construction projects.

The timing of new contracts may result in unpredictable fluctuations in our cash flow and profitability. These factors as well as others that may cause our actual financial results to vary from any publicly disclosed earnings guidance and forecasts are outside of our control.

A substantial portion of our revenues is derived from project-based work. It is generally very difficult to predict the timing and location of awarded contracts. The selection of, timing of or failure to obtain projects, delays in awards of projects, the rebidding or termination of projects due to budget overruns, cancellations of projects or delays in completion of contracts could result in the under-utilization of our assets and reduce our cash flows. Even if we are awarded contracts, we face additional risks that could affect whether, or when, work will begin. For example, some of our contracts are subject to financing and other contingencies that may delay or result in termination of projects. This can present difficulty in matching workforce size and equipment location with contract needs. In some cases, we may be required to bear the cost of a ready workforce and equipment that is larger than necessary, resulting in unpredictability in our cash flow, expenses and profitability. If an expected contract award or the related work release is delayed or not received, we could incur substantial costs without receipt of any corresponding revenues. Delays by our customers in obtaining required approvals for their infrastructure projects may delay their awarding contracts for those projects and, once awarded, the ability to commence construction under those contracts. Moreover, construction projects for which our services are contracted may require significant expenditures by us prior to receipt of relevant payments by a customer and may expose us to potential credit risk if such customer should encounter financial difficulties. Such expenditures could reduce our cash flows and necessitate increased borrowings under our credit facilities. Finally, the winding down or completion of work on significant projects that were active in previous periods will reduce our revenue and earnings if such significant projects have not been replaced in the current period. From time-to-time we may publicly provide earnings or other forms of guidance, which reflect our predictions about future revenue, operating costs and capital structure, among other factors. These numerous assumptions may be impacted by these factors as well as others that are beyond our control and might not turn out to be correct.

We depend on continued federal, state and local government funding for marine infrastructure. A reduction in government funding for marine construction or maintenance contracts can materially reduce our results of operations.

For the year ended December 31, 2006, approximately 72% of our revenue was attributable to contracts with federal, state or local agencies or with companies operating under contracts with federal, state or local agencies. Our operations depend on project funding by various government agencies and are adversely affected by decreased levels of, or delays in, government funding. A substantial portion of our business depends on federal funding of the Army Corps of Engineers (the "Corps of Engineers"), which declined in 2003 and 2004. A future decrease in government funding in any of our geographic markets could result in intense competition and pricing pressures for projects that we bid on in the future. As a result of competitive bidding and pricing pressures, we may be awarded fewer projects, which could have a material adverse effect on our business, operating results and financial condition.

A significant portion of our business is based on government contracts. Our operating results may be adversely affected by the terms of the government contracts or our failure to comply with applicable terms.

Government contracts are subject to specific procurement regulations, contract provisions and a variety of socioeconomic requirements relating to their formation, administration, performance and accounting. Many of these contracts include express or implied certifications of compliance with applicable laws and contract provisions. As a result of our government contracting and subcontracting, claims for civil or criminal fraud may be brought by the government for violations of these regulations, requirements or statutes. We may also be subject to qui tam litigation brought by private individuals on behalf of the government under the Federal Civil False Claims Act, which could include claims for up to treble damages. Further, if we fail to comply with any of these regulations, requirements or statutes, our existing government contracts could be terminated, we could be suspended from government contracting or subcontracting, including federally funded projects at the state level. In addition, government customers typically can terminate or modify any of their contracts with us at their convenience, and certain government agencies may claim immunity from suit to recover disputed contract amounts. If our government contracts are terminated for any reason, or if we are suspended from government work, we could

suffer a significant reduction in expected revenue which could have a material adverse effect on our business, operating results and financial condition.

We derive a significant portion of our revenues from a small group of customers. The loss of one or more of these customers could negatively impact our business, operating results and financial condition.

Our customer base is highly concentrated. Our top five customers accounted for approximately 59%, 50% and 56% of our revenues for fiscal 2006, 2005 and 2004, respectively. We have three customers that represented greater than 10% of revenues for fiscal 2006, two customers for fiscal 2005 and two customers for fiscal 2004.

We believe that we will continue to rely on a relatively small group of customers for a substantial portion of our revenues for the foreseeable future. We may not be able to maintain our relationships with our significant customers. The loss of, or reduction of our sales to, any of our major customers could have a material adverse effect on our business, operating results and financial condition. See "Business — Customers" for a description of our largest customers.

We may not be able to fully realize the revenue value reported in our backlog.

We had a backlog of work to be completed on contracts totaling approximately $120.6 million as of June 30, 2007. Backlog develops as a result of new awards, which represent the revenue value of new project commitments received by us during a given period. Backlog consists of projects which have either (a) not yet been started or (b) are in progress but are not yet complete. In the latter case, the revenue value reported in backlog is the remaining value associated with work that has not yet been completed. We cannot guarantee that the revenue projected in our backlog will be realized, or if realized, will result in earnings. From time-to-time, projects are cancelled that appeared to have a high certainty of going forward at the time they were recorded as new awards. In the event of a project cancellation, we may be reimbursed for certain costs but typically have no contractual right to the total revenue reflected in our backlog. In addition to being unable to recover certain direct costs, cancelled projects may also result in additional unrecoverable costs due to the resulting under-utilization of our assets.

Our business is subject to significant operating risks and hazards that could result in damage or destruction to persons or property, which could result in losses or liabilities to us.

The businesses of marine infrastructure construction, port maintenance, dredging and salvage are generally subject to a number of risks and hazards, including environmental hazards, industrial accidents, adverse weather conditions, collisions with fixed objects, cave-ins, encountering unusual or unexpected geological formations, disruption of transportation services and flooding. These risks could result in damage to, or destruction of, dredges, transportation vessels, other maritime structures and buildings, and could also result in personal injury or death, environmental damage, performance delays, monetary losses or legal liability.

Our safety record is an important consideration for our customers. If serious accidents or fatalities occur or our safety record were to deteriorate, we may be ineligible to bid on certain work, and existing service arrangements could be terminated. Further, regulatory changes implemented by OSHA or the U.S. Coast Guard could impose additional costs on us. Adverse experience with hazards and claims could have a negative effect on our reputation with our existing or potential new customers and our prospects for future work.

Our current insurance coverage may not be adequate, and we may not be able to obtain insurance at acceptable rates, or at all.

We maintain various insurance policies, including general liability and workers' compensation. We are partially self-insured under some of our policies, and our insurance does not cover all types or amounts of liabilities. We are not required to, and do not, specifically set aside funds for our self-insurance programs. At any given time, we are subject to multiple workers' compensation and personal injury claims. We maintain substantial loss accruals for workers' compensation claims, and our workers' compensation and insurance costs have been rising for several years notwithstanding our emphasis on safety. Our insurance policies may not be adequate to protect us from liabilities that we incur in our business. In addition, some of the projects that we bid on require us to maintain builder's risk insurance at high levels. We may not be able to obtain similar levels of insurance on reasonable terms,

or at all. Our inability to obtain such insurance coverage at acceptable rates or at all could have a material adverse effect on our business, operating results and financial condition.

Furthermore, due to a variety of factors such as increases in claims and projected significant increases in medical costs and wages, our insurance premiums may increase in the future and we may not be able to obtain similar levels of insurance on reasonable terms, or at all. Any such inadequacy of, or inability to obtain, insurance coverage at acceptable rates, or at all, could have a material adverse effect on our business, operating results and financial condition.

Our employees are covered by federal laws that may provide seagoing employees remedies for job-related claims in addition to those provided by state laws.

Many of our employees are covered by federal maritime law, including provisions of the Jones Act, the Longshore and Harbor Workers Act and the Seaman's Wage Act. These laws typically operate to make liability limits established by state workers' compensation laws inapplicable to these employees and to permit these employees and their representatives to pursue actions against employers for job-related injuries in federal courts. Because we are not generally protected by the limits imposed by state workers' compensation statutes, we have greater exposure for claims made by these employees as compared to employers whose employees are not covered by these provisions.

For example, in the normal course of business, we are party to various personal injury lawsuits. We maintain insurance to cover claims that arise from injuries to our hourly workforce subject to a deductible. Over the last year, there has been an increase in suits filed in Texas due in large part to two Texas law firms aggressively pursuing personal injury claims on behalf of dredging workers resident in Texas. Aggressive medical advice is increasing the seriousness of claimed injuries and the amount demanded in settlement. In fiscal 2006, $1.7 million was recorded for our self-insured portion of these liabilities. While our recorded self insurance reserves represent our best estimate of the outcomes of these claims, should these trends persist, we could continue to be negatively impacted in the future. See Note 9, Commitments and Contingencies in the Notes to the Consolidated Financial Statements contained elsewhere in this prospectus.

Many of our contracts have penalties for late completion.

In some instances, including many of our fixed-price contracts, we guarantee that we will complete a project by a scheduled date. If we subsequently fail to complete the project as scheduled, we may be held responsible for cost impacts resulting from any delay, generally in the form of contractually agreed-upon liquidated damages. In addition, failure to maintain a required schedule could cause us to default on our government contracts, giving rise to a variety of potential damages. To the extent that these events occur, the total costs of the project could exceed our original estimates and we could experience reduced profits or, in some cases, a loss for that project.

We may choose, or be required, to pay our suppliers and subcontractors even if our customers do not pay, or delay paying, us for the related services.

We use suppliers to obtain necessary materials and subcontractors to perform portions of our services and to manage work flow. In some cases, we pay our suppliers and subcontractors before our customers pay us for the related services. If we choose, or are required, to pay our suppliers and subcontractors for materials purchased and work performed for customers who fail to pay, or delay paying, us for the related work, we could experience a material adverse effect on our business, operating results and financial condition.

We extend credit to customers for purchases of our services, and in the past we have had, and in the future we may have, difficulty collecting receivables from major customers that have filed bankruptcy or are otherwise experiencing financial difficulties.

We generally perform services in advance of payment for our customers, which include governmental entities, general contractors, and builders, owners and managers of marine and port facilities located primarily in the Gulf Coast, the Atlantic Seaboard and the Caribbean Basin. Consequently, we are subject to potential credit risk related to changes in business and economic factors. On occasion, we have had difficulty collecting from governmental

entities or customers with financial difficulties. If we cannot collect receivables for present or future services, we could experience reduced cash flows and losses beyond our established reserves.

Our strategy of growing through strategic acquisitions may not be successful.

We may pursue growth through the acquisition of companies or assets that will enable us to broaden the types of projects we execute and also expand into new markets. We have completed several acquisitions and plan to consider strategic acquisitions in the future. We may be unable to implement this growth strategy if we cannot identify suitable companies or assets or reach agreement on potential strategic acquisitions on acceptable terms. Moreover, an acquisition involves certain risks, including:

- difficulties in the integration of operations, systems, policies and procedures;
- enhancements in our controls and procedures including those necessary for a public company may make it more difficult to integrate operations and systems;
- failure to implement proper overall business controls, including those required to support our growth, resulting in inconsistent operating and financial practices at companies we acquire or have acquired;
- termination of relationships by the key personnel and customers of an acquired company;
- additional financial and accounting challenges and complexities in areas such as tax planning, treasury management, financial reporting and internal controls;
- the incurrence of environmental and other liabilities, including liabilities arising from the operation of an acquired business or asset prior to our acquisition for which we are not indemnified or for which the indemnity is inadequate;
- disruption of our ongoing business or receipt of insufficient management attention; and
- inability to realize the cost savings or other financial benefits that we anticipate.

Future acquisitions may require us to obtain additional equity or debt financing, which may not be available on attractive terms. Moreover, to the extent an acquisition transaction financed by non-equity consideration results in additional goodwill, it will reduce our tangible net worth, which might have an adverse effect on our credit and bonding capacity.

The anticipated investment in port and marine infrastructure may not be as large as expected, which may result in periods of low demand for our services.

The demand for port construction, maintenance infrastructure services and dredging may be vulnerable to downturns in the economy generally and in the marine transportation industry specifically. The amount of capital expenditures on port facilities and marine infrastructure in our markets is affected by the actual and anticipated shipping and vessel needs of the economy in general and in our geographic markets in particular. If the general level of economic activity deteriorates, our customers may delay or cancel expansions, upgrades, maintenance and repairs to their infrastructure. A number of other factors, including the financial condition of the industry, could adversely affect our customers and their ability or willingness to fund capital expenditures in the future. During downturns in the U.S. or world economies, the anticipated port usage in our geographic markets may decline resulting in less port construction, upgrading and maintenance. As a result, demand for our services could substantially decline for extended periods.

Any adverse change to the economy or business environment in the regions in which we operate could significantly affect our operations, which would lead to lower revenues and reduced profitability.

Our operations are currently concentrated in the Gulf Coast, the Atlantic Seaboard and the Caribbean Basin. Because of this concentration in a specific geographic location, we are susceptible to fluctuations in our business caused by adverse economic or other conditions in this region, including natural or other disasters.

During the ordinary course of our business, we may become subject to lawsuits or indemnity claims, which could materially and adversely affect our business, operating results and financial condition.

We have been and may from time-to-time be named as a defendant in legal actions claiming damages in connection with marine infrastructure projects and other matters. These are typically claims that arise in the normal course of business, including employment-related claims and contractual disputes or claims for personal injury

(including asbestos-related lawsuits) or property damage which occur in connection with services performed relating to project or construction sites. These actions may seek, among other things, compensation for alleged personal injury, workers' compensation, employment discrimination, breach of contract, property damage, environmental damage, punitive damages, civil penalties or other losses, consequential damages or injunctive or declaratory relief. Contractual disputes normally involve claims relating to the timely completion of projects, performance of equipment, design or other engineering services or project services. Management does not currently believe that pending contractual, employment-related personal injury or property damage claims will have a material adverse effect on business, operating results or financial condition; however, such claims could have such an effect in the future. We may incur liabilities that may not be covered by insurance policies, or, if covered, the dollar amount of such liabilities may exceed our policy limits or fall below applicable deductibles. A partially or completely uninsured claim, if successful and of significant magnitude, could cause us to suffer a significant loss and reduce cash available for our operations.

Furthermore, our services are integral to the operation and performance of the marine infrastructure. As a result, we may become subject to lawsuits or claims for any failure of the infrastructure that we work on, even if our services are not the cause for such failures. In addition, we may incur civil and criminal liabilities to the extent that our services contributed to any property damage or personal injury. With respect to such lawsuits, claims, proceedings and indemnities, we have and will accrue reserves in accordance with generally accepted accounting principles. In the event that such actions or indemnities are ultimately resolved unfavorably at amounts exceeding our accrued reserves, or at material amounts, the outcome could materially and adversely affect our reputation, business, operating results and financial condition. In addition, payments of significant amounts, even if reserved, could adversely affect our liquidity position.

We are currently engaged in litigation related to claims arising from Hurricane Katrina. See "Business — Legal Proceedings."

Our operations are subject to environmental laws and regulations that may expose us to significant costs and liabilities.

Our marine infrastructure construction, salvage, demolition, dredging and dredge material disposal activities are subject to stringent and complex federal, state and local environmental laws and regulations, including those concerning air emissions, water quality, solid waste management, and protection of certain marine and bird species, their habitats, and wetlands. We may incur substantial costs in order to conduct our operations in compliance with these laws and regulations. For instance, we may be required to obtain and maintain permits and other approvals issued by various federal, state and local governmental authorities; limit or prevent releases of materials from our operations in accordance with these permits and approvals; and install pollution control equipment. In addition, compliance with environmental laws and regulations can delay or prevent our performance of a particular project and increase related project costs. Moreover, new, stricter environmental laws, regulations or enforcement policies could be implemented that significantly increase our compliance costs, or require us to adopt more costly methods of operation.

Failure to comply with environmental laws and regulations, or the permits issued under them, may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations and the issuance of injunctions limiting or preventing some or all of our operations. In addition, strict joint and several liability may be imposed under certain environmental laws, which could cause us to become liable for the investigation or remediation of environmental contamination that resulted from the conduct of others or from our own actions that were in compliance with all applicable laws at the time those actions were taken. Further, it is possible that we may be exposed to liability due to releases of pollutants, or other environmental impacts that may arise in the course of our operations. For instance, some of the work we perform is in underground and water environments, and if the field location maps or waterway charts supplied to us are not accurate, or if objects are present in the soil or water that are not indicated on the field location maps or waterway charts, our underground and underwater work could strike objects in the soil or the waterway bottom containing pollutants and result in a rupture and discharge of

pollutants. In addition, we sometimes perform directional drilling operations below certain environmentally sensitive terrains and water bodies, and due to the inconsistent nature of the terrain and water bodies, it is possible that such directional drilling may cause a surface fracture releasing subsurface materials. These releases may contain contaminants in excess of amounts permitted by law, may expose us to remediation costs and fines and legal actions by private parties seeking damages for non-compliance with environmental laws and regulations or for personal injury or property damage. We may not be able to recover some or any of these costs through insurance or increased revenues, which may have a material adverse effect on our business, operating results and financial condition. See "Business — Environmental Matters" for more information.

Our operations are susceptible to adverse weather conditions in our regions of operation.

Our business, operating results and financial condition could be materially and adversely affected by severe weather, particularly along the Gulf Coast, the Atlantic Seaboard and Caribbean Basin where we have operations. Repercussions of severe weather conditions may include:

- evacuation of personnel and curtailment of services;
- weather-related damage to our equipment, facilities and project work sites resulting in suspension of operations;
- inability to deliver materials to jobsites in accordance with contract schedules; and
- loss of productivity.

Our dependence on petroleum-based products could increase our costs which would adversely affect our business, operating results and financial condition.

Diesel fuel and other petroleum-based products are utilized to operate the equipment used in our construction contracts. Decreased supplies of those products relative to demand and other factors can cause an increase in their cost. Future increases in the costs of fuel and other petroleum-based products used in our business, particularly if a bid has been submitted for a contract and the costs of those products have been estimated at amounts less than the actual costs thereof, could result in a lower profit, or a loss, on one or more contracts.

Terrorist attacks at port facilities could negatively impact the markets in which we operate.

Terrorist attacks, like those that occurred on September 11, 2001, targeted at ports, marine facilities or shipping could affect the markets in which we operate, our business and our expectations. Increased armed hostilities, terrorist attacks or responses from the U.S. may lead to further acts of terrorism and civil disturbances in the U.S. or elsewhere, which may further contribute to economic instability in the U.S. These attacks or armed conflicts may affect our operations or those of our customers or suppliers and could impact our revenues, our production capability and our ability to complete contracts in a timely manner.

We may be subject to unionization, work stoppages, slowdowns or increased labor costs.

We have a non-union workforce. If our employees unionize, it could result in demands that may increase our operating expenses and adversely affect our profitability. Each of our different employee groups could unionize at any time and would require separate collective bargaining agreements. If any group of our employees were to unionize and we were unable to agree on the terms of their collective bargaining agreement or we were to experience widespread employee dissatisfaction, we could be subject to work slowdowns or stoppages. In addition, we may be subject to disruptions by organized labor groups protesting our non-union status. Any of these events would be disruptive to our operations and could have a material adverse effect on our business, operating results and financial condition.

We may be unable to sustain our historical revenue growth rate.

Our revenue has grown rapidly in recent years. Our revenue increased by 9.6% from $167.3 million in 2005 to $183.3 million in 2006. However, we may be unable to sustain our recent revenue growth rate for a variety of

reasons, including limits on additional growth in our current markets, less success in competitive bidding for contracts, limitations on access to necessary working capital and investment capital to sustain growth, limitations on access to bonding to support increased contracts and operations, the inability to hire and retain essential personnel and to acquire equipment to support growth, and the inability to identify acquisition candidates and successfully integrate them into our business. A decline in our revenue growth could have a material adverse effect on our business, operating results and financial condition if we are unable to reduce the growth of our operating expenses at the same rate.

We are subject to risks related to our international operations.

Approximately 10% of our revenue in 2006 was derived from international markets and we hope to expand the volume of the services that we provide internationally. We presently conduct projects in the Caribbean Basin. International operations subject us to additional risks, including:

- uncertainties concerning import and export license requirements, tariffs and other trade barriers;
- restrictions on repatriating foreign profits back to the U.S.;
- changes in foreign policies and regulatory requirements;
- difficulties in staffing and managing international operations;
- taxation issues;
- currency fluctuations; and
- political, cultural and economic uncertainties.

These risks could restrict our ability to provide services to international customers and could have a material adverse effect on our business, operating results and financial condition.

Restrictions on foreign ownership of our vessels could limit our ability to sell off any portion of our business or result in the forfeiture of our vessels or in our inability to continue our operations in U.S. navigable waters.

The Dredging Act, the Jones Act, the Shipping Act and the Vessel Documentation Act require vessels engaged in the transport of merchandise or passengers between two points in the U.S. or dredging in the navigable waters of the U.S. to be owned and controlled by U.S. citizens. The U.S. citizen ownership and control standards require the vessel-owning entity to be at least 75% U.S. citizen-owned, thus restricting foreign ownership interests in the entities that directly or indirectly own the vessels which we operate. If we were to seek to sell any portion of our business unit that owns any of these vessels, we may have fewer potential purchasers, since some potential purchasers might be unable or unwilling to satisfy the foreign ownership restrictions described above; additionally, any sales of certain of our larger vessels to foreign buyers would be subject to approval by the U.S. Maritime Administration. As a result, the sales price for that portion of our business may not attain the amount that could be obtained in an unregulated market. Furthermore, although our certificate of incorporation contains provisions limiting ownership of our capital stock by non-U.S. citizens, foreign ownership is difficult to track and if we or any operating subsidiaries cease to be 75% controlled and owned by U.S. citizens, we would become ineligible to continue our operations in U.S. navigable waters and may become subject to penalties and risk forfeiture of our vessels.

Risk Factors Related to our Accounting, Financial Results and Financing Plans

Actual results could differ from the estimates and assumptions that we use to prepare our financial statements.

To prepare financial statements in conformity with GAAP, management is required to make estimates and assumptions as of the date of the financial statements, which affect the reported values of assets and liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. Areas requiring significant estimates by our management include: contract costs and profits, application of percentage-of-completion accounting, and revenue recognition of contract change order claims; provisions for uncollectible receivables and customer claims and recoveries of costs from subcontractors, suppliers and others; valuation of assets acquired and liabilities

assumed in connection with business combinations; accruals for estimated liabilities, including litigation and insurance reserves; and the value of our deferred tax assets. Our actual results could differ from those estimates.

Our use of the percentage-of-completion method of accounting could result in a reduction or reversal of previously recorded revenue and profit.

In particular, as is more fully discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies," we recognize contract revenue using the percentage-of-completion method. A significant portion of our work is performed on a fixed-price or lump-sum basis. The balance of our work is performed on variations of cost reimbursable and target price approaches. Contract revenue is accrued based on the percentage that actual costs-to-date bear to total estimated costs. We utilize this cost-to-cost approach as we believe this method is less subjective than relying on assessments of physical progress. We follow the guidance of the American Institute of Certified Public Accountants ("AICPA") Statement of Position 81-1, *Accounting for Performance of Construction-Type and Certain Production-Type Contracts*, for accounting policies relating to our use of the percentage-of-completion method, estimating costs, revenue recognition, combining and segmenting contracts and unapproved change order/claim recognition. Under the cost-to-cost approach, while the most widely recognized method used for percentage-of-completion accounting, the use of estimated cost to complete each contract is a significant variable in the process of determining income earned and is a significant factor in the accounting for contracts. The cumulative impact of revisions in total cost estimates during the progress of work is reflected in the period in which these changes become known. Due to the various estimates inherent in our contract accounting, actual results could differ from those estimates, which may result in a reduction or reversal of previously recorded revenue and profit.

Failure to establish and maintain effective internal control over financial reporting could have a material adverse effect on our business, operating results and stock value.

Maintaining effective internal control over financial reporting is necessary for us to produce reliable financial reports and is important in helping to prevent financial fraud. If we are unable to achieve and maintain adequate internal controls, our business, operating results and financial condition could be harmed. We will be required under Section 404 of the Sarbanes-Oxley Act of 2002 to furnish a report by our management on the design and operating effectiveness of our internal controls over financial reporting with our annual report on Form 10-K for our fiscal year ending December 31, 2008. Since this is the first time that we have had to furnish such a report, we expect to incur material costs and to spend significant management time to comply with Section 404. As a result, management's attention may be diverted from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, we may need to hire additional accounting and financial staff with appropriate experience and technical accounting knowledge, and we may not be able to do so in a timely fashion.

We are beginning to evaluate how to document and test our internal control procedures to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules of the SEC ("SOX"), which require, among other things, our management to assess annually the effectiveness of our internal control over financial reporting and our independent registered public accounting firm to issue a report on that assessment. During the course of this documentation and testing, we may identify significant deficiencies or material weaknesses that we may be unable to remediate before the requisite deadline for those reports. If our management or our independent registered public accounting firm were to conclude in their reports that our internal control over financial reporting was not effective, this could have a material adverse effect on our ability to process and report financial information and the value of our common stock could significantly decline and you may lose part or all of your investment.

Once we become a public company, we will incur significant increased operating costs and our management will be required to devote substantial time to new compliance initiatives.

Once we become a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, SOX, as well as rules subsequently implemented by the Securities and Exchange Commission (the "SEC"), The Nasdaq Stock Market, Inc.® and the New York Stock Exchange have

imposed various new requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these new compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

SOX requires, among other things, that we maintain effective internal controls for financial reporting and disclosure controls and procedures. In particular, commencing in fiscal year 2008, SOX would require us to perform system and process evaluation and testing of our internal controls over financial reporting to enable management and our independent auditors to report on the effectiveness of internal controls over financial reporting, as required by Section 404 of SOX. Our testing — or the subsequent testing by our independent auditors — may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses. Our compliance with Section 404 will require that we incur substantial accounting, legal and consulting expenses and expend significant management efforts. We have only recently added an internal audit function, and we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our independent auditors identify deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline and we could be subject to sanctions or investigations by the SEC, our listing stock exchange, or other regulatory authorities, which would require additional financial and management resources.

Our bonding requirements may limit our ability to incur indebtedness.

We generally are required to provide various types of surety bonds that provide an additional measure of security for our performance under certain government and private sector contracts. Our ability to obtain surety bonds depends upon various factors including our capitalization, working capital and amount of our indebtedness. In order to help ensure that we can obtain required bonds, we may be limited in our ability to incur additional indebtedness that may be needed for potential acquisitions and operations. Our inability to incur additional indebtedness could have a material adverse effect on our business, operating results and financial condition.

New accounting pronouncements including SFAS 123R may significantly impact our future operating results and earnings per share.

Prior to January 2006, we accounted for our stock-based award plans to employees and directors in accordance with Accounting Principals Board Opinion No. 25 ("APB No. 25"), *Accounting for Stock Issued to Employees*, under which compensation expense is recorded to the extent that the current market price of the underlying stock exceeds the exercise price. Under this method, we generally did not recognize any compensation related to employee stock option grants we issued under our stock option plans at fair value. In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 123 (revised 2004), *Share-Based Payment* ("SFAS 123R"). This statement, which became effective for us beginning on January 1, 2006, requires us to recognize the expense attributable to stock options granted or vested subsequent to December 31, 2005.

SFAS 123R requires us to recognize share-based compensation as compensation expense in our statement of operations based on the fair values of such equity on the date of the grant, with the compensation expense recognized over the vesting period. This statement also required us to adopt a fair value-based method for measuring the compensation expense related to share-based compensation. The impact of the adoption of SFAS 123R on our results of operations resulted in share-based compensation expense of approximately $130,000 in 2006. Future annual share-based compensation expense could be affected by, among other things, the number of stock options issued annually to employees and directors, volatility of our stock price and the exercise price of the options granted. Future changes in generally accepted accounting principles may also have a significant effect on our reported results.

Risks Related to this Offering and Our Common Stock

There has been no public market for our common stock, we do not know if one will develop that will provide you with adequate liquidity, and following the completion of this offering, the trading price for our common stock may be volatile and could be subject to wide fluctuations.

Although our common stock has been traded on The PORTAL Market (which is operated by The Nasdaq Stock Market, Inc.) since July 2, 2007, less than [ ] shares have been traded as of the date of this prospectus (or less than [ ]% of the 20,949,196 shares eligible to be traded). As a result, the trading price of our common stock on The PORTAL Market is probably not an accurate indicator of the trading price of our common stock after this offering.

Although we intend to apply for listing of the shares of our common stock on the NASDAQ Global Market we cannot assure you that we will meet their listing requirements or that even if we are successful in obtaining a listing that an active trading market for the shares will develop. The liquidity of any market for the shares of our common stock will depend on a number of factors, including:

- the number of shareholders;
- our operating performance and financial condition;
- the market for similar securities;
- the extent of coverage of us by securities or industry analysts; and
- the interest of securities dealers in making a market in the shares of our common stock.

Historically, the market for equity securities has been subject to disruptions that have caused substantial volatility in the prices of these securities, which may not have corresponded to the business or financial success of the particular company. We cannot assure you that the market for the shares of our common stock will be free from similar disruptions. Any such disruptions could have an adverse effect on shareholders. In addition, the price of the shares of our common stock could decline significantly if our future operating results fail to meet or exceed the expectations of market analysts and investors.

Even if an active trading market develops, the market price for our common stock may be highly volatile and could be subject to wide fluctuations. Some of the facts that could negatively affect our share price include:

- actual or anticipated variations in our quarterly operating results;
- changes in our earnings estimates;
- publication of misleading or unfavorable research reports about us;
- increases in market interest rates, which may increase our cost of capital;
- changes in applicable laws or regulations, court rulings, enforcement and legal actions;
- changes in market valuations of similar companies;
- adverse market reaction to any increased indebtedness we incur in the future;
- additions or departures of key management personnel;
- actions by our shareholders;
- speculation in the press or investment community; and
- general market and economic conditions.

We do not anticipate paying any dividends on our common stock in the foreseeable future.

We do not intend to declare or pay any cash or other dividends on our common stock in the foreseeable future. For the foreseeable future, we intend to retain earnings to grow our business. Payments of future dividends, if any, will be at the discretion of our board of directors and will depend on many factors, including general economic and

business conditions, our strategic plans, our financial results and condition, legal requirements, and other factors as our board of directors deems relevant. Our existing credit facility and bonding facility restrict our ability to pay cash dividends on our common stock, and we may also enter into credit agreements or other bonding or borrowing arrangements in the future that will restrict our ability to declare or pay cash dividends on our common stock.

Our common stock is subject to restrictions on foreign ownership.

We are subject to government regulations pursuant to the Dredging Act, the Jones Act, the Shipping Act and the Vessel Documentation Act. These statutes require vessels engaged in the transport of merchandise or passengers or dredging in the navigable waters of the U.S. to be owned and controlled by U.S. citizens. The U.S. citizenship ownership and control standards require the vessel-owning entity to be at least 75% U.S.-citizen owned. Our certificate of incorporation contains provisions limiting non-citizenship ownership of our capital stock. If our board of directors determines that persons who are not citizens of the U.S. own more than 23% of our outstanding capital stock or more than 23% of our voting power, we may redeem such stock or, if redemption is not permitted by applicable law or if our board of directors, in its discretion, elects not to make such redemption, we may require the non-citizens who most recently acquired shares to divest such excess shares to persons who are U.S. citizens in such manner as our board of directors directs. The required redemption could be materially different from the current price of the common stock or the price at which the non-citizen acquired the common stock. If a non-citizen purchases the common stock, there can be no assurance that he will not be required to divest the shares and such divestiture could result in a material loss. Such restrictions and redemption rights may make our equity securities less attractive to potential investors, which may result in our common stock having a lower market price than it might have in the absence of such restrictions and redemption rights.

You may experience dilution of your ownership interests if we issue additional shares of our common stock in the future.

We may in the future issue additional shares resulting in the dilution of the ownership interests of our present shareholders and purchasers of our common stock offered hereby. We are currently authorized to issue 50,000,000 shares of common stock and 10,000,000 shares of preferred stock with such designations, preferences and rights as determined by our board of directors. As of the date of this prospectus, there were 21,565,324 shares of our common stock outstanding. The potential issuance of such additional shares of common stock may create downward pressure on the trading price of our common stock, if a market for our stock were to develop. We may also issue additional shares of our common stock or other securities that are convertible into or exercisable for common stock in connection with the hiring of personnel, future acquisitions, future private placements of our securities for capital raising purposes, or for other business purposes.

Future sales of our common stock may have an adverse effect on the price of our common stock.

As of the date of this prospectus, there were 21,565,324 shares of our common stock outstanding. The market price of the shares of our common stock could decline as a result of sales by our existing shareholders or the perception that such sales might occur after the termination of the lock-up restrictions, which apply to the selling shareholders and certain members of management. If, following the expiration of the lock-up period, any of our existing shareholders sell a significant number of shares, the market price of our common stock could be adversely affected.

Provisions in our organizational documents and under Delaware law could delay or prevent a change in control of our company, which could adversely affect the price of our common stock.

The existence of some provisions in our organizational documents and under Delaware law could delay or prevent a change in control of our company, which could adversely affect the price of our common stock. The provisions in our certificate of incorporation and bylaws that could delay or prevent an unsolicited change in control of our company include a staggered board of directors, board authority to issue preferred stock, and advance notice provisions for director nominations or business to be considered at a stockholder meeting. In addition, Delaware law imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock. See "Description of Capital Stock — Anti-Takeover Effects of Provisions of Delaware Law, Our Certificate of Incorporation and Bylaws."

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We are including the following discussion to inform you of some of the risks and uncertainties that can affect our company and to take advantage of the "safe harbor'' protection for forward-looking statements that applicable federal securities law affords.

Various statements this prospectus contains, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward-looking statements. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "potential," "plan," "goal" or other words that convey the uncertainty of future events or outcomes. The forward-looking statements in this prospectus speak only as of the date of this prospectus; we disclaim any obligation to update these statements unless required by securities law, and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These and other important factors, including those discussed under "Risk Factors," may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, contingencies and uncertainties include, but are not limited to, the following:

- our ability to obtain sufficient bonding capacity for our contracts;
- our ability to develop and maintain key customer relationships and our reputation in the heavy civil marine infrastructure market;
- our ability to attract and retain qualified personnel;
- failure to accurately estimate our costs or execute within our cost estimates or by the scheduled date for completion on fixed price, lump-sum contracts;
- increased costs to acquire, manufacture and maintain the equipment necessary for our operations;
- fluctuations in our cash flow and profitability due to the timing of new contracts;
- reductions in government funding for heavy civil marine infrastructure or maintenance contracts;
- failure to comply with applicable terms of the government contracts to which we are a party;
- loss of one or more of our significant customers;
- our ability to fully realize the revenue value reported in our backlog;
- significant operating risks and hazards that could result in damage or destruction to persons or property;
- failure to maintain adequate amounts of insurance coverage and inability to obtain additional amounts of insurance coverage;
- federal laws that may provide our employees with remedies for job-related claims in addition to those provided by state laws;
- potential penalties for late completion of contracts;
- our obligation to pay our suppliers and subcontractors even if our customers do not pay or delay paying us;
- difficulty in collecting receivables from major customers;
- risks inherent in acquisitions, including our ability to obtain financing for proposed acquisitions and to integrate and successfully operate acquired businesses;
- decrease in the anticipated investment in port and heavy civil marine infrastructure;

- adverse change to the economy or business environment in the regions in which we operate;
- adverse outcomes of pending claims or litigation or the possibility of new claims or litigation and the potential effect on our business, financial condition and results of operations;
- environmental laws and regulations applicable to our operations that may expose us to significant costs and liabilities;
- adverse impacts from weather affecting our performance and timeliness of completion, which could lead to increased costs and affect the costs or availability of, or delivery schedule for, equipment, components, materials, labor or subcontractors;
- increased costs and/or decreased supplies of petroleum-based products utilized to operate the equipment used in our construction contracts;
- terrorist attacks at port facilities where we operate;
- unionization, work stoppages, slowdowns or increased labor costs;
- our ability to sustain our historical revenue growth rate;
- risks inherent in international operations; and
- foreign ownership restrictions with respect to our vessels, which could limit our ability to sell off any portion of our business or result in the forfeiture of our vessels or in our inability to continue our operations in U.S. navigable waters.

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the shares of common stock offered by this prospectus. Any proceeds from the sale of the shares offered by this prospectus will be received by the selling shareholders.

DIVIDEND POLICY

For the foreseeable future, we intend to retain earnings to grow our business. Payments of future dividends, if any, will be at the discretion of our board of directors and will depend on many factors, including general economic and business conditions, our strategic plans, our financial results and condition, legal requirements, and other factors that our board of directors deems relevant. Our existing credit facility restricts our ability to pay cash dividends on our common stock, and we may also enter into credit agreements or other borrowing arrangements in the future that will restrict our ability to declare or pay cash dividends on our common stock. In addition, our ability to pay dividends depends on our receipt of cash dividends from our subsidiaries.

CAPITALIZATION

The following table shows our cash and capitalization as of June 30, 2007, on an actual basis. You should read this table in conjunction with our consolidated financial statements and the notes thereto included elsewhere in this prospectus.

	As of June 30, 2007 (Unaudited)
Cash and cash equivalents	$ 15,935
Total debt	3,095
Stockholders' equity:	
Common stock — par value $0.01 per share, 50,000,000 shares authorized, 37,619,140 shares issued	376
Treasury stock, 16,053,816 at cost	(201,555)
Additional paid-in capital	256,357
Retained earnings	23,699
Total stockholders' equity	78,877
Total capitalization	$ 81,972

MARKET FOR COMMON STOCK

Our common stock has been traded on The PORTAL Market, which is operated by the Nasdaq Stock Market, Inc., since July 2, 2007. Prior to that time, there was no market for our common stock. As of the date of this prospectus, the Company believes that a total of [ ] shares of its common stock have been traded on The PORTAL Market since July 2, 2007. To our knowledge, the purchase price for all shares of our common stock traded on The PORTAL Market since July 2, 2007 has been $[ ] per share. As of the date of this prospectus, there were approximately [ ] holders of record of our common stock.

In connection with this offering, we intend to apply to have our common stock listed on the NASDAQ Global Market under the symbol "OMGI".

SELECTED CONSOLIDATED FINANCIAL DATA

The following table sets forth certain of our selected historical consolidated financial information for the periods represented. The financial data as of and for each of the three years in the period ended December 31, 2006 has been derived from our audited consolidated financial statements and notes thereto, which have been audited by Grant Thornton LLP. The financial data as of and for the two years in the period ended December 31, 2003 has been derived from the audited consolidated financial statements and notes thereto of Orion Marine Group Holdings Inc., our parent entity prior to the 2004 acquisition. The share and per share financial data presented below has been adjusted to give effect to the 2.23 for one reverse split of our common stock that we effected on May 17, 2007 in connection with the 2007 Private Placement.

On October 14, 2004, we were acquired by Orion Marine Group, Inc., formerly known as Hunter Acquisition Corp., a corporation formed and controlled by our former principal stockholders. For accounting purposes, our company as it existed until the time we were acquired by Hunter Acquisition Corp. is referred to as our "Predecessor" and our company as it has existed since the acquisition is referred to as our "Successor." Concurrent with the acquisition and in accordance with GAAP, we wrote up the value of our assets to their current market value (as determined by appraisals for certain of our assets, such as equipment and land) at the time of the transaction. The result of this write up increased the book value of our assets and the associated depreciation expense. Therefore, depreciation expense for our Predecessor was less than depreciation expense for our Successor. Additionally, certain expenses related to the maintenance and repair of our equipment and other items directly attributable to contract revenues were classified as selling, general and administrative expenses and other (income) loss for each of the two years in the period ended December 31, 2003. Beginning January 1, 2004 through December 31, 2006, these same expenses were classified as cost of contract revenues. Consequently, the cost of contract revenues, selling, general, and administrative expenses, and other (income) loss for each of the two years ended December 31, 2003 are not comparable to the cost of contract revenues, selling, general, and administrative expenses, and other (income) loss for the periods beginning January 1, 2004 through December 31, 2006.

Historical results are not necessarily indicative of results we expect in future periods. The data presented below should be read in conjunction with, and are qualified in their entirety by reference to, "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes thereto included elsewhere in this prospectus.

The following table includes the non-GAAP financial measure of EBITDA. For a definition of EBITDA and a reconciliation to net income calculated and presented in accordance with GAAP, please see "Summary Consolidated Financial Data — Non-GAAP Financial Measures."

	Predecessor			Successor				
	Year Ended December 31,		January 1 to October 13	October 14 to December 31,	Year Ended December 31,		Six Months Ended June 30,	
	2002	2003	2004	2004	2005	2006	2006 (Unaudited)	2007 (Unaudited)
	(In thousands, except for share and per share data)							
Statement of Operations Data:								
Contract revenues	$ 106,793	$ 101,369	$ 97,989	$ 32,570	$ 167,315	$ 183,278	$ 82,124	$ 89,772
Cost of contract revenues	80,149	77,354	79,185	30,065	145,740	144,741	68,614	69,182
Gross profit	26,644	24,015	18,804	2,505	21,575	38,537	13,510	20,590
Selling, general and administrative expenses	15,478	16,376	7,752	1,611	10,685	18,225	5,840	11,368
Operating income	11,166	7,639	11,052	894	10,890	20,312	7,670	9,222
Interest expense, net	310	282	24	446	2,179	1,755	950	279
Other (income) loss, net	(605)	(1,030)	(52)	(237)	(405)	(886)	(368)	(20)
Income before income taxes	11,461	8,387	11,080	685	9,116	19,443	7,088	8,963
Income tax expense	4,621	3,508	4,378	266	3,805	7,040	2,568	3,397
Net income	6,840	4,879	6,702	419	5,311	12,403	4,520	5,566
Preferred dividends	—	—	—	460	2,100	2,100	1,042	777
Income (loss) available to common shareholders	$ 6,840	$ 4,879	$ 6,702	$ (41)	$ 3,211	$ 10,303	$ 3,478	$ 4,789
Adjusted Per Common Share Data(2):								
Net income per share								
Basic	$ 0.43	$ 0.31	$ 0.42	$ —	$ 0.20	$ 0.65	$ 0.22	$ 0.28
Diluted	$ 0.42	$ 0.30	$ 0.41	—	$ 0.20	$ 0.63	$ 0.21	$ 0.27
Weighted average shares outstanding								
Basic	15,872,360	15,872,360	15,872,360	15,695,067	15,706,960	15,872,360	15,777,884	17,254,063
Diluted	16,407,250	16,407,250	16,407,250	15,695,067	16,135,211	16,407,250	16,383,194	17,990,674
Other Financial Data:								
EBITDA(1)	$ 17,550	$ 15,318	$ 16,544	$ 3,091	$ 22,331	$ 33,003	$ 13,832	$ 15,562
Capital expenditures	5,003	7,044	8,407	2,383	9,149	11,931	4,806	3,941
Cash interest expense	325	282	150	263	2,146	3,453	1,218	820
Depreciation and deferred financing cost amortization	5,779	6,649	5,440	1,960	11,036	11,805	5,794	6,320
Net cash provided by operating activities	11,900	15,591	8,193	3,262	11,618	32,475	11,967	1,884
Net cash (used in) investing activities	(14,273)	(6,809)	(6,634)	(61,654)	(5,431)	(11,987)	(4,578)	(2,407)
Net cash provided by (used in) financing activities	4,682	(5,476)	(1,055)	66,094	(6,244)	(9,572)	(2,568)	(2,103)

	Predecessor		Successor			
	As of December 31,					As of June 30,
	2002	2003	2004	2005	2006	2007 (Unaudited)
	(In thousands)					
Balance Sheet Data:						
Cash and cash equivalents	$ 5,114	$ 8,420	$ 7,701	$ 7,645	$ 18,561	$ 15,935
Working capital	6,478	7,775	11,475	14,729	12,970	23,096
Total assets	54,448	53,711	113,739	114,626	125,072	123,138
Total debt	11,556	5,965	40,489	34,548	25,000	3,095
Total stockholders' equity	27,045	32,039	35,419	40,730	53,239	78,877

(1) For an explanation of EBITDA and a reconciliation of EBITDA to net income calculated and presented in accordance with GAAP, please see "Summary Consolidated Financial Data — Non-GAAP Financial Measures."

(2) The share and per share financial data presented for all periods has been adjusted to give effect to the 2.23 for one reverse split of our common stock that we effected on May 17, 2007 in connection with the 2007 Private Placement. Adjusted per share common data for the Predecessor is calculated as our net income for such period over the basic and diluted weighted average shares outstanding as of December 31, 2006.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Selected Consolidated Financial Data" and our financial statements and related notes appearing elsewhere in this prospectus. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a variety of risks and uncertainties, including those described in this prospectus under "Special Note Regarding Forward-Looking Statements" and "Risk Factors." We assume no obligation to update any of these forward-looking statements.

Overview

We are a leading marine specialty contractor serving the heavy civil marine infrastructure market. We provide a broad range of marine construction and specialty services on, over and under the water along the Gulf Coast, the Atlantic Seaboard and the Caribbean Basin. Our customers are federal, state and municipal governments, the combination of which accounted for approximately 60% of our revenue in the six months ended June 30, 2007, as well as private commercial and industrial enterprises. We are headquartered in Houston, Texas.

Our contracts are obtained primarily through competitive bidding in response to "request for proposals" by federal, state and local agencies and through negotiation with private parties. Our bidding activity is affected by such factors as backlog, current utilization of equipment and other resources, ability to obtain necessary surety bonds and competitive considerations. The timing and location of awarded contracts may result in unpredictable fluctuations in the results of our operations.

Most of our revenue is derived from fixed-price contracts. There are a number of factors that can create variability in contract performance and therefore impact the results of our operations. The most significant of these include the following:

- completeness and accuracy of the original bid;
- increases in commodity prices such as concrete, steel and fuel;
- customer delays and work stoppages due to weather and environmental restrictions;
- availability and skill level of workers; and
- a change in availability and proximity of equipment and materials.

All of these factors can impose inefficiencies on contract performance, which can impact the timing of revenue recognition and contract profitability. We plan our operations and bidding activity with these factors in mind and they have not had a material adverse impact on the results of our operations in the past.

Business Drivers and Measures

Industry trends impact our results of operations. In operating our business and monitoring its performance, we also pay attention to a number of performance measures and operational factors.

Industry Trends. Our performance is impacted by overall spending in the heavy civil marine infrastructure market. Spending by our customers, both government and private, is impacted by several important trends affecting our industry, including the following:

- increasing North American freight capacity, which results in the need for port and channel expansion and maintenance;
- deteriorating condition of intracoastal waterways and bridges;
- the historic $286.0 billion federal transportation funding bill of 2005;
- robust demand in the cruise industry;
- the continuing U.S. base realignment and closure program ("BRAC");

- strong oil and gas capital expenditures;
- ongoing U.S. coastal wetlands restoration and reclamation; and
- recurring hurricane restoration and repair; and
- the pending $14 billion federal water resources development funding bill of 2007.

In the aggregate, these industry trends drive marine transportation facility construction, dredging, bridge building, repair and maintenance, as well as specialty services that we perform in our markets. Each of these industry trends are discussed more thoroughly in the "Business — Industry Overview" section.

Bidding. Industry trends result in the need for our customers to make capital expenditures and engage in repair and maintenance activities. We monitor the prospects and solicitations for government and for private work to determine what projects our customers are planning and when they will seek bids for their projects. This allows us to gauge the overall health of the markets we serve and to respond appropriately to changing market conditions, such as near-term softness or improving conditions in a particular market, by moving our equipment and personnel accordingly. Our industry is highly fragmented with competitors generally varying within the markets we serve and with few competitors competing in all of the markets we serve or for all of the services that we provide. We believe that the robust long-term demand for heavy civil marine infrastructure services combined with the fact that our industry is highly fragmented creates a favorable bidding environment for us.

Most of our contracts are obtained through competitive bidding on terms specified by the party inviting the bid. The nature of the contract specifications dictates the type of equipment, material and labor involved, all of which affect the cost of performing the contract and the price that our competitors will bid. Contracts for projects are generally awarded to the lowest qualified bidder, provided the bid is no greater than the amount of funds that are budgeted and available for the project. If all bids are greater than the available funds, then projects may be subject to rebid or cancellation as a result of budget constraints.

Our process for bidding projects varies by bid amount. We have implemented project controls to limit the level of bidding authority that we give to our project managers and regional vice presidents. Generally, our project managers estimate and bid projects, and subsequently manage those projects that they successfully bid, which is in contrast to many other construction companies, where the estimation and bidding of projects and the subsequent management of those projects are performed by separate departments. Project managers have the sole authority to estimate and bid projects up to a specified size; any project above the bidding authority of a project manager must involve a regional vice president in the preparation of the estimate and bid; and any bid above the regional vice president's authority must involve the Chief Executive Officer in the estimation and bidding process. We believe that our operating philosophy allows our project managers to work in an entrepreneurial environment, increases accountability amongst our project managers, and also provides us with the ability to develop the long-term careers of our project managers and reward them appropriately.

Utilization. An important factor that we take into consideration when we manage our business is the current and projected utilization of our equipment and personnel. We do not measure utilization of equipment or personnel in the aggregate, but rather track utilization by our major pieces of equipment, such as barges, cranes, dredges, tugs, etc., and the associated personnel required to operate the equipment. We track this information using our state-of-the-art, scalable, integrated enterprise-wide project management software system. Our ability to maintain high levels of utilization of our equipment and keep our employees working on jobs in large part drives our profitability, and we believe that our average EBITDA margin of 15.5% over the three years ended December 31, 2006 leads the industry and is a representation of our success in effectively managing these items.

Backlog. Once we have successfully bid on a project and executed a contract to perform the work, we record the value of the contract as backlog. Our backlog is the financial representation of the revenue associated with the future commitments of our equipment and personnel that is tracked in our project management software system. Backlog consists of projects that have either (a) not yet started, or (b) are in progress but not yet complete. Consequently, backlog is also an important factor we use to monitor our business. The typical duration of our contracts is three to nine months, so our backlog at any point in time usually represents only a portion of the revenue that we expect to realize during a twelve month period.

As our business continues to grow, we expect that our backlog will increase over time. However, our backlog may fluctuate significantly from quarter to quarter, and a quarterly decrease of our backlog might not necessarily translate into a deterioration of our business. For example, in anticipation of bidding on a large project for which we believe we will be the successful bidder, we may choose not to bid on near-term projects so that our schedule can accommodate a large job. Even though this management decision would result in a near-term decline in our backlog, it is not inconsistent with our dual goals of maintaining high utilization rates of our equipment and personnel and long-term growth in our backlog.

Revenue. We recognize our revenue using the percentage-of-completion methodology. Percentage-of-completion for construction contracts is measured principally by the costs incurred and accrued to date for each contract to the estimated total costs for each contract at completion. We generally consider contracts substantially complete upon acceptance by the customer and departure from the construction site. A significant portion of our revenue depends on project funding by various government agencies and is adversely affected by decreased level of, or delays in, government funding. Moreover, a substantial portion of our revenue depends on funding from the Corps of Engineers, which provides the majority of the funding for government dredging projects.

Cost of Revenue. The components of costs of contract revenues include labor, equipment (including depreciation, insurance, fuel, maintenance and supplies), materials, lease expense and project overhead. Costs of contract revenues vary significantly depending on the type and location of work performed and assets utilized. Since the realization of our revenue is driven primarily by the cost of our revenues in relation to our estimated total costs to complete a contract, we monitor the costs realized to date and the estimated costs required to complete a project very closely, on a project-by-project basis, using our project management software system. For example, on a heavy civil marine construction project such as a concrete fabricated dock, we would be required to drive a certain number of concrete piles to provide a foundation for the port facility that we would subsequently construct on the piles. In this example, we would closely monitor the rate at which the piles were being driven relative to our original expectations. We monitor the progress on our jobs, and therefore the associated costs, by way of weekly management meetings that include the local project managers, the regional managers, and the senior management team. By monitoring our jobs in this manner, we are able to quickly identify potential issues and respond accordingly. We believe that our ability to effectively manage the cost of revenue is a competitive strength of our organization and is indicative of the depth of our management team. Our intense focus on profitably executing contracts has resulted in only a small number of unprofitable contracts since our founding.

Another important aspect of managing our cost of revenue is to recognize opportunities for change orders, which is a change to the original specifications of the contract, and occurs once a project has begun. In doing so, we are able to (a) recognize additional revenue from a project on a negotiated basis, rather than a competitive bidding situation, at generally higher margins, and (b) avoid potential disputes with our customers regarding required deviations from the original terms of the contract.

General and Administrative Expenses. Our general and administrative costs include non-contract related salaries and expenses, incentive compensation, discretionary profit sharing and other variable compensation, as well as other overhead costs to support our overall business. In general, these costs will increase in response to our growth and the related increased complexity of our business. In addition, we also expect to incur increased general and administrative expenses related to the cost of operating as a public company and additional implementation costs in fiscal 2007 and 2008 relating to compliance with Section 404 of the Sarbanes-Oxley Act of 2002.

Other Factors. Other factors that will influence our operations in future periods include the following:

Seasonality. Substantially all of our services are performed on, over and under the water, causing our results to be subject to seasonal variations due to weather conditions. The core markets in which we operate — the Gulf Coast, the Atlantic Seaboard and the Caribbean Basin — are affected by hurricanes and tropical storms during hurricane season, which occurs annually in the Gulf of Mexico and Atlantic Ocean from June through November. Over 97% of the hurricanes and tropical storms occur during this time period, and 78% occur from August through October. Since we operate our business in a wet environment and many of our marine projects are constructed to withstand harsh conditions such as hurricanes and tropical storms, wet conditions generally do not affect our operations, but major hurricanes and tropical storms may temporarily impact our operations. For example, we monitor all named storm systems to determine which, if any, of our projects will be affected. Because hurricanes and

tropical storms move slowly, we usually have ample time to prepare appropriately for the storm, which typically includes demobilizing much of our equipment and removing our employees from the job site. Once the storm has passed, we must then mobilize our personnel and equipment back to the job site, which results in delays in the completion of our work and an increase in the costs associated with performing our work.

Generally, in our fixed-price contracts we bear the risks of increased costs, delays to completion of work, damage to our equipment, and damage to the work already completed at a job site, related to severe weather conditions, such as hurricanes and tropical storms. Consequently, our cost estimates to complete a job in a hurricane prone area during hurricane season include costs related to mobilizing and demobilizing personnel and equipment, and our schedule assumes there will be delays associated with hurricanes and tropical storms. In years where the hurricane activity is less than expected or does not significantly impact our job sites, as was the case in 2006, we release those contingencies within our jobs as they are completed, which results in the recognition of profit and usually occurs during the fourth quarter.

Surety Bonding. In connection with our business, we generally are required to provide various types of surety bonds that provide an additional measure of security to our customers for our performance under certain government and private sector contracts. Our ability to obtain surety bonds depends upon our capitalization, working capital, past performance, management expertise and external factors, including the capacity of the overall surety market. Surety companies consider such factors in light of the amount of our backlog that we have currently bonded and their current underwriting standards, which may change from time-to-time. During the six months ended June 30, 2007, approximately 71% of our projects, measured by revenue, required us to post a bond. The bonds we provide typically have face amounts ranging from $1.0 to $50.0 million. As of June 30, 2007, we had approximately $100.0 million in surety bonds outstanding. On June 30, 2007, we believe our capacity under our current bonding arrangement was $250.0 million in aggregate surety bonds. We believe that our bonding capacity provides us with a significant competitive advantage relative to many of our local competitors, as many of these competitors are sole proprietors and are often required to personally guarantee their surety bonds, which frequently limits their bonding capacity.

Outlook. The Water Resources Development Act of 2007 ("WRDA"), legislation by which Congress authorizes water resources development projects, including environmental restoration and Deep Port dredging projects, moved through the House of Representatives and was passed by the Senate. On August 1, 2007, this bill proceeded to committee to resolve differences between the House and Senate versions. This is the final step before the bill is submitted to the President for signature. The bill, as currently written, provides for over $14 billion to be spent over a 10 year period for coastal restoration, flood control, beach nourishment, lock and ship channel restoration and hurricane protection. Much of this funding pertains to our market areas of Texas, Louisiana, Mississippi, Florida and South Carolina.

Significant Changes in Ownership

2004 Acquisition. On October 14, 2004, our Predecessor was acquired by Orion Marine Group, Inc., formerly known as Hunter Acquisition Corp., a corporation formed and controlled by our former principal stockholders, whose funds were managed by Austin Ventures and TGF Management Corp. The cash purchase price for the shares that were acquired was approximately $73.0 million, including acquisition costs. Following the acquisition, we had approximately $41.5 million of new debt in a senior term loan. We also had an undrawn $8.5 million revolving credit facility. Our principal stockholders have provided incremental financial and strategic resources necessary for our continued success, including implementing stock based compensation, transitioning senior leadership and establishing standardization of systems and more scalable internal systems, such as our project control systems.

2007 Private Placement. On May 31, 2007, pursuant to the 2007 Private Placement, we completed the sale of 20,949,196 shares of our common stock at a sale price of $13.50 per share to qualified institutional buyers, non-U.S. persons and accredited investors and repurchased and retired all of our outstanding preferred stock and 16,053,816 shares of our common stock from our former principal stockholders using approximately $242.0 million of the net proceeds, which resulted in a net increase in shares outstanding of 4,895,380 shares. The remaining net

proceeds to us from the 2007 Private Placement (after purchaser's discount, placement fees and expenses) were $19.5 million and are being used for working capital and general corporate purposes. In connection with the 2007 Private Placement, we entered into employment agreements and transaction bonus agreements with our executive officers and certain key employees. Under the agreements, we granted 26,426 shares of common stock, granted options to acquire 327,357 shares of common stock, and made cash payments totaling up to $2.2 million.

Critical Accounting Policies

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. While our significant accounting policies are described in more detail in the notes to our consolidated financial statements included elsewhere in this offering memorandum, we believe the following accounting policies to be critical to the judgments and estimates used in the preparation of our financial statements.

Revenue Recognition. We enter into construction contracts principally on the basis of competitive bids. Although the terms of our contracts vary considerably, most are made on a fixed price basis. Revenues from construction contracts are recognized on the percentage-of-completion method in accordance with the AICPA Statement of Position 81-1, *Accounting for Performance of Construction-Type and Certain Production-Type Contracts*. Percentage-of-completion for construction contracts is measured principally by the costs incurred and accrued to date for each contract to the estimated total costs for each contract at completion. We generally consider contracts substantially complete upon departure from the construction site and acceptance by the customer.

Our most significant cost drivers are the cost of labor, cost of equipment, cost of materials and the cost of casualty and health insurance. These costs may vary from the costs we estimated. Variations from estimated contract costs along with other risks inherent in fixed price contracts may result in actual revenue and gross profits differing from those we estimated and could result in losses on projects. Depending on the size of a particular project, variations from estimated project costs could have a significant impact on our operating results for any fiscal quarter or year. We believe our exposure to losses on fixed price contracts is limited by the relatively short duration of the fixed price contracts we undertake and our management's experience in estimating contract costs.

Long-Lived Assets. Fixed assets are carried at cost and are depreciated over their estimated useful lives, ranging from one to thirty years, using the straight-line method for financial reporting purposes and accelerated methods for tax reporting purposes. The carrying value of all long-lived assets is evaluated periodically in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets,* to determine if adjustment to the depreciation period or the carrying value is warranted. If events and circumstances indicate that the long-lived assets should be reviewed for possible impairment, we use projections to assess whether future cash flows on a non-discounted basis related to the tested assets are likely to exceed the recorded carrying amount of those assets to determine if write-down is appropriate. If we identify impairment, we will report a loss to the extent that the carrying value of the impaired assets exceeds their fair values as determined by valuation techniques appropriate in the circumstances that could include the use of similar projections on a discounted basis.

Goodwill. We evaluate goodwill for potential impairment in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets.* Included in this evaluation are certain assumptions and estimates to determine fair value of reporting units such as estimates of future cash flows, discount rates as well as assumptions and estimates related to valuation of other identifiable intangible assets. Changes in these assumptions and estimates or significant changes to the market value of our company could materially impact our results of operations or financial position. As of June 30, 2007, goodwill was $2.5 million and no impairment loss was recorded during the three months ended June 30, 2007.

Income Taxes. We evaluate valuation allowances for deferred tax assets for which future realization is uncertain. We perform this evaluation at least annually at the end of each fiscal year. The estimation of required valuation allowance includes estimates of future taxable income. In assessing the realizability of deferred tax assets at June 30, 2007, we considered that it was more likely than not that all of the deferred tax assets would be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the

periods in which those temporary differences become deductible. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

We account for uncertain tax positions in accordance with the provisions of FASB Interpretation No. 48 *"Accounting for Uncertainty in Income Taxes"* ("FIN 48"), which it adopted on January 1, 2007. The implementation of FIN 48 required us to make subjective assumptions and judgments regarding income tax exposure. Interpretations of and guidance surrounding income tax laws and regulations change over time, and these may change our subjective assumptions, which in turn, may affect amounts recognized in the condensed consolidated balance sheets and statements of income.

Self-Insurance. We are insured for workers' compensation, automobile liability, general liability, employment practices and employee-related health care claims, subject to large deductibles. Our general liability program provides coverage for bodily injury and property damage that is neither expected nor intended. Losses up to the deductible amounts are accrued based upon our estimates of the liability for claims incurred and an estimate of claims incurred but not yet reported. The accruals are derived from actuarial studies, known facts, historical trends and industry averages utilizing the assistance of an actuary to determine the best estimate of the ultimate expected loss. We believe such accruals to be adequate. However, self-insurance liabilities are difficult to assess and estimates due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents not reported and the effectiveness of our safety program. Therefore, if actual experience differs from the assumptions used in the actuarial valuation, adjustments to the reserve may be required and would be recorded in the period that the experience becomes known.

Consolidated Results of Operations

Six Months Ended June 30, 2006 Compared With Six Months Ended June 30, 2007

The following information is derived from our historical results of operations.

	Six Months Ended June 30,			
	2006		2007	
	Amount	Percent	Amount	Percent
	(Unaudited)		(Unaudited)	
	(Dollars in thousands)			
Contract revenues	$ 82,124	100.0%	$ 89,772	100.0%
Cost of contract revenues	68,614	83.5	69,182	77.1
Gross profit	13,510	16.5	20,590	22.9
Selling, general and administrative expenses	5,840	7.1	11,368	12.7
Operating income	7,670	9.3	9,222	10.3
Other (income) expense				
Interest expense, net	950	1.2	279	0.3
Other (income) loss, net	(368)	(0.4)	(20)	—
Other expense, net	582	0.7	259	0.3
Income before income taxes	7,088	8.6	8,963	10.0
Income tax expense	2,568	3.1	3,397	3.8
Net income	$ 4,520	5.5%	$ 5,566	6.2%

Contract Revenues. Total revenue increased $7.6 million or 9.3% in the first six months of 2007 to $89.8 million. The increase was primarily related revenue increases in the second quarter due to the commencement of several large projects, particularly in the Southeast U.S. region, which had been expected to begin earlier in the year.

Gross Profit. Total gross profit increased $7.1 million or 52.5% from $13.5 million for the six months ended June 30, 2006 to $20.6 million for the six months ended June 30, 2007. Gross margin increased from 16.5% for the

six months ended June 30, 2006 to 22.9% for the six months ended June 30, 2007. The increase in gross profit and margin was primarily due to lower subcontracting costs, reflecting increased self-performance on contracts, and to improved project performance, partially offset by increases in direct material costs needed for the startup of larger projects during the first six months as compared with the same period last year.

Selling, General and Administrative Expense. Selling, general and administrative expenses increased $5.5 million in the six months ended June 30, 2007 as compared with the prior year period. The increase was primarily due to one-time payments of bonuses and incentives to key employees upon the successful consummation of the 2007 Private Placement, which totaled approximately $2.7 million. In addition, salaries and benefits increased by $2.8 million driven by increases in headcount, realignment of incentive programs and an increase in our current estimated liability under our self-insurance plans.

Other Expense, Net. Other expense, net of other income for the six months ended June 30, 2007 was $0.3 million, a decrease of $0.3 million compared with the prior year period. Interest expense decreased by $0.4 million, due to the reduction in debt, and interest income increased by $0.3 million, related to the higher level of cash balances in the current year. This was offset by gains on the sale of property in the prior year of $0.4 million

Income Tax Expense. Our effective tax rate increased to 37.9% for the six months ended June 30, 2007 from 36.2% for the six months ended June 30, 2006 due primarily to an increase in our blended state tax rate due to a change in our mix of revenues from certain states and permanent book tax differences.

Year Ended December 31, 2005 Compared with December 31, 2006

The following information is derived from our historical results of operations.

	Twelve Months Ended December 31,			
	2005		2006	
	Amount	Percent	Amount	Percent
	(Dollars in thousands)			
Contract revenues	$167,315	100.0%	$183,278	100.0%
Cost of contract revenues	145,740	87.1	144,741	79.0
Gross profit	21,575	12.9	38,537	21.0
Selling, general and administrative expenses	10,685	6.4	18,225	9.9
Operating income	10,890	6.5	20,312	11.1
Other (income) expense				
Interest expense, net	2,179	1.3	1,755	1.0
Other (income) loss, net	(405)	(0.2)	(886)	(0.5)
Other expense, net	1,774	1.1	869	0.5
Income before income taxes	9,116	5.4	19,443	10.6
Income tax expense	3,805	2.3	7,040	3.8
Net income	$ 5,311	3.2%	$ 12,403	6.8%

Contract Revenues. Total revenue increased $16.0 million or 9.6%, from $167.3 million for the year ended December 31, 2005 to $183.3 million for the year ended December 31, 2006. The increase in revenue was primarily due to an increase in demand for dredging services by the Corps of Engineers as well as an overall increase in volume as a result of management's continuous effort to expand our business within our existing and new markets. In addition, we recognized approximately $10.3 million in revenue from projects acquired in connection with our acquisition of F. Miller and Sons LLC in September 2006.

Gross Profit. Total gross profit increased $16.9 million or 78.2% from $21.6 million for the year ended December 31, 2005 to $38.5 million for the year ended December 31, 2006. Gross margin increased from 12.9% for the year ended December 31, 2005 to 21.0% for the year ended December 31, 2006. The increase in gross margin was primarily due to the increase in dredging services, which historically have had a higher gross profit margin, as

well and improved margins on projects in Florida and the Caribbean Basin as a result of higher productivity and favorable results relative to planned contingencies. These factors resulted in a decrease in the amount of work that was performed by subcontractors, which is typically performed at lower margins, a decrease in the cost for direct materials, which we typically do not mark up as much as our other costs, and an improvement in the utilization of our equipment.

Selling, General and Administrative Expense. Selling, general and administrative expenses increased $7.5 million or 70.1% from $10.7 million for the year ended December 31, 2005 to $18.2 million for the year ended December 31, 2006. Selling, general and administrative expenses as a percentage of revenue increased from 6.4% for the year ended December 31, 2005 to 9.9% for the year ended December 31, 2006. The increase was primarily due to a $7.1 million increase in salaries and benefits driven by an increase in discretionary bonuses, a $0.3 million increase in insurance expense, a $0.1 million increase in utilities expense, a $0.1 million increase in office rent expense and a $0.2 million increase in audit fees.

Other Expense, Net. Other expense, net of other income decreased $0.9 million or 50.0% from $1.8 million for the year ended December 31, 2005 to $0.9 million for the year ended December 31, 2006. The decrease was primarily due to an increase in other income from the gain on sale of assets, and a decrease in net interest expense attributable to an increase in interest income as result of the increase in cash on hand.

Income Tax Expense. Our effective tax rate decreased to 36.2% in 2006 from 41.7% in 2005 due primarily to a reduction in our blended state tax rate due to a change in our mix of revenues from certain states and permanent book tax differences.

Year Ended December 31, 2004 Compared with December 31, 2005

On October 14, 2004, Orion Marine Group, Inc., formerly known as Hunter Acquisition Corp., acquired 100% of the outstanding common stock of Orion Marine Group Holdings Inc. The acquisition was accounted for using the purchase method of accounting in accordance with SFAS No. 141, *Business Combinations*.

Concurrent with the acquisition and in accordance with GAAP, we wrote-up the value of our assets to their current market value (as determined by appraisals for certain of our assets, such as equipment and land) at the time of the transaction. The result of this write-up increased the value of our assets and the associated depreciation expense. Therefore, depreciation expense for our Predecessor was less than depreciation expense for our Successor. Additionally, certain items in the income statement of our Predecessor have been reclassified to conform to the presentation of our Successor.

The following information is derived from our historical results of operations.

	Predecessor	Successor	Combined		Successor	
	January 1 through October 13, 2004	October 14 through December 31, 2004	Year Ended December 31, 2004		Year Ended December 31, 2005	
			Amount	Percent	Amount	Percent
	(Dollars in thousands					
Contract revenues	$ 97,989	$ 32,570	$130,559	100.0%	$167,315	100.0%
Costs of contract revenues	79,185	30,065	109,250	83.7%	145,740	87.1%
Gross profit	18,804	2,505	21,309	16.3%	21,575	12.9%
Selling, general and administrative expenses	7,752	1,611	9,363	7.2%	10,685	6.4%
	11,052	894	11,946	9.1%	10,890	6.5%
Other (income) expense						
Interest expense, net	24	446	470	0.4%	2,179	1.3%
Other income	(52)	(237)	(289)	(0.3)%	(405)	(0.2)%
Other (income) expense, net	(28)	209	181	0.1%	1,774	1.1%
Income before income taxes	11,080	685	11,765	9.0%	9,116	5.4%
Income tax expense	4,378	266	4,644	3.6%	3,805	2.3%
Net income	$ 6,702	$ 419	$ 7,121	5.4%	$ 5,311	3.2%

Contract Revenues. Total revenue increased $36.7 million or 28.1% from $130.6 million for the year ended December 31, 2004 to $167.3 million for the year ended December 31, 2005. The increase in revenue was primarily due to large port expansion projects awarded in the Caribbean Basin as well as an overall increase in volume from a higher backlog at the beginning of 2005.

Gross Profit. Total gross profit increased $0.3 million or 1.4% from $21.3 million for the year ended December 31, 2004 to $21.6 million for the year ended December 31, 2005. Gross margin decreased from 16.3% for the year ended December 31, 2004 to 12.9% for the year ended December 31, 2005. The decrease in gross margin was primarily due to an increase in depreciation expense related to the write up of our assets in conjunction with the acquisition by our principal shareholders; higher maintenance and repair expenses to our equipment, which resulted in lower utilization; certain one-time reductions to our costs of contract revenue in 2004 related to the successful resolution of a claim from a prior period and miscellaneous gains from scrap sales; and an increase in the amount of work that we had performed by subcontractors, which is typically performed at lower margins.

Selling, General and Administrative Expense. Selling, general and administrative expenses increased $1.3 million or 13.8% from $9.4 million for the year ended December 31, 2004 to $10.7 million for the year ended December 31, 2005. Selling, general and administrative expenses as a percentage of revenue decreased from 7.2% for the year ended December 31, 2004 to 6.4% for the year ended December 31, 2005. The increase was primarily due to a $0.2 million increase in salaries and benefits driven by an increase in the number of employees and a $0.2 million increase in amortization of deferred financing costs associated with our credit facility and a $0.1 million increase in depreciation expense.

Other (Income) Expense, Net. Other (income) expense, net increased $1.6 million from $0.2 million for the year ended December 31, 2004 to $1.8 million for the year ended December 31, 2005. The increase was primarily due to an increase in interest expense associated with our $41.5 million debt, which was outstanding between October 14 and December 31, 2004 and for the full twelve months ending December 31, 2005.

Income Tax Expense. Our effective tax rate increased to 41.7% in 2005 from 39.5% in 2004 due primarily to changes in blended state tax rate due to a change in our mix of revenues from certain states and permanent book tax differences.

Liquidity and Capital Resources

Our primary liquidity needs are for financing working capital, investing in capital expenditures and strategic acquisitions. Historically, our source of liquidity has been cash provided by our operating activities and borrowings under our credit facility. As of June 30, 2007 we had reduced our debt to $3.1 million and we had available cash of $15.9 million. At December 31, 2006, our net indebtedness, which is comprised of total debt less cash, was $6.4 million. During the second quarter, we completed an offering of our common stock to investors, which added to our cash position. In addition, we increased operating margins and efficiently managed working capital. As a result of the offering, our operating performance and cash management, we generated sufficient funds from operations to support our cash demands and substantially reduced our debt. We expect to meet our future internal liquidity and working capital needs from funds generated in our operating activities for at least the next 12 months.

As of June 30, 2007, our working capital was $23.1 million compared to $13.0 million at December 31, 2006. The increase of $10.1 million in working capital was primarily due to reductions in our liabilities, particularly accounts payable, reflecting timing of payments to our vendors and to our reduction of debt through the use of the proceeds we received in the 2007 Private Placement. In addition, billings in excess of costs and estimated earnings on uncompleted contracts decreased as contracts progressed and we utilized funds received in previous periods. Fluctuations in working capital result from normal increases and decreases relative to our operational activity. As of June 30, 2007, we had cash on hand and availability under our revolving credit facility of $23.8 million.

The following table provides information regarding our cash flows and our capital expenditures for the years ended December 31, 2004, 2005 and 2006 and the six months ended June 30, 2006 and 2007:

	Year Ended December 31,			Six Months Ended June 30,	
	2004*	2005	2006	2006	2007
			(In thousands)		
Cash provided by (used in):					
Operating activities	$ 3,262	$11,618	$ 32,475	$11,967	$ 1,884
Investing activities	(61,654)	(5,431)	(11,987)	(4,578)	(2,407)
Financing activities	66,094	(6,244)	(9,572)	(2,568)	(2,103)
Capital expenditures (included in investing activities above)	2,383	9,149	11,931	4,806	3,941

* *represents the period from October 14 to December 31, 2004*

Operating Activities. Net cash provided by operations for the years ended 2004, 2005 and 2006 was $3.3 million, $11.6 million, and $32.5 million, respectively. 2004 represents the period of time after the acquisition by Orion Marine Group, Inc. As a result of the acquisition in 2004, which increased the value of our equipment, our depreciation expense also increased by $3.5 million compared with all of 2004. Our net cash position in 2006 benefited from an increase in net income of $7.1 million and increases in billings in excess of costs and estimated earnings on uncompleted contracts of $5.5 million compared with the prior year. During the six months ended June 30, 2007, our operating activities provided $1.9 million of cash as compared to $12.0 million for the six months ended June 30, 2006. Last year, our cash flow benefited from substantial collections in of accounts receivable in the first six months attributable to the completion of several contracts in the period and the related collection of retentions. Net income, adjusted for non-cash items, in the current year, was $10.6 million, an improvement of $1.1 million compared with the prior year due to our higher net earnings and increased depreciation expense.

Investing Activities. Investing activities in 2004 include the acquisition by Orion Marine Group, Inc. In 2005, we purchased approximately $9.1 million of capital equipment. In 2006, cash from investing activities used approximately $12.0 million, mostly related to purchases of equipment and to the upgrade of a dredge. During the six months ended June 30, 2007, investing activities used $2.4 million of cash compared to $4.6 million of cash for the six months ended June 30, 2006. Our purchases of equipment and capital improvements to existing equipment decreased in the six month period by $0.9 million compared with the same period last year. Last year, we substantially overhauled and upgraded a dredge, a capital expense which was not repeated in 2007. In the current year, we have generated cash of $1.5 million through the sale of non-essential equipment.

Financing Activities. In 2004, our financing activities reflected the $41.5 million of debt incurred as a result of the acquisition by Orion Marine Group, Inc. our former principal stockholders. Financing activities in 2005 and 2006 reflect the scheduled repayments on the debt incurred in 2004. During the six months ended June 30, 2007, financing activities used $2.1 million. Net proceeds from the sale of our common stock totaled approximately $19.5 million, which we used to reduce our existing debt. In the prior year six month period, financing activities used $2.6 million, resulting from scheduled principal payments on our existing debt.

Sources of Capital

In addition to our cash balances and cash provided by operations, we have a credit facility available to us to finance capital expenditures and working capital needs.

On July 10, 2007, following the significant reduction of our debt in May utilizing the proceeds from our stock offering, we restated our credit agreement with our existing lenders. Debt under the new credit facility includes the balance on the old credit facility of $3.1 million, which will be repaid in three installments through March 2008. In addition, the Company may borrow up to $25 million under an acquisition term loan facility and up to $8.5 million under a revolving line of credit. At the discretion of our lenders, either the acquisition term loan facility or the revolving line of credit may be increased by $25 million. The revolving line of credit is subject to a borrowing base and availability on the revolving line of credit is reduced by any outstanding letters of credit. As of August 1, 2007,

no amounts had been drawn under the acquisition term loan facility or the revolving line of credit. All provisions under the credit facility mature on September 30, 2010.

For each prime rate loan drawn under the credit facility, interest is due quarterly at the then prime rate minus a margin that is adjusted quarterly based on total leverage ratios, as applicable. For each LIBOR loan, interest is due at the end of each interest period at a rate of the then LIBOR rate for such period plus the LIBOR margin based on total leverage ratios, as applicable.

The credit facility requires us to maintain certain financial ratios and places other restrictions on us as to our ability to incur additional debt, pay dividends, advance loans and other actions. The credit facility is secured by the accounts, accounts receivable, inventory, equipment and other assets of the Company and its subsidiaries. At June 30, 2007, we were in compliance with all financial covenants.

Bonding Capacity

At June 30, 2007, we had adequate surety bonding capacity under our surety agreement with Liberty. Our ability to access this bonding capacity is at the sole discretion of our surety provider and is subject to certain other limitations such as limits on the size of any individual bond and restrictions on the total amount of bonds that can be issued in a given month. We believe we have adequate remaining available bonding capacity to meet our current needs, subject to the sole discretion of our surety provider. In addition, to access the remaining available bonding capacity, Liberty may require us to post additional collateral.

Effect of Inflation

We are subject to the effects of inflation through increases in the cost of raw materials, and other items such as fuel. Because the typical duration of a project is between three to nine months we do not believe inflation has had a material impact on our operations.

Off Balance Sheet Arrangements

We currently have no off balance sheet arrangements.

Contractual Obligations

The following table sets forth information about our contractual obligations and commercial commitments as of June 30, 2007:

	Payment Due by Period				
	Total	<1 Year	1-3 Years	3-5 Years	>5 Years
			(In thousands)		
Long-term debt obligations	$3,095	$ 3,095	$ —	$ —	$ —
Operating lease obligations	3,310	561	1,946	173	629
Purchase obligations(1)	67	67	—	—	—
Total	$6,471	$ 3,723	$ 1,946	$ 173	$ 629

(1) Purchase obligations include future cash payments pursuant to an outstanding licensing agreement for certain software. Commitments pursuant to other purchase orders and subcontracts related to construction contracts are not included since such amounts are expected to be funded under contract billings.

Our obligations for interest are not included in the table above as these amounts vary according to the levels of debt outstanding at any time. Interest on our revolving line of credit is paid monthly and fluctuates with the balances outstanding during the year, as well as with fluctuations in interest rates.

To manage risks of changes in the material prices and subcontracting costs used in tendering bids for construction contracts, we obtain firm quotations from our suppliers and subcontractors before submitting a bid. These quotations do not include any quantity guarantees, and we have no obligation for materials or subcontract

services beyond those required to complete the contracts that we are awarded for which quotations have been provided.

New Accounting Pronouncements

In June 2006, the FASB issued Financial Interpretation No. 48, *"Accounting for Uncertainty in Income Taxes"*. The interpretation prescribes a recognition threshold and measurement attribute criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation also provides guidance on classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company adopted the provisions of FIN 48 on January 1, 2007. There was no impact on our financial statements related to the adoption of this statement.

The FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS 157") in September 2006. SFAS 157 defines fair value, establishes a framework for measuring fair value pursuant to GAAP and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements but does not require any new fair value measurements. We do not believe the adoption of this standard will have a material impact on our financial position or results of operation. This standard will become effective for us January 1, 2008.

The FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS 159") in February 2007. SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS 159 apply only to entities that elect the fair value option. We do not believe the adoption of this standard will have a material impact on our financial position or results of operation. This standard will become effective for us January 1, 2008.

In September 2006, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 108, *"Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements"* ("SAB 108"). SAB 108 provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. Under this bulletin, registrants should quantify errors using both a balance sheet and an income statement approach and evaluate whether either approach results in quantifying a misstatement that, when all relevant quantitative and qualitative factors are considered, is material. SAB 108 is effective for fiscal years ending on or after November 15, 2006. Adoption of SAB 108 did not have a material impact on our consolidated financial statements for all periods presented.

Quantitative and Qualitative Disclosures about Market Risk

Management is actively involved in monitoring our exposure to market risk and continues to develop and utilize appropriate risk management techniques. Our exposure to significant market risks includes interest rate risk on our outstanding borrowings under our floating rate credit agreement and to fluctuations in commodity prices primarily for steel products and fuel. Commodity price risks may have an impact on our results of operations due to the fixed nature of many of our contracts.

As of June 30, 2007, there was $3.1 million outstanding under our credit agreement and there were no borrowings outstanding under our revolving credit facility; however, there were letters of credit issued in the amount of $605,135 which lower the amount available to us on the revolving facility to approximately $7.9 million. If the variable interest rates on our outstanding debt were to increase by 1%, corresponding interest expenses would not have significantly increased for the six months ended June 30, 2007 or the six months ended June 30, 2006.

Related Party Transactions

We were a party to a Management Agreement with Capture 2004, L.P., dated as of October 14, 2004, in which we agreed to pay an annual management fee to Capture 2004, L.P. and reimburse Capture 2004, L.P. for reasonable out-of-pocket expenses directly related to the performance by Capture 2004, L.P. under the Management Agreement. The aggregate amount paid under this Management Agreement for the year ended December 31, 2006 was approximately $300,000. The Management Agreement was terminated as part of the 2007 Private Placement.

We have entered into indemnification agreements with our directors to provide our directors and certain of their affiliated parties with additional indemnification and related rights. See "Description of Capital Stock — Liability and Indemnification of Officers, Directors and Certain Affiliates" for further information.

We entered into an agreement with Mr. Inserra whereby certain of our subsidiaries lease equipment used in our business from Mr. Inserra for $57,500 per month, payable on a monthly basis. The agreement is month to month. We have leased such equipment from Mr. Inserra pursuant to an oral agreement since October 2004. In March 2007, we entered into written lease agreements with Mr. Inserra regarding the lease of such equipment. The aggregate amount of the lease payments under the lease for the years ended December 31, 2005 and 2006 was $256,912 and $625,428, respectively. In addition, we purchased equipment for $1.0 million from Mr. Inserra in 2006.

On March 27, 2007 we entered into a redemption agreement with Austin Ventures VII, L.P., Austin Ventures VIII, L.P.,Mr. Inserra, Capture 2004, L.P., Orion Incentive Equity, L.P. and 2004 Orion LLP, which was amended and restated on May 8, 2007. Under the redemption agreement, as amended, as part of the 2007 Private Placement, we redeemed all of the shares of our preferred stock held by them for a price per share equal to $1,000 plus all accrued or declared but unpaid dividends, and repurchased all 16,053,816 shares of our common stock held by them for a price per share equal to $12.555, representing the offering price less the initial purchaser's discount and placement fee.

BUSINESS

Our Business

We are a leading marine specialty contractor serving the heavy civil marine infrastructure market. We provide a broad range of marine construction and specialty services on, over and under the water along the Gulf Coast, the Atlantic Seaboard and the Caribbean Basin. Our customers are federal, state and municipal governments as well as private commercial and industrial enterprises. We are headquartered in Houston, Texas.

We act as a single-source, turnkey solution for our customers' marine contracting needs. Our heavy civil marine construction services include marine transportation facility construction, dredging, repair and maintenance, bridge building, marine pipeline construction, as well as specialty services. Our specialty services include salvage, demolition, diving, surveying, towing and underwater inspection, excavation and repair. While we bid on projects up to $50.0 million, during 2006 our average revenue per project was between $1.0 million and $3.0 million. Projects we bid on can take up to 36 months to complete, but the typical duration of our projects is from three to nine months. In 2006, we provided 99% of our services under fixed-price contracts, measured by revenue, and self-performed over 85% of our work, measured by cost.

We focus on selecting the right projects on which to work, controlling the critical path items of a contract by self-performing most of the work, and managing the profitability of a contract by recognizing change order opportunities and rewarding project managers for outperforming the estimated costs to complete projects. We use state-of-the-art, scalable enterprise-wide project management software to integrate functions such as estimating project costs, managing financial reporting and forecasting profitability.

Our revenues grew from $101.4 million in 2003 to $183.3 million in 2006, a CAGR of 21.8%, substantially all of which was organic. During that same period, our EBITDA grew from $15.3 million in 2003 to $33.0 million in 2006, a CAGR of 29.2%. Our growth has been driven by our ability to capitalize on increased infrastructure spending in our markets across our scope of operations. This increased spending has caused shortages of specialized equipment and labor, creating a favorable bidding environment for heavy civil marine projects. We believe that the demand for our infrastructure services has been, and will continue to be, driven and funded primarily by a wide variety of factors and sources including the following:

Industry Drivers	
Increasing North American Freight Capacity /Port and Channel Expansion and Maintenance	Port of Houston, Tampa Port Authority, Port of Lake Charles, South Basin Development, Houston Cement, North Point Properties, Alcoa, The Haskell Company, Manatee County Port Authority, Port of Brownsville
Deteriorating Condition of U.S. Intracoastal Waterways and Bridges	Corps of Engineers, Texas Department of Transportation ("TXDOT"), Florida Department of Transportation ("FDOT"), City of Tampa, City of St. Petersburg
Historic Federal Transportation Funding Bill	TXDOT, FDOT, Louisiana Department of Transportation & Development
Robust Cruise Industry Activity	St. Lucia Air & Sea Port Authority, Ambergris Cay, Dominica Port Authority, Bahamas Marine, Port of Canaveral, Grand Turks Cruise Terminal, Carnival Cruise Lines, Port Authority of Cayman Islands
Continuing U.S. Base Realignment and Closure Program	U.S. Navy, Corps of Engineers
Strong Oil and Gas Capital Expenditures	Kinder Morgan, Shell Oil, ITC, Valero, Bahamas Oil Refining, Gulfterra, Esso, Teppco, Oiltanking, ExxonMobil
Ongoing U.S. Coastal and Wetlands Restoration and Reclamation	Federal, State and Local Agencies, City of Myrtle Beach, Corps of Engineers
Recurring Hurricane Restoration and Repair	Federal Emergency Management Agency, U.S. Department of Agriculture, State Agencies and Private Companies
The Water Resources Development Act of 2007	Federal, State and Local Agencies

We believe the diversity of industry drivers and funding sources that affect our market as well as our ability to provide a broad range of services result in a less volatile revenue stream year-to-year.

At June 30, 2007, our backlog was approximately $120.6 million, compared with $112.3 million on June 30, 2006. Given the typical duration of our contracts, which ranges from three to nine months, our backlog at any point in time usually represents only a portion of the revenue that we expect to realize during a twelve month period. In addition to our backlog, we also have a substantial number of projects in negotiation or pending award at any given time. At June 30, 2007, we were in negotiation or pending award for approximately $14.6 million in new contracts we expect to be awarded; however, there can be no assurances that the negotiations will be successful or that these contracts will be executed and added to backlog. We expect to continue to grow our business organically, as well as selectively consider strategic acquisitions that improve our market position within our existing markets, expand our geographic footprint and increase our portfolio of services.

As of June 30, 2007, we employed a workforce of over 867 people, many of whom occupy highly skilled positions. None of our employees are members of a union. Our workforce is supported by a large fleet of specialty equipment, substantially all of which we own. We have built much of our most highly specialized equipment, including many of our dayboats, tenders and dredges, and we provide maintenance and repair service to our entire fleet. Our fleet is highly mobile, which enables us to easily relocate our specialized equipment to and across all of the regions that we serve.

On May 31, 2007, we completed a private placement of 20,949,196 shares of our common stock at a sale price of $13.50 per share to qualified institutional buyers, non-U.S. persons and accredited investors. The registration statement of which this prospectus is a part is being filed pursuant to the requirements of the registration rights agreement that we executed in connection with the 2007 Private Placement. We received net proceeds of approximately $261.5 million (after purchaser's discount and placement fees) from the 2007 Private Placement. We used approximately $242.0 million of the net proceeds to purchase and retire all of our outstanding preferred stock and 16,053,816 shares of our common stock from our former principal stockholders. The remaining net proceeds of $19.5 million from the 2007 Private Placement are being used for working capital and general corporate purposes. In connection with the 2007 Private Placement, we entered into employment agreements and transaction bonus agreements with our executive officers and certain key employees. Under the agreements, we granted an aggregate of 26,426 shares of common stock, granted options to acquire an aggregate of 327,357 shares of common stock, and made an aggregate of $2.2 million in cash payments.

History

We were founded in 1994 as a marine construction project management business. We initially focused on a low cost, transient strategy of identifying marine construction work that we could execute profitably, regardless of location. Our initial strategy was to buy equipment at the job site, perform the work, then sell that equipment and move on to the next job at another location. During this time, we performed work along the continental U.S. coastline, as well as in Alaska, Hawaii and the Caribbean Basin, and our revenue grew to $14.4 million in 1996.

To improve our financial and competitive position, we decided in 1997 to expand beyond the project management business by establishing fixed geographic operating bases. Between 1997 and 2003, we invested approximately $30.0 million in four acquisitions to broaden our operating capabilities and geographic footprint, and our revenue grew to $101.4 million in 2003.

Target/Acquisition Year	
Mid Gulf Industrial (now Orion Construction) — 1997	• Established Texas Gulf Coast operating base • Full service specialty marine contractor serving Houston ship channel; founded in 1954
King Fisher Marine — 1998	• Established dredging capabilities on Texas Gulf Coast • Strength in pipeline construction; founded in 1940
Inter-Bay Marine (now part of Misener Marine Construction) — 2001)	• Established Florida Gulf Coast operating base • Founded in 1962
Misener Marine — 2002	• Strengthened Florida operating base and enhanced Caribbean infrastructure expertise • Strong transportation/bridge contractor; founded in 1945

On October 14, 2004, we were acquired by Orion Marine Group, Inc., formerly known as Hunter Acquisition Corp., a corporation formed and controlled by our former principal stockholders. Our former principal stockholders provided incremental financial and strategic resources necessary for our continued success including the following:

- implementing stock based compensation;
- transitioning senior leadership;
- establishing standard bidding, project estimation, project controls and other operating systems, including expanding support personnel; and
- implementing scalable internal software systems.

In September 2006, we acquired the assets of F. Miller Construction, based in Lake Charles, Louisiana, to serve as a platform for expansion within Louisiana and other Gulf Coast markets. F. Miller Construction was originally founded in 1932 and performs specialty marine construction projects, bridge construction projects, and complex sheet pile installations for both government and private industry customers.

In March and April 2007, we revised our subsidiary and holding company structure and amended our credit facility to increase the availability of indebtedness to fund future projects and any future acquisitions. With the proceeds we received from the 2007 Private Placement we substantially repaid all debt under our existing credit line and on July 10, 2007, we further restated our credit facility with our existing lenders.

Industry Overview

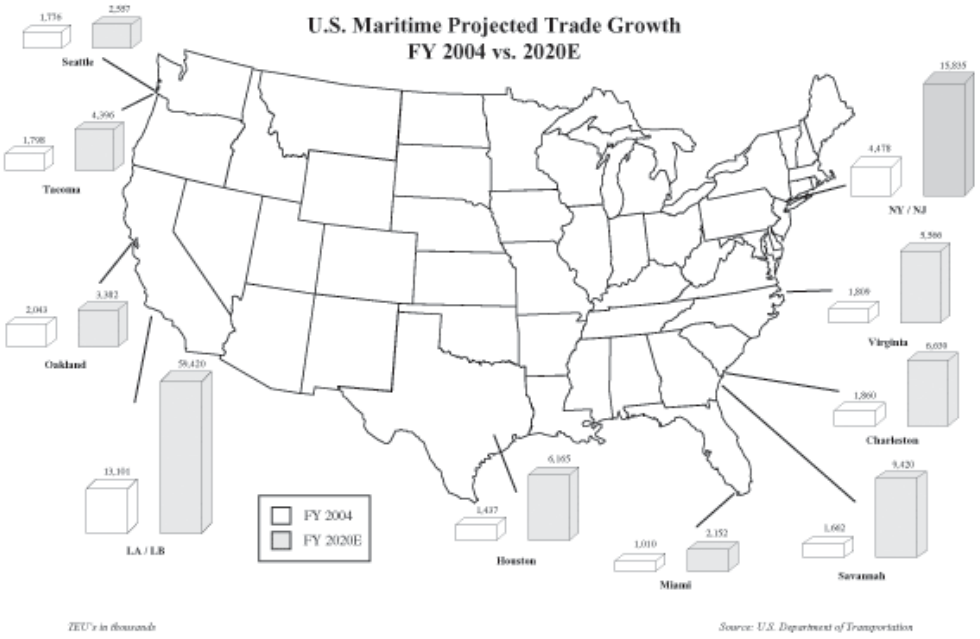
The U.S. Marine Transportation System ("MTS") consists of waterways, ports and their intermodal connections, vessels, vehicles, and system users, as well as shipyards and repair facilities crucial to maritime activity. Forty-one states, including all states east of the Mississippi River, and 16 state capitals are served by commercially navigable waterways. More than 1,000 harbor channels and 25,000 miles of inland, intracoastal and coastal waterways in the U.S. serve over 300 ports, with more than 3,700 terminals that support passenger and cargo movements. More than 95% of the overseas trade that comes in or out of the U.S. arrives by ship through the MTS. The MTS is primarily an aggregation of federal, state, local and privately owned facilities and private companies.

The inland and intracoastal waterways in the U.S. operate as a system, and much of the commerce moves on multiple segments. These waterways are maintained by the Corps of Engineers as multi-purpose, multi-objective projects. They not only serve commercial navigation, but in many cases also provide hydropower, flood protection, municipal water supply, agricultural irrigation, recreation and regional development. These waterways — a system of rivers, lakes and coastal bays improved for commercial and recreational transportation — carry about one-sixth of the U.S.'s intercity freight. A single barge traveling the nation's waterways can move the same amount of cargo as 58 semi-trucks at one-tenth the cost, reducing highway congestion and cost.

The heavy civil marine infrastructure industry serving the MTS is fragmented, comprised of mostly local companies serving regional markets. According to Engineering News-Record, we are the third largest heavy civil marine contractor in the U.S., measured by revenue, and we continue to drive towards our goal of becoming the largest. While it is difficult to estimate the total size of the heavy civil marine infrastructure market because of the numerous sources of funding for such projects, we believe that the market for marine construction services is driven by the following factors:

North American Freight Capacity /Port and Channel Expansion and Maintenance. Ports and harbors are vital to trade for the U.S. economy, help position the U.S. as a leader in global trade and are essential for national security. As international trade continues to grow, we anticipate that U.S. ports will need to build larger dock space and deepen their channels to accommodate larger container, dry bulk and liquid cargo ships in order to remain globally competitive. The American Association of Port Authorities reported growth in container traffic at all of the top six U.S. ports — increases from 2004 to 2005 were between 2% and nearly 18% (as measured in 20-foot equivalent units ("TEU's")). Overall, U.S. Department of Transportation projections indicate that total freight moved through U.S. ports will increase by more than 50% from 2001 to 2020, and that international container traffic will more than double. To compensate for substantial increases in cargo traffic, U.S. ports plan to spend approximately $10.6 billion between 2004 and 2008. This spending will primarily cover the overall modernization of cargo processing facilities, other infrastructure improvements and dredging.

Ports located on the Gulf Coast can also expect greater volume growth as the Panama Canal expansion projects increase the traffic of large container ships from the Pacific Ocean bypassing Long Beach, California. As a part of our existing operations, we service the Port of Houston, the second largest port in the U.S., and the other major ports across the Gulf Coast and Florida. We are also targeting growth along the Atlantic Seaboard where larger ports, such as Savannah, Charleston and Norfolk, are located.



Deteriorating Condition of U.S. Intracoastal Waterways and Bridges. U.S. inland and intercoastal waterways require substantial maintenance and improvement. While waterway usage is increasing, the facilities and supporting systems are aging. In its 2005 Report Card for America's Infrastructure, the American Society of Civil Engineers ("ASCE") graded the U.S. Navigable Waterway System as a D-. For example, nearly 50% of all Corps of Engineers maintained waterway locks are functionally obsolete, and by 2020, an estimated 80% will be obsolete.

The Corps of Engineers estimates that it would cost more than $125.0 billion to replace the present inland waterway system. Furthermore, as of 2003, according to the ASCE, 27.1% of the nation's bridges were structurally deficient or functionally obsolete. The ASCE estimates that it will cost $9.4 billion per year for 20 years to eliminate all bridge deficiencies. Moreover, the annual investment required to prevent the bridge investment backlog from increasing is estimated at $7.3 billion. As the system ages, the infrastructure cannot support the growing traffic loads, resulting in frequent delays for repairs. At the same time, the repairs become more expensive due to long-deferred maintenance.

Federal Transportation Funding Bill. There is a growing federal commitment to build, reconstruct and repair the U.S. transportation infrastructure. The $286.0 billion authorized by the highway funding legislation enacted in 2005 entitled the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users ("SAFETEA-LU 2005") provides funding through 2009, represents a 38% increase from the prior period's spending bill and includes $22.0 billion to build, reconstruct and repair bridges. Even with this historic spending bill, the demand for infrastructure spending far outweighs the supply of funds. According to the ASCE, the U.S. will need $1.6 trillion over the next five years for infrastructure repairs to highways, dams, ports and bridges. As such, we expect that our core markets, as well as other geographic markets where we intend to increase our operations, will benefit considerably by higher transportation infrastructure spending:

- Texas is ranked as the number one state for construction spending on highways and bridges. The anticipated Texas allocation from SAFETEA-LU 2005 of approximately $14.5 billion from 2005 to 2009 reflects a 37% increase from the prior spending bill.
- Florida has experienced substantial population growth and requires significant spending to improve its transportation infrastructure. Florida also has the largest stretch of coastline of any state in the continental U.S., the area in which most of its population resides, increasing the need for coastal highway and bridge infrastructure. SAFETEA-LU 2005's allocation for Florida is approximately $8.7 billion from 2005 to 2009, which reflects a 33% increase from the prior spending bill.
- The remaining states into which we have expanded or plan to expand our operations include Louisiana, Mississippi, Alabama, Georgia, South Carolina, North Carolina and Virginia. The allocation from SAFETEA-LU 2005 for these states is approximately $27.8 billion in the aggregate from 2005 to 2009, reflecting a 30% increase from the prior spending bill.

Cruise Industry. The cruise industry is the fastest-growing category in the leisure travel market. According to The International Counsel of Cruise Lines, the industry generated $16.2 billion in revenue in 2005 and, according to the Florida-Caribbean Cruise Association, since 1980, the industry has experienced an average annual passenger growth rate of 8.5% worldwide. The Caribbean Basin includes numerous cruise ports and is the most popular cruise destination in the North American market. According to The International Counsel of Cruise Lines, in 2005, over 64% of all U.S. embarkations originated from the ports within our service area of Miami, Galveston, Tampa, New Orleans, Everglades, and Canaveral. We anticipate that this increased activity will generate construction of new facilities for existing and additional cruise ports, and a need for repair and maintenances services for the existing port facilities and related infrastructure.

In North America, average passenger capacity rose at an average annual rate of 7.9% from 1981 to 2004. According to the Cruise Lines International Association, contracted passenger capacity will increase at an average annual rate of 4.5% from 2004 to 2008. These factors, along with the need for economies of scale, have necessitated the building of larger ships. Larger ships with deeper drafts, as well as an increase in the number of ships, have increased the need for substantial port infrastructure for embarkation, disembarkation and resupply. According to the Florida-Caribbean Cruise Association, approximately 22 new ships are already contracted or planned to be added to the North American fleet through 2009, driving expansion of cruise port and terminals within our markets.

U.S. Base Realignment and Closure Program ("BRAC"). We anticipate that when military budget initiatives shift away from Iraq, a greater emphasis will be made towards improving domestic naval station infrastructure and implementing BRAC. The U.S. Navy has been a large customer of ours in the past, and we believe BRAC and other funding initiatives can be a significant source of growth for us in the future. Within our existing markets, one coastal naval station has been targeted for closure and three others have been targeted for realignment,

which we expect to result in the need for increased infrastructure at the realigned facilities where personnel and equipment will be moved from facilities targeted for closure.

Oil and Gas Capital Expenditures. We construct, repair and remove underwater pipelines, private refineries and terminal facilities and other critical oil and gas infrastructure. In the past, some of these facilities have delayed new capital expenditures, critical improvements and maintenance. Favorable commodity prices and higher refining margins have made these capital expenditures more economically attractive and driven greater general capital investment in oil and gas infrastructure. According to John S. Herold research, oil and gas expenditures have increased from $201.0 billion in 2004 to an estimated $237.0 billion in 2007.

We also believe that continued liquefied natural gas ("LNG") terminal construction will drive demand for marine construction services across our service area. Within our existing service territory, three LNG port terminals are already operating, twelve more LNG port terminals have been approved by the Federal Energy Regulatory Commission ("FERC") and applications for eight additional LNG port terminals have been filed with FERC.

U.S. Coastal and Wetland Restoration and Reclamation. We believe that as coastal population density grows and waterfront property values increase, coastal population and demographic trends will cause an increase in the number of coastal restoration and reclamation projects. According to the U.S. Census Bureau, 53% of the U.S. population lives in coastal counties, which only account for 17% of the total land mass. Many people reaching retirement age choose to retire in coastal areas. As baby boomers begin to retire over the next few decades, further strains will be put on these areas. We believe that as the value of waterside assets rises from both a residential and recreational standpoint, citizens and municipalities will do more to protect these assets via restoration and reclamation projects.

Funding for the protection of natural habitats, environmental preservation, wetlands creation and remediation has increased significantly. The President's Fiscal Year 2008 Budget requests $1.9 billion for high priority projects that will protect and restore sensitive marine and coastal areas, advance ocean science and research, and ensure sustainable use of ocean resources, which includes funds to work with state and local partners to protect valuable coastal and marine habitat, including projects along the Gulf Coast.

Hurricane Restoration and Repair. Hurricanes can be very destructive to the existing marine infrastructure of the prime storm territories of the Gulf Coast, the Atlantic Seaboard and the Caribbean Basin, including bridges, ports, underwater channels and sensitive coastal areas. The demand for hurricane restoration and repair services is supplemented by the federal government's $94.5 billion spending package agreed to by House and Senate conferees in June 2006. Of the spending package, $19.8 billion is reserved for disaster relief, most of which will go to states in our operating territory. Typically, restoration and repair opportunities continue for several years after a major hurricane event. These events provide incremental projects to our industry that contribute to the favorable bidding environment and high capacity utilization in our markets.

Water Resources Development Act of 2007. The Water Resources Development Act of 2007 ("WRDA"), legislation by which Congress authorizes water resources development projects, including environmental restoration and Deep Port dredging projects, moved through the House of Representatives and was passed by the Senate. On August 1, 2007, this bill proceeded to committee to resolve differences between the House and Senate versions. This is the final step before the bill is submitted to the President for signature. The bill, as currently written, provides for over $14 billion to be spent over a 10 year period for coastal restoration, flood control, beach nourishment, lock and ship channel restoration and hurricane protection. Much of this funding pertains to our market areas of Texas, Louisiana, Mississippi, Florida and South Carolina.

Competitive Strengths

We believe we have the following competitive strengths:

Breadth of Capabilities. Unlike many of our competitors, we provide a broad range of marine construction services for our customers. These services include marine transportation facility construction, dredging, repair and maintenance, bridge building and marine pipeline construction, as well as specialty services. Our specialty services include salvage, demolition, diving and underwater inspection, excavation and repair. By offering a breadth of services, we act as a single-source provider with a turnkey solution for our customers' marine contracting needs. We

believe this distinguishes us from smaller, local competitors, giving us an advantage in competitive bidding for certain projects. Furthermore, we believe our broad service offering and ability to complete smaller projects strengthens our relationships with our customers.

Experienced Management Team. Our executive officers and senior project managers have an average of 28 years of experience in the heavy civil construction industry, an average of 26 years of experience in the heavy civil marine infrastructure industry and an average of 18 years of experience with us and our predecessor companies. Our strong management team has driven operational excellence for us, as demonstrated by our high organic growth, disciplined bidding process and what we believe to be leading industry margins. We believe our management has fostered a culture of loyalty, resulting in high employee retention rates.

High Quality Fleet and Marine Maintenance Facilities. Our fleet, substantially all of which we own, consists of the following:

- over 260 vessels of various sizes and capabilities, including 55 spud barges and material barges, and five major cutter suction dredges and three portable dredges, 49 tug boats and push boats;
- over 215 cranes and other large pieces of equipment, including 48 crawler cranes and hydraulic cranes; and
- numerous pieces of smaller equipment.

We are capable of building, and have built, much of our highly specialized equipment and we provide maintenance and repair service to our entire fleet. For example, we recently manufactured our newest dredge, which can operate on either diesel fuel or electric power, allowing us to complete projects with specified limits on nitrogen oxide (NOX) emissions, an increasingly common specification on our projects. Because some of our equipment operates 24 hours a day, seven days a week, it is essential that we are able to minimize equipment downtime. We achieve this by operating our own electrical and machine shops, stocking long-lead spares and staffing maintenance teams on-call 24 hours a day, seven days a week to handle repair emergencies. We also own and maintain dry dock facilities, which reduce our equipment downtime and dependence on third party facilities. Our primary field offices in Channelview, Texas, Port Lavaca, Texas, and Tampa, Florida, are all located on waterfront properties and allow us to perform repair and maintenance activities on our equipment and to mobilize and demobilize equipment to and from our projects in a cost efficient manner.

Financial Strength /Conservative Balance Sheet. Financial strength is often an important consideration for many customers in selecting infrastructure contractors and directly affects our bonding capacity. In 2006, approximately 69% of our projects, measured by revenue, required some form of bonding. As of December 31, 2006, we had cash on hand of $18.6 million and senior debt of $25.0 million, resulting in a net debt position of $6.4 million. Most of our competitors are smaller, local companies with limited bonding capacity. We believe our financial strength and bonding capacity allow us to bid multiple projects and larger projects that most of our competitors may not be able to bond.

Self-Performance of Contracts. In 2006, we self-performed over 85% of our marine construction and dredging projects, measured by cost, meaning that we performed the projects using our own employees and equipment instead of using subcontractors. By self-performing our contracts, we believe we can more effectively manage the costs and quality of each of our projects, thereby better serving our customers and increasing our profitability. Our breadth of capabilities and our high quality fleet give us the ability to self-perform our contracts, which we believe distinguishes us from many of our competitors, who will often subcontract significant portions of their projects.

Project Selection and Bidding Expertise. Our roots as a project management business have served us well, creating a project management culture that is pervasive throughout our organization. We focus on selecting the right projects on which to bid, controlling the critical path items of a contract by self-performing the work and managing the contract profitably by appropriately structuring rewards for project managers and recognizing change order opportunities, which generally allow us to increase revenue and realize higher margins on a project. Our intense focus on profitably executing contracts has resulted in only a small number of unprofitable contracts since our founding. We use state-of-the-art, scalable enterprise-wide project management software to integrate functions such as estimating project costs, managing financial reporting and forecasting profitability.

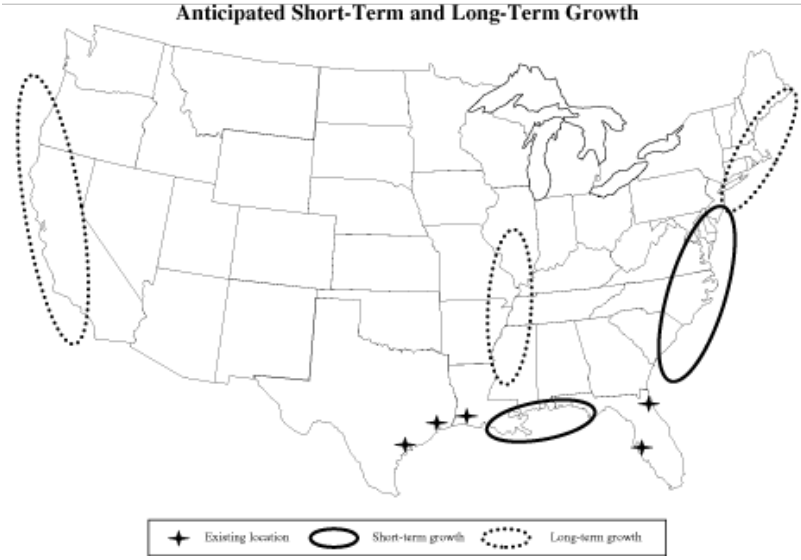
Strong Regional Presence. We are a market leader in most of our primary markets. We believe our operations are strategically located to benefit from favorable industry trends, including increasing port expansion and maintenance, highway funding, oil and gas expenditures, coastal restoration and hurricane restoration and repair activity. For example, the Port of Houston, one of the largest ports in the U.S., and the Port of Tampa and their adjacent private industry customers generate both new marine construction and annual maintenance of existing dock facilities. In addition, the Texas Gulf Coast does not have any natural deep water ports, requiring all of its channels and ports to depend significantly on maintenance dredging, which is a significant source of recurring revenue. Our strong regional presence allows us to more efficiently deploy and mobilize our equipment throughout the areas in which we operate.

Growth Strategy

We intend to use the following strategies to increase revenue:

Expand and Fill in Our Service Territory. We intend to continue to grow our business by seeking opportunities in other geographic markets by establishing a physical presence in new areas through selective acquisitions or greenfield expansions. Over the last several years, we have successfully expanded our services into Florida, the Caribbean Basin and Louisiana through strategic acquisitions. We have also pursued greenfield growth opportunities on the Atlantic Seaboard by opening a Jacksonville, Florida office. We believe that the establishment of a geographic base improves our returns within a given market, reducing mobilization and demobilization costs, improving and increasing capacity utilization and improving work force economics and morale. We focus on establishing bases in markets with solid, long-term fundamentals. In particular, in the near-term we intend to establish additional operating bases in two geographic regions: along the Gulf Coast between Texas and Florida and along the Atlantic Seaboard, working north from Florida to the Chesapeake Bay. In the longer term, we intend to establish a presence in the Mississippi River System, on the West Coast of the U.S. and on the New England Coast of the U.S.

Anticipated Short-Term and Long-Term Growth



Pursue Strategic Acquisitions. We intend to evaluate acquisition opportunities in parallel with our greenfield expansion. Our strategy will include timely and efficient integration of such acquisitions into our culture, bidding process and internal controls. We believe that attractive acquisition candidates are available due to the highly fragmented and regional nature of the industry, high cost of capital for equipment and the desire for liquidity among an aging group of existing business owners. We believe our financial strength, industry expertise and experienced management team will be attractive to acquisition candidates.

Continue to Capitalize on Favorable Long-Term Industry Trends. Our growth has been driven by our ability to capitalize on increased infrastructure spending across the multiple end-markets we serve including port infrastructure, government funded projects transportation, oil and gas, and environmental restoration markets. We believe these long-term industry trends, described in more detail in "Industry Overview," have significantly contributed to the funding and demand for our infrastructure services. This increased spending has caused shortages of specialized equipment and labor, creating a favorable bidding environment for heavy civil marine projects. We are well-positioned to continue to benefit from these long-term industry trends.

Continue to Enhance Our Operating Capabilities. Since our inception, we have focused on pursuing technically complex projects where our specialized services and equipment differentiate us from our competitors. Our breadth of services and ability to self-perform a high percentage of our projects has enabled us to better and more cost-effectively serve our customers' needs. We intend to continue to enhance our operating capabilities across all of our present and future markets in order to better serve our customers and further differentiate ourselves from our competitors.

Services

We provide services to the heavy civil marine infrastructure market, including marine construction services and dredging services.

Marine Construction Services. Marine construction services include the construction of marine transportation facilities, marine pipelines, bridges and causeways and marine environmental structures, as well as specialty services. We also have the capability of providing design-build services for these marine construction projects.

Marine Transportation Facilities. We provide construction, repair and maintenance services to all types of marine transportation facilities. We serve as the prime contractor for many of these heavy civil marine construction projects, some of which are design-build contracts. These projects are typically for steel or concrete fabricated dock or mooring structures designed for durability and longevity, and involve driving piles of concrete, pipe, or sheet pile up to 90 feet below the surface to provide a foundation for the port facility that we subsequently construct on the piles. These projects include the construction of the following:

- public port facilities for container ship loading and unloading;
- cruise ship port facilities;
- private terminals;
- special-use Navy terminals; and
- recreational use marinas and docks.

We also provide on-going maintenance and repair, as well as inspection services and emergency repair, demolition and salvage to existing port facilities and port facilities we have constructed.

Marine Pipeline Services. We provide construction, installation, repair, maintenance and removal of underwater pipelines. These projects require specialized equipment and expertise. Most of these projects involve trenching and jetting the sea floor to lay the pipe. The type and size of pipe we lay varies significantly, including steel, concrete and armored pipe with diameters ranging from 16 inches to over 90 inches. These projects include the following:

- installing and removing of underwater buried pipeline transmission lines;
- installing pipeline intakes or outfalls for industrial facilities;
- constructing pipeline outfalls for wastewater and industrial discharge;
- performing river crossing and directional drilling;
- creating hot taps and tie-ins; and
- conducting inspection and repairs.

Bridge and Causeway Construction. We construct, repair and maintain all types of bridges and causeways over marine environments. We serve as the prime contractor for many of these heavy civil projects, some of which are design-build contracts. These projects involve fabricating steel or concrete structures designed for durability and longevity, and involve driving piles of concrete, pipe or sheet to create support for the concrete deck roadways that we subsequently construct on the piles. These piles can exceed 50 inches in diameter, can range up to 170 feet in overall length and are often driven 90 feet into the sea floor. We have constructed bridges up to 7 miles in length requiring over 2,000 piles and 30,000 cubic yards of concrete. We also provide on going maintenance and repair, as well as emergency repair, to bridges and pile supports for bridges.

Marine Environmental Structures. We construct marine structures and install products used for erosion control, wetlands creation and environmental remediation. These projects include the following:

- installing concrete mattresses to ensure erosion protection;
- constructing levees to contain environmental mitigation projects; and
- installing geotubes for wetlands and island creation.

Specialty Services. Our specialty services include salvage, demolition, surveying, towing, diving and underwater inspection, excavation and repair. Our diving services are largely performed in shallow water with little to no visibility and include inspections, salvage and pile restoration and encapsulation. Our survey services include surveying pipelines and performing hydrographic surveys which determine the configuration of the floors of bodies of water and detect and identify wrecks and obstructions. Most of these specialty services support our other construction services and provide an incremental touch-point with our customers, strengthening relationships and providing leads for new business.

Dredging Services. Dredging generally involves enhancing or preserving the navigability of waterways or the protection of shorelines through the removal or replenishment of soil, sand or rock. Dredging involves removing mud and silt off the channel floor by means of a mechanical backhoe, crane and bucket or cutter suction dredge and pipeline system. Dredging is integral for the following types of capital and maintenance projects:

- providing maintenance dredging for previously deepened waterways and harbors to remove silt, sand and other accumulated sediments;
- constructing breakwaters, jetties, canals and other marine structures;
- deepening ship channels and wharves to allow access to larger, deeper draft ships;
- containing erosion of wetlands and coastal marshes;
- conducting land reclamation;
- assisting in beach nourishment; and
- creating wildlife refuges.

Maintenance projects provide a source of recurring revenue as active channels typically require dredging every one to three years due to natural sedimentation. The frequency of maintenance dredging can be accelerated by rainfall and major weather events such as hurricanes. Areas where no natural, deep water ports exist, like the Texas Gulf Coast, require substantial maintenance dredging. We also maintain multiple specialty dredges of various sizes and specifications to meet customer needs.

Customers

Our customers include federal, state and local governments, as well as private commercial and industrial enterprises. Most projects are competitively bid, with the award going to the lowest qualified bidder. Our top 20 customers accounted for approximately 83%, 85% and 85% of our total revenues during the year ended December 31, 2006, December 31, 2005, and December 31, 2004, respectively. Other than the Corps of Engineers, we are not dependent upon any single customer or group of customers on an ongoing basis and do not believe the loss of any single customer or group of customers would have a material adverse effect on our business.

For the year ended December 31, 2006, we had three customers that each accounted for 10% or more of our total revenue. Revenue from the Corps of Engineers totaled approximately $41.4 million or 22.6% of our total revenue, revenue from the Port of Houston totaled approximately $27.4 million or 14.9% of our total revenue, and revenue from TXDOT totaled approximately $18.7 million or 10.2% of our total revenue. For the year ended December 31, 2005, we had two customers that each accounted for more than 10% of our total revenue. Revenue from TXDOT totaled approximately $22.5 million or 13.4% of our total revenue and revenue from the Corps of Engineers totaled approximately $21.5 million or 12.9% of our total revenue. On a combined basis for the Predecessor and Successor for the year ended December 31, 2004, we had two customers that each accounted for more than 10% of our total revenue. Revenue from the Corps of Engineers totaled approximately $30.5 million or 23.4% of our total revenue and revenue from TXDOT totaled approximately $14.4 million or 11.1% of our total revenue.

A significant portion of our revenue is from federal, state or local governmental agencies in the United States. The following table represents concentrations of revenue for the years ended December 31, 2005 and 2006:

	2005		2006	
	Revenue	Percent	Revenue	Percent
	(Dollars in thousands)			
Federal Government	$ 28,214	16.9%	$ 43,682	23.8%
State Governments	40,990	24.5	29,172	15.9
Local Municipalities	37,237	22.2	59,159	32.3
Private Companies	60,874	36.4	51,265	28.0
Total	$167,315	100.0%	$183,278	100.0%

Management at each of our operating locations is responsible for developing and maintaining successful long-term relationships with customers. They build upon existing customer relationships to secure additional projects and increase revenue from our current customer base. Many of these customer relationships originated decades ago and are maintained through a partnering approach to account management which includes project evaluation and consulting, quality performance, performance measurement and direct customer contact. At each of our operating locations, management maintains a parallel focus on pursuing growth opportunities with prospective customers.

Bidding Process

Most of our contracts are obtained through competitive bidding on terms specified by the party inviting the bid. The nature of the specified services dictates the type of equipment, material and labor involved, all of which affect the cost of performing the contract and the price that marine construction service providers will bid. Contracts for projects are generally awarded to the lowest qualified bidder, provided the bid is no greater than the amount of funds that are budgeted and available for the project. If all bids are greater than the available funds then projects may be subject to rebid or cancellation as a result of budget constraints.

For contracts under its jurisdiction, the Corps of Engineers typically prepares a cost estimate based on the specifications of the project. To be successful, the Corps of Engineers must determine that the bidder is a responsible bidder (i.e., a bidder that generally has the necessary equipment and experience to successfully complete the project) and the bidder must submit the lowest responsive bid that does not exceed 125% of an estimate the Corps of Engineers determines to be fair and reasonable.

Some government contracts are awarded by a sole source procurement process through negotiation between the contractor and the government, while other projects have been recently bid through a “request for proposal” (“RFP”) process. The RFP process allows the project award to be based on the technical capability of the contractor’s equipment and methodology, as well as price, and has, therefore, been advantageous to us since we have the technical engineering expertise and equipment versatility to comply with a variety of project specifications.

Contract Provisions and Independent Contractors

Our contracts with our customers are primarily "fixed price." Fixed price contracts are priced on a lump-sum basis under which we bear the risk of performing all the work for the specified amount. Our contracts are generally obtained through competitive bidding in response to advertisements by federal, state and local government agencies and private parties. Less frequently, contracts may be obtained through direct negotiations. Our contract risk mitigation process includes identifying risks and opportunities during the bidding process and review of bids fitting certain criteria by various levels of management.

There are a number of factors that can create variability in contract performance and results as compared to a project's original bid. The most significant of these include the completeness and accuracy of the original bid, costs associated with added scope changes, extended overhead due to owner and weather delays, subcontractor performance issues, changes in productivity expectations, site conditions that differ from those assumed in the original bid (to the extent contract remedies are unavailable), the availability and skill level of workers in the geographic location of the project and a change in the availability and proximity of equipment and materials. All of these factors can impose inefficiencies on contract performance, which can drive up costs and lower profits. Conversely, if any of these or other factors are more positive than the assumptions in our bid, project profitability can improve.

All state and federal government contracts and most of our other contracts provide for termination of the contract for the convenience of the contract owner, with provisions to pay us for work performed through the date of termination. We have not been materially adversely affected by these provisions in the past. Many of our contracts contain provisions that require us to pay liquidated damages if specified completion schedule requirements are not met and these amounts can be significant.

We act as prime contractor on most of the projects we undertake and, as such, are responsible for the performance of the entire contract. We accomplish the majority of our projects with our own resources. We occasionally use subcontractors to perform portions of our contracts and to manage work flow. In 2006, we subcontracted approximately 14% of our marine construction and specialty projects by cost to independent contractors. These independent contractors typically are sole proprietorships or small business entities. Independent contractors typically provide their own employees, vehicles, tools and insurance coverage. We are not dependent on any single independent contractor. Our contracts with our subcontractors may contain provisions limiting our obligation to pay the subcontractor if our customer has not paid us and to hold our subcontractors liable for their portion of the work. We typically require surety bonding from our subcontractors on projects for which we supply surety bonds to our customers; however, we may provide bonding for some of our qualified subcontractors. We may be subject to increased costs associated with the failure of one or more subcontractors to perform as anticipated.

Competition

We compete with several regional marine construction services companies and a few national marine construction services companies. From time-to-time, we compete with certain national land-based heavy civil contractors that have greater resources than we do. Our industry is highly fragmented with competitors generally varying within the markets we serve and with few competitors competing in all of the markets we serve or for all of the services that we provide. We believe that our turnkey capability, expertise, experience and reputation for providing safe and timely quality services, safety record and programs, equipment fleet, financial strength, surety bonding capacity, knowledge of local markets and conditions, and project management and estimating abilities allow us to compete effectively. We believe significant barriers to entry exist in the markets in which we operate, including the ability to bond large projects, maritime laws, specialized marine equipment and technical experience; however, a U.S. company that has adequate financial resources, access to technical expertise and specialized equipment may become a competitor.

Bonding

In connection with our business, we generally are required to provide various types of surety bonds that provide an additional measure of security for our performance under certain government and private sector contracts. Our ability to obtain surety bonds depends upon our capitalization, working capital, past performance, management

expertise and external factors, including the capacity of the overall surety market. Surety companies consider such factors in light of the amount of our backlog that we have currently bonded and their current underwriting standards, which may change from time-to-time. The capacity of the surety market is subject to market-driven fluctuations driven primarily by the level of surety industry losses and the degree of surety market consolidation. When the surety market capacity shrinks it results in higher premiums and increased difficulty obtaining bonding, in particular for larger, more complex projects throughout the market. The bonds we provide typically are for the amount of the project and have face amounts ranging from $1.0 to $50.0 million. As of December 31, 2006, we had approximately $100.0 million in surety bonds outstanding. On December 31, 2006, we believe our capacity under our current bonding arrangement was $250.0 million in aggregate surety bonds.

Backlog

Our contract backlog represents our estimate of the revenues we expect to realize under the portion of the contracts remaining to be performed. Our backlog as of June 30, 2007 was approximately $120.6 million and at June 30, 2006 was approximately $112.3 million. These estimates are subject to fluctuations based upon the scope of services to be provided, as well as factors affecting the time required to complete the job. In addition, because a substantial portion of our backlog relates to government contracts, the projects that make up our backlog can be canceled at any time without penalty; however, we can generally recover actual committed costs and profit on work performed up to the date of cancellation. Consequently, backlog is not necessarily indicative of future results. We have not been materially adversely affected by contract cancellations or modifications in the past. Our backlog includes only those projects for which the customer has provided an executed contract or change order.

Trade Names

We operate under a number of trade names, including Orion Marine Group, King Fisher Marine Service, Orion Construction, Orion Diving & Salvage, Misener Marine Construction and Misener Diving & Salvage and F. Miller Construction. We do not generally register our trademarks with the Patent & Trademark Office, but instead rely on state and common law protections. While we consider our trade names to be valuable assets, we do not consider any single trademark to be of such material importance that its absence would cause a material disruption of our business.

Equipment

Our fleet, substantially all of which we own, consists of over 260 pieces of specialized equipment, including 55 spud barges and material barges, and five major cutter suction dredges and three portable dredges, 49 tug boats and push boats. In addition, we have over 215 cranes and other large pieces of equipment, including 48 crawler cranes and hydraulic cranes, as well as numerous pieces of smaller equipment. We have the ability to extend the useful life of our equipment through capital refurbishment at periodic intervals. We are also capable of building, and have built, much of our highly specialized equipment. Over the five years ended December 31, 2006, we invested approximately $43.9 million in our fleet, facilities and equipment which includes the following:

- ***Barges*** — Spud barges, material barges, deck barges, anchor barges and fuel barges are used to provide work platforms for cranes and other equipment, to transport materials to the project site and to provide support for the project at the project site.
- ***Dayboats*** — Small pushboats, dredge tenders and skiffs are used to shift barges at the project site, to move personnel and to provide general support to the project site.
- ***Tugs*** — Larger pushboats and tug boats are used to transport barges and other support equipment to and from project site.
- ***Dredges*** — 20” cutter head suction dredges (diesel/electric), 20” cutter head suction dredges (diesel), and 12” portable cutter head suction dredges are used to provide dredging service at the project site.
- ***Cranes*** — Crawler lattice boom cranes with lift capability from 50 tons to 250 tons and hydraulic rough terrain cranes with lift capability from 15 tons to 60 tons are used to provide lifting and pile driving capabilities on the project site, and to provide bucket work, including mechanical dredging and dragline work, to the project site.

We believe that our equipment generally is well maintained and suitable for our current operations. Most of our fleet is serviced by our own mechanics who work at various maintenance sites and facilities, including our dry dock facilities. Our strategy is to move our fleet from region-to-region as our projects require. We have pledged our owned equipment as collateral under our credit facility.

Equipment Certification

Some of our equipment requires certification by the U.S. Coast Guard and, where required, our vessels' permissible loading capacities require certification by the American Bureau of Shipping ("ABS"). ABS is an independent classification society which certifies that certain of our larger, seagoing vessels are "in-class," signifying that the vessels have been built and maintained in accordance with ABS rules and the applicable U.S. Coast Guard rules and regulations. Many projects, such as beach nourishment projects with offshore sand requirements, dredging projects in exposed entrance channels, and dredging projects with offshore disposal areas, are restricted by federal regulations to be performed only by dredges or scows that have U.S. Coast Guard certification and a load line established by the ABS. All of our vessels that are required to be certified by ABS have been certified as "in-class." These certifications indicate that the vessels are structurally capable of operating in open waters and enhance the mobility of our fleet.

Properties

Our corporate headquarters is located at 12550 Fuqua, Houston, Texas 77034, with 16,440 square feet of office space that we lease, with an initial term expiring July 12, 2015 and with two five year extensions at our option. Our finance, human resources, marketing and executive offices are located at this facility, along with operating personnel. As of June 30 2007, we owned or leased the following additional facilities:

Location				
159 Highway 316 Port Lavaca, Texas	Waterfront maintenance and dock facilities, equipment yard and dry dock; regional office	17.5 acres	Owned	N/A
17140 Market Street Channelview, Texas	Waterfront maintenance and dock facilities, and equipment yard	23.7 acres	Owned	N/A
5600 West Commerce Street Tampa, Florida	Waterfront maintenance and dock facilities, equipment yard and dry dock; regional office	9.1 acres	Owned	N/A
5121 Highway 90 East Lake Charles, Louisiana	Land based equipment yard and maintenance facility; regional office	8.9 acres	Leased	August 31, 2008, with 4 one-year extensions at our option
6821 Southpoint Drive North Suite 221 Jacksonville, Florida	Regional office	1,152 square feet	Leased	September 30, 2007, renewable for 6-month intervals
City of Port Lavaca Port Commission Port Lavaca, Texas	Safe Harbor	6.6 acres	Leased	March 31, 2012
1500 Main Street Ingleside, Texas	Regional office	4 acres	Leased	May 1, 2009

We believe that our existing facilities are adequate for our operations. We do not believe that any single facility is material to our operations and, if necessary, we could readily obtain a replacement facility. Our real estate assets are pledged to secure our credit facility.

Training, Quality Assurance and Safety

Performance of our services requires the use of heavy equipment and exposure to potentially dangerous conditions. Our domestic vessel operations are primarily regulated by the U.S. Coast Guard for occupational and health and safety standards. Our domestic shore operations are subject to the requirements of the federal

Occupational Safety and Health Act ("OSHA") and comparable state laws that regulate the protection of the health and safety of employees. In addition, OSHA's hazard communication standard requires that information be maintained about hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and citizens. We believe that our operations are in substantial compliance with these U.S. Coast Guard and OSHA requirements.

We are committed to a policy of operating safely and prudently, and our safety record reflects this focus. We have established company-wide training and educational programs, as well as comprehensive safety policies and regulations, by sharing "best practices" throughout our operations. As is common in our industry, we may be subject to claims by employees, customers and third parties for property damage and personal injuries.

Risk Management and Insurance

We are committed to ensuring that our employees perform their work safely. We regularly communicate with our employees to promote safety and to instill safe work habits. We have agreements to insure us for workers' compensation, Jones Act and Longshore and Harbor Workers compensation, employer's liability and general liability, subject to a deductible of $0 to $100,000 per occurrence. Our workers' compensation and insurance expenses have been increasing for several years, notwithstanding our improving safety record. Because of this deductible and the rising cost of insurance, we have a direct incentive to minimize claims. The nature and frequency of employee claims directly affects our operating performance. In addition, many of our customer contracts require us to maintain specific insurance coverage.

We are partially self-insured under all of our policies, and our insurance does not cover all types or amounts of liabilities. We are not required to, and do not, specifically set aside funds for our self-insurance programs. At any given time, we are subject to multiple workers' compensation and personal injury and other employee-related claims. We maintain accruals based on known facts and historical trends, and our management believes such accruals to be adequate.

Many of our employees are covered by federal maritime law, including provisions of the Jones Act, the Longshore and Harbor Workers Act and the Seaman's Wage Act. These laws typically operate to make liability limits established by state workers' compensation laws inapplicable to these employees and to permit these employees and their representatives to pursue actions against employers for job-related injuries in federal courts. Because we are not generally protected by the limits imposed by state workers' compensation statutes, we have greater exposure for claims made by these employees as compared to employers whose employees are not covered by these provisions.

Government Regulations

Our operations are subject to compliance with regulatory requirements of federal, state and local government agencies and authorities including the following:

- regulations concerning workplace safety, labor relations and disadvantaged businesses;
- licensing requirements applicable to shipping and dredging; and
- permitting and inspection requirements applicable to marine construction projects.

We believe that we are in material compliance with applicable regulatory requirements and have all material licenses required to conduct our operations. Our failure to comply with applicable regulations could result in substantial fines and/or revocation of our operating licenses.

We are subject to government regulations pursuant to the Dredging Act, the Jones Act, the Shipping Act and the Vessel Documentation Act. These statutes require vessels engaged in the transport of merchandise or passengers between two points in the U.S. or dredging in the navigable waters of the U.S. to be documented with a coastwise endorsement, to be owned and controlled by U.S. citizens, to be manned by U.S. crews, and to be built in the U.S. The U.S. citizenship ownership and control standards require the vessel-owning entity to be at least 75%

U.S.-citizen owned, and prohibit the demise or bareboat chartering of the vessel to any entity that does not meet the 75% U.S. citizen ownership test. These statutes, together with similar requirements for other sectors of the maritime industry, are collectively referred to as "cabotage" laws.

Environmental Matters

General. Our marine infrastructure construction, salvage, demolition, dredging and dredge material disposal activities are subject to stringent and complex federal, state, and local laws and regulations governing environmental protection, including air emissions, water quality, solid waste management, marine and bird species and their habitats, and wetlands. Such laws and regulations may require that we or our customers obtain, and that we comply with, various environmental permits, registrations, licenses and other approvals. These laws and regulations also can restrict or impact our business activities in many ways, such as delaying the appropriation and performance of particular projects; restricting the way we handle or dispose of wastes; requiring remedial action to mitigate pollution conditions that may be caused by our operations or that are attributable to others; and enjoining some or all of our operations deemed in non-compliance with environmental laws and regulations. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and/or criminal penalties, the imposition of remedial obligations and the issuance of orders enjoining future operations.

We believe that compliance with existing federal, state and local environmental laws and regulations will not have a material adverse effect on our business, results of operations, or financial condition. Nevertheless, the trend in environmental regulation is to place more restrictions and limitations on activities that may affect the environment. As a result, there can be no assurance as to the amount or timing of future expenditures for environmental compliance or remediation, and actual future expenditures may be different from the amounts we currently anticipate. The following is a discussion of some of the environmental laws and regulations that are applicable to our marine construction and other activities.

Waste Management. Our operations generate hazardous and non-hazardous solid wastes that are subject to the federal Resource Conservation and Recovery Act ("RCRA") and comparable state laws, which impose detailed requirements for the handling, storage, treatment and disposal of hazardous and non-hazardous solid wastes. Under the auspices of the U.S. Environmental Protection Agency ("EPA"), the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with their own more stringent requirements. Generators of hazardous wastes must comply with certain standards for the accumulation and storage of hazardous wastes, as well as recordkeeping and reporting requirements applicable to hazardous waste storage and disposal activities.

Site Remediation. The Comprehensive, Environmental Response, Compensation and Liability Act ("CERCLA"), also known as "Superfund," and comparable state laws and regulations impose liability, without regard to fault or the legality of the original conduct, on certain classes of persons responsible for the release of hazardous substances into the environment. Such classes of persons include the current and past owners or operators of sites where a hazardous substance was released, and companies that disposed or arranged for the disposal of hazardous substances at offsite locations, such as landfills. CERCLA authorizes the EPA, and in some cases third parties, to take actions in response to threats to the public health or the environment and to seek to recover from the responsible classes of persons the costs they incur. Under CERCLA, such persons may be subject to joint and several liability for the costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. In addition, neighboring landowners and other third parties often file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment.

We currently own or lease properties that may have been used by other industries for a number of years. Although we typically have used operating and disposal practices that were standard in the industry at the time, wastes may have been disposed of or released on or under the properties owned or leased by us or on or under other locations where such substances have been taken for disposal. In addition, some of the properties may have been operated by third parties or by previous owners whose treatment and disposal or release of wastes was not under our control. These properties and the substances disposed or released on them may be subject to CERCLA, RCRA and

analogous state laws. Under such laws, we could be required to remove or remediate previously disposed wastes or property contamination, or to perform remedial activities to prevent future contamination.

Water Discharges. The Federal Water Pollution Control Act, also known as the Clean Water Act ("CWA"), and analogous state laws impose strict controls with respect to the discharge of pollutants, including spills and leaks of oil and other substances, into waters of the U.S., including wetlands. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. The CWA also regulates the discharge of dredged or fill material into waters of the U.S., and activities that result in such discharge generally require permits issued by the Corps of Engineers. Under the CWA, federal and state regulatory agencies may impose administrative, civil and/or criminal penalties for non-compliance with discharge permits or other requirements of the CWA and analogous state laws and regulations.

The Oil Pollution Act of 1990 ("OPA"), which amends and augments the CWA, establishes strict liability for owners and operators of facilities that are the site of a release of oil into waters of the U.S. OPA and its associated regulations impose a variety of requirements on responsible parties related to the prevention of oil spills and liability for damages resulting from such spills. For instance, OPA requires vessel owners and operators to establish and maintain evidence of financial responsibility sufficient to cover liabilities related to an oil spill for which such parties are statutorily responsible. We believe we are in compliance with all applicable OPA financial responsibility obligations.

Air Emissions. The Clean Air Act ("CAA") and comparable state laws restrict the emission of air pollutants from many sources, including paint booths, and may require pre-approval for the construction or modification of certain facilities expected to produce air emissions, impose stringent air permit requirements, or require the utilization of specific equipment or technologies to control emissions. We believe that our operations are in substantial compliance with the CAA.

Recent scientific studies have suggested that emissions of certain gases, commonly referred to as "greenhouse gases" and including carbon dioxide and methane, may be contributing to warming of the Earth's atmosphere. In response to such studies, the U.S. Congress is actively considering legislation to reduce emissions of greenhouse gases. In addition, several states have declined to wait on Congress to develop and implement climate control legislation and have already taken legal measures to reduce emissions of greenhouse gases. For instance, at least nine states in the Northeast (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York and Vermont) and five states in the West (Arizona, California, New Mexico, Oregon and Washington) have passed laws, adopted regulations or undertaken regulatory initiatives to reduce the emission of greenhouse gases, primarily through the planned development of greenhouse gas emission inventories and/or regional greenhouse gas cap and trade programs. Also, as a result of the U.S. Supreme Court's decision on April 2, 2007 in *Massachusetts, et al. v. EPA*, the EPA may be required to regulate greenhouse gas emissions from mobile sources (*e.g.*, cars and trucks) even if Congress does not adopt new legislation specifically addressing emissions of greenhouse gases. Other nations have already agreed to regulate emissions of greenhouse gases pursuant to the United Nations Framework Convention on Climate Change, also known as the "Kyoto Protocol," an international treaty pursuant to which participating countries (not including the United States) have agreed to reduce their emissions of greenhouse gases to below 1990 levels by 2012. Passage of climate control legislation or other regulatory initiatives by Congress or various states of the U.S., or the adoption of regulations by the EPA and analogous state agencies that restrict emissions of greenhouse gases in areas in which we conduct business could have an adverse affect on our operations and demand for our services.

Endangered Species. The Endangered Species Act ("ESA") restricts activities that may affect endangered species or their habitats. We conduct activities in or near areas that may be designated as habitat for endangered or threatened species. For instance, seasonal observation of endangered or threatened West Indian Manatees adjacent to work areas may impact construction operations within our Florida market. Manatees generally congregate near warm water sources during the cooler winter months. Additionally, our dredging operations in the Florida market are impacted by limitations for placement of dredge spoil materials on designated spoil disposal islands, from April through August of each year, when the islands are inhabited by nesting colonies of protected bird species. Further, restrictions on work during the Whooping Crane nesting period in the Aransas Pass National Wildlife Refuge from October 1 through April 15 each year and during the non-dormant grass season for sea grass in the Laguna Madre

from March 1 through November 30 each year impact our construction operations in the Texas Gulf Coast market. We plan our operations and bidding activity with these restrictions and limitations in mind, and they have not materially hindered our business in the past. However, these and other restrictions may affect our ability to obtain work or to complete our projects on time in the future. In addition, while we believe that we are in material compliance with the ESA, the discovery of previously unidentified endangered species could cause us to incur additional costs or become subject to operating restrictions or bans in the affected area.

Employees

As of June 30, 2007, we had 867 employees, 195 of whom were full-time salaried personnel and most of the remainder are hourly personnel. We will hire additional employees for certain large projects and, subject to local market conditions, additional crew members are generally available for hire on relatively short notice. Our employees are not represented by any labor unions. We consider our relations with our employees to be good.

Legal Proceedings

Although we are subject to various claims and legal actions that arise in the ordinary course of business, except as described below, we are not currently a party to any material legal proceedings or environmental claims.

We have been named as one of a substantial number of defendants in class action and individual lawsuits brought by the residents and landowners of New Orleans, Louisiana and surrounding areas in the state and federal courts located in Louisiana. The claims are based on flooding and related damage from Hurricane Katrina. In general, the claimants state that the flooding and related damage resulted from the failure of certain aspects of the levee system constructed by the Corps of Engineers. The Corps of Engineers has contracted with various private dredging companies, including us, to perform maintenance dredging of the waterways. In accordance with a recent decision (*In re Canal Breaches Consolidation Litigation*, Civil Action No: 05-4182, *"Order and Reasons,"* March 9, 2007 (E.D. La, 2007)), we believe that we have no liability under these claims unless we deviated from our contracted scope of work on a project.

From time-to-time, we are a party to various other lawsuits, claims and other legal proceedings that arise in the ordinary course of our business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. With respect to such lawsuits, claims and proceedings, we accrue reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. We do not believe any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on our results of operations, cash flows, or on our financial condition.

MANAGEMENT

Directors

Set forth below are the names, ages and positions of our directors as of the date of this prospectus, as well as the year each director was first elected or appointed. Our amended and restated certificate of incorporation and our bylaws provide for a classified board of directors consisting of three classes of directors, each serving staggered three-year terms. All directors serve until their successors are elected and qualified. See "Board of Directors" below and "Description of Capital Stock — Anti-Takeover Effects of Provisions of Delaware Law, Our Certificate of Incorporation and Bylaws — Charter and Bylaws Provisions" for more information. In addition, all current directors are U.S. citizens. See "Description of Capital Stock — Restrictions on Ownership and Transfer — Restrictions on Foreign Ownership."

Name	Age	Class(1)	Year First Elected	
J. Michael Pearson	59	II	2006	President, Chief Executive Officer and Director,
Thomas N. Amonett	63	I	2007	Director
Richard L. Daerr, Jr.	63	II	2007	Chairman of the Board of Directors
Austin J. Shanfelter	50	III	2007	Director
Gene Stoever	69	III	2007	Director

(1) Class I term expires in 2008; Class II term expires in 2009; and Class III term expires in 2010.

The following are biographical summaries, including the experience, of those individuals who serve as members of our board of directors:

J. Michael Pearson — Mr. Pearson has served as our President and Chief Executive Officer and as one of our directors since November 2006. Mr. Pearson joined us as Chief Operating Officer in March 2006 from Global Industries, Inc. (NASDAQ: GLBL), an offshore marine construction company, where he served as Chief Operating Officer from May 2002 to November 2005 and Senior Vice President, Strategic Planning from February 2002 to May 2002. Prior to joining Global Industries, Inc., Mr. Pearson served as a General Manager for Enron Engineering and Construction Co. from 2000 to 2001. Prior to that position, Mr. Pearson served as Executive Vice President for Transoceanic Shipping Co. in 1999 and President and Chief Executive Officer for International Industrial Services, Inc. from 1997 to 1999. From 1973 to 1997, Mr. Pearson served in various management capacities at McDermott International, Inc. (NYSE: MDR), including as Vice President and General Manager. Mr. Pearson is a Registered Professional Engineer in Louisiana and Texas.

Thomas N. Amonett — Mr. Amonett has been a member of our board since May 2007. He has been President, Chief Executive Officer and a director of Champion Technologies, Inc., a manufacturer and distributor of specialty chemicals and related services primarily to the oil and gas industry, since 1999. From November 1998 to June 1999, he was President, Chief Executive Officer and a director of American Residential Services, Inc., a company providing equipment and services relating to residential heating, ventilating, air conditioning, plumbing, electrical and indoor air quality systems and appliances. From July 1996 until June 1997, Mr. Amonett was Interim President and Chief Executive Officer of Weatherford Enterra, Inc., an energy services and manufacturing company. Mr. Amonett also served as the chairman of the board of TODCO, a provider of contract oil and gas drilling services primarily in the U.S. Gulf of Mexico shallow water and inland marine region from 2005 to 2007. He joined the Board of Hercules Offshore, Inc., a provider of contract oil and gas drilling services and liftboat services, on July 11, 2007, where he will be serving on the Nominating and Corporate Governance committee; as a director of Reunion Industries Inc. (AMEX: RUN), a specialty manufacturing company, since 1992, where he currently serves on the compensation and audit committees; and a director of Bristow Group Inc. (NYSE: BRS), a global provider of helicopter services, since 2006, where he currently serves on the audit committee and executive compensation committee.

Richard L. Daerr, Jr. — Mr. Daerr has served as Chairman of the board since May 2007. Mr. Daerr is President of RK Enterprises a firm he founded in 1997 that assists companies and investor groups in developing and implementing strategic plans and initiatives focused primarily on the energy, biotechnology, engineering and construction and pharmaceuticals industries. From 1994 to 1996, Mr. Daerr served as President and Chief Executive Officer of Serv-Tech, Inc., an industrial services company that was listed on the NASDAQ. Mr. Daerr worked for CRSS, Inc. from 1979 to 1992 where he served as the President and Chief Operating Officer from 1990 to 1992. Prior to being acquired in 1995, CRSS, Inc. was a NYSE listed company and one of the largest engineering, architectural and construction management companies in the U.S. as well as one of the largest power producers in the U.S. Mr. Daerr has served on the boards of several private and public companies.

Austin J. Shanfelter — Mr. Shanfelter has been a member of our board since May 2007 and has served as chairman of our compensation committee since May 2007. He serves as a member of the board of directors of MasTec, Inc. (NYSE: MTZ), a publicly traded specialty contractor, and as a special consultant. Mr. Shanfelter served as Chief Executive Officer and President of MasTec from August 2001 until April 2007. From February 2000 until August 2001, Mr. Shanfelter was MasTec's Chief Operating Officer. Prior to being named Chief Operating Officer, he served as President of one of their service offerings from January 1997. Mr. Shanfelter has been in the telecommunications infrastructure industry since 1981. Mr. Shanfelter currently serves as President of the Power and Communications Contractors Association ("PCCA"), an industry trade group, and has been a member of the board of directors since 1993. He is also the chairman of the Cable Television Contractors Council of the PCCA. Mr. Shanfelter has also been a member of the Society of Cable Television Engineers since 1982 and the National Cable Television Association since 1991.

Gene Stoever — Mr. Stoever has been a member of our board since May 2007 and has served as chairman of our audit committee since May 2007. He was an audit partner with KPMG LLP from 1969 until his retirement in 1993. During his 32-year tenure with KPMG, he served domestic and multinational clients engaged in the manufacturing, refining, oil and gas, distribution, real estate and banking industries, as well as serving as SEC Reviewing Partner responsible for advising and reviewing client filings with the SEC. Mr. Stoever currently serves as chairman of the audit committee of the board of directors of Propex, Inc. and Evolution Petroleum Corp. (AMEX: EPM) and previously served on the boards, and as chairman of the audit committee, of Purina Mills, Sterling Diagnostic Imaging and Exopack, LLC. Mr. Stoever is a Certified Public Accountant in Texas and a member of the Texas Society of Public Accountants.

Executive Officers

Set forth below is a list of the names, ages and positions of our executive officers as of the date of this prospectus. All executive officers hold office until their successors are elected and qualified.

Name	Age	
J. Michael Pearson	59	President, Chief Executive Officer and Director,
Mark R. Stauffer	45	Chief Financial Officer and Secretary
Elliott J. Kennedy	53	Vice President
James L. Rose	42	President — Misener Marine Construction, Inc.
J. Cabell Acree, III	48	Vice President and General Counsel

The following are biographical summaries of our executive officers (other than our chief executive officer, whose biographical summary is shown above):

Mark R. Stauffer — Mr. Stauffer has served as our Chief Financial Officer and Secretary since 2004. Mr. Stauffer served as our Chief Financial Officer and Vice President from 1999, when he joined us, to October 2004. Prior to joining us, Mr. Stauffer served in various capacities at Coastal Towing, Inc. from 1986 to 1999, including Vice President & Chief Financial Officer, Vice President-Finance, Controller, Accounting Manager and Staff Accountant. Mr. Stauffer is a Certified Public Accountant.

Elliott J. Kennedy — Mr. Kennedy has served as Vice President since 1994. From 1992 to 1994, Mr. Kennedy served as Project Manager for Triton Marine. Prior to joining Triton, Mr. Kennedy served as Estimator/Project Manager for the Insite Division of Nustone Surfacing, Inc. From 1983 to 1989, was Owner/Project Manager/

Estimator of E.J. Kennedy Design Construction. From 1980 to 1983, Mr. Kennedy was Project Manager/Superintendent for Infinity Construction.

James L. Rose — Mr. Rose was named President of Misener Marine Construction, Inc. in 2006. Prior to this position, Mr. Rose served as Area Manager for Jacksonville for Misener Marine from 2005 to 2006. From 2002 to 2005, Mr. Rose served as Project Engineer and Project Manager for Granite Construction Company. From 2001 to 2002, Mr. Rose served as Project Engineer and Project Manager for Misener Marine.

J. Cabell Acree, III — Mr. Acree joined us on August 13, 2007 as our Vice President and General Counsel. Prior to joining us, Mr. Acree served as Senior Vice President, General Counsel and Secretary of Exopack, LLC from 2002 to 2006; Senior Counsel to PCS Nitrogen, Inc. from 1997 to 2002; Assistant General Counsel to Arcadian Corporation from 1994 to 1997; and as an associate attorney with Bracewell and Giuliani from 1985 to 1993.

Board of Directors

The number of members of our board of directors will be determined from time-to-time by resolution of the board of directors. Our board of directors currently consists of five persons.

Our restated certificate of incorporation and bylaws provide for a classified board of directors consisting of three classes of directors, each serving staggered three-year terms. As a result, stockholders will elect a portion of our board of directors each year. Class I directors' terms will expire at the annual meeting of stockholders to be held in 2008, Class II directors' terms will expire at the annual meeting of stockholders to be held in 2009 and Class III directors' terms will expire at the annual meeting of stockholders to be held in 2010. The Class I director will be Mr. Amonett, the Class II directors will be Messrs. Pearson and Daerr, and the Class III directors will be Messrs. Stoever and Shanfelter. At each annual meeting of stockholders held after the initial classification, the successors to directors whose terms will then expire will be elected to serve from the time of election until the third annual meeting following election. The division of our board of directors into three classes with staggered terms may delay or prevent a change of our management or a change in control. See "Description of Capital Stock — Anti-Takeover Effects of Provisions of Delaware Law, Our Certificate of Incorporation and Bylaws — Charter and Bylaw Provisions — Classified Board."

In addition, our restated bylaws provide that the authorized number of directors, which shall constitute the whole board of directors, may be changed by resolution duly adopted by the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the total number of directors. Vacancies and newly created directorships may be filled by the affirmative vote of a majority of our directors then in office, even if less than a quorum.

Code of Conduct

Our Board has adopted, as part of the Orion Marine Group, Inc. Code of Business Conduct and Ethics (the "Code of Conduct"), a series of corporate governance principles applicable to all our employees, officers and directors, designed to affirm our high standards of business conduct and to emphasize the importance of integrity and honesty in the conduct of our business. We believe that the ethical foundations outlined in our corporate governance principles and the Code of Conduct are critical to our ongoing success. The Code of Conduct is distributed to all of our employees.

The Code of Conduct is to promote, among other matters, the following conduct:

- engage in honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;
- avoid conflicts of interest, including disclosure of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- ensure that the disclosure in reports and documents that we file with the SEC and in our other public communications is full, fair, accurate, timely, and understandable;

- comply with applicable governmental laws, rules, and regulations;
- promptly report internally all violations of the Code of Conduct;
- deter wrongdoing; and
- promote accountability for adherence to the Code of Conduct.

Code of Ethics for Financial Employees

We have adopted a Code of Ethics for the Principal Executive Officer and Senior Financial Officers (the "Code of Ethics"), which applies to our Chief Executive Officer and each of our senior financial officers (including our principal financial officer and our principal accounting officer or controller), and complies with the rules of the SEC and Rule 406 of the Sarbanes-Oxley Act of 2002. The Code of Ethics is intended to deter wrongdoing and to promote, among other things, the following principles:

- act with honesty, integrity and in an ethical manner;
- promptly disclose to the chief legal officer, General Counsel or the board of directors, any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest between such officer's personal and professional relationships;
- respect and maintain the confidentiality of information acquired in the course of his or her work, except when authorized or otherwise legally obligated to disclose such information, and not use confidential information acquired in the course of his or her work for personal advantage;
- promote ethical behavior in the work environment;
- responsibly use and control all assets and resources employed by or entrusted to him or her;
- ensure that accounting entries are promptly and accurately recorded and properly documented and that no accounting entry intentionally distorts or disguises the true nature of any business transaction;
- prohibit the establishment of any undisclosed or unrecorded funds or assets for any purpose and provide for the proper and prompt recording of all disbursements of funds and all receipts;
- maintain books and records that fairly and accurately reflect our business transactions;
- devise, implement, maintain and monitor internal controls sufficient to assure that financial record-keeping objectives are met;
- comply with generally accepted accounting standards and practices, rules, regulations and controls;
- perform responsibilities with a view to causing our public communications, including periodic and other reports we file with the SEC, to be made on a timely basis with appropriate disclosures;
- sign only those reports and other documents, including filings with the SEC, that he or she believes to be accurate and truthful;
- not make, or tolerate to be made, false statements or entries for any purpose in our books and records or in any internal or external correspondence, memoranda or communication of any type, including telephone or electronic communications;
- comply, as appropriate and with the advice of counsel (as necessary), with rules, laws, and regulations of federal, state and local governments;
- not knowingly be a party to any illegal activity or engage in any act that will discredit his or her profession or us; and
- promptly report to the chief legal officer, General Counsel or the audit committee any situation where this Code of Ethics or any of our other policies or conduct codes, or any law applicable to us or our employees, is being violated.

Committees of the Board

Our board of directors has established two committees: an audit committee and a compensation committee. We intend to establish a nominating and governance committee following this offering.

Audit Committee. The audit committee assists the board of directors in overseeing our accounting and financial reporting processes and the audits of our financial statements. Messrs. Stoever (chairman), Amonett and Daerr are currently members of this committee. The principal duties of the audit committee are as follows:

- to select the independent auditor to audit our annual financial statements;
- to approve the overall scope of and oversee the annual audit and any non-audit service;
- to assist management in monitoring the integrity of our financial statements, the independent auditor's qualifications and independence, the performance of the independent auditor and our internal audit function and our compliance with legal and regulatory requirements;
- to discuss the annual audited financial and quarterly statements with management and the independent auditor;
- to discuss policies with respect to risk assessment and risk management; and
- to review with the independent auditor any audit problems or difficulties and management's responses.

Subject to a one-year phase in period, Sarbanes-Oxley and stock exchange rules require an audit committee consisting of at least three members, each of whom must meet standards of independent directors. Sarbanes-Oxley and stock exchange rules also require that at least one member of the audit committee meet certain standards of a financial expert. All three members of the audit committee are independent directors. Mr. Stoever meets the relevant standards as a financial expert.

The audit committee adopted its charter on March 27, 2007, a current copy of which is available to the stockholders on our web site at http://www.orionmarinegroup.com.

Compensation Committee. The compensation committee supports the board of directors in fulfilling its oversight responsibilities relating to senior management and director compensation. Messrs. Shanfelter (chairman) and Daerr are currently members of this committee. Pursuant to its charter, the compensation committee has the following responsibilities, among others:

- to develop an overall executive compensation philosophy, strategy and framework consistent with corporate objectives and stockholder interests;
- to review, approve and recommend all actions relating to compensation, promotion and employment-related arrangements for senior management, including severance arrangements;
- to approve incentive and bonus plans applicable to senior management and administer awards under incentive compensation and equity-based plans;
- to review and recommend major changes to and take administrative actions associated with any other forms of non-salary compensation; and
- to review and approve or recommend to the entire board for its approval, any transaction in our equity securities between us and any of our officers or directors subject to Section 16 of the Securities Exchange Act of 1934.

The compensation committee adopted its charter on March 27, 2007, a copy of which is available to stockholders on our web site at http://www.orionmarinegroup.com.

Nominating and Governance Committee. The nominating and governance committee, when established, will assist the board in identifying and recommending candidates to fill vacancies on the board of directors and for election by the stockholders, recommending committee assignments for directors to the board of directors, overseeing the board's annual evaluation of the performance of the board of directors, its committees and individual directors, reviewing compensation received by directors for service on the board of directors and its committees,

developing and recommending to the board of directors appropriate corporate governance policies, practices and procedures for our company.

Compensation Committee Interlocks and Insider Participation

None of our executive officers has served as a member of a compensation committee (or if no committee performs that function, the board of directors) of any other entity that has an executive officer serving as a member of our board of directors.

Stockholder Communications

The corporate Secretary shall review all letters addressed to the Board of Directors and regularly forward to the Board of Directors a summary of all such correspondence and copies of all correspondence that, in the opinion of the corporate Secretary, deals with the functions of the Board of Directors or committees thereof or that he otherwise determines requires the attention of the Board of Directors. Directors may at any time review a log of all correspondence received by the Company that is addressed to the Board of Directors or individual members thereof. Concerns relating to accounting, internal controls or auditing matters are immediately brought to the attention of the Company's Chief Financial Officer and handled in accordance with procedures established by the Audit Committee with respect to such matters.

Director Compensation

Our director compensation is as follows:

- Mr. Pearson, who is also our Chief Executive Officer, does not receive any separate compensation for his services as a member of our board of directors.
- We reimburse our directors for travel and lodging expenses in connection with their attendance at board and committee meetings.
- Our non-employee directors receive an annual retainer of $30,000 and $1,000 for each regularly scheduled meeting attended and our chairman receives an additional annual retainer of $15,000.
- In addition, each director who is a member of our audit committee receives an annual retainer fee of $7,000 and each director who is a member of any other committee receives an annual retainer fee of $5,000. The chairman of our audit committee receives an annual retainer fee of $10,000 per year.
- The board compensation package also provides for equity compensation for each non-employee director consisting of an option for 6,726 shares of our common stock. All option awards are nonqualified stock options and will be issued pursuant to our equity compensation plans in effect at the time of the award. The options vest 33% on the first anniversary of the grant date and $1/36$ of the total award each month of continuous service thereafter.
- No compensation was paid to our directors in 2006.

Indemnification

We maintain directors' and officers' liability insurance. Our restated certificate of incorporation and bylaws include provisions limiting the liability of directors and officers and indemnifying them under certain circumstances. We have entered into indemnification agreements with our directors to provide our directors and certain of their affiliated parties with additional indemnification and related rights. See "Description of Capital Stock — Liability and Indemnification of Officers, Directors and Certain Affiliates" for further information.

COMPENSATION DISCUSSION AND ANALYSIS

The following compensation discussion and analysis contains statements regarding future individual and company performance measures, targets and other goals. These goals are disclosed in the limited context of our executive compensation program and should not be understood to be statements of management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Overview of Compensation Program

The compensation committee of our board of directors is responsible for establishing, implementing, and monitoring adherence to our compensation philosophy. The compensation committee seeks to ensure that the total compensation paid to our executive officers is fair, reasonable and competitive. Throughout this discussion, the individuals who served as our Chief Executive Officer and Chief Financial Officer, as well as the other individuals listed in the Summary Compensation Table on page 71 are referred to as the "named executive officers."

For 2006, the compensation committee individually negotiated compensation arrangements with our Chief Executive Officer and Chief Financial Officer, and the compensation paid to these executives reflects the negotiations between these officers and the compensation committee. To date, we have not engaged in benchmarking of executive compensation or hired any compensation consultants, but we will consider doing so in the future.

Compensation Philosophy and Objectives

The compensation committee regards as fundamental that executive officer compensation be structured to provide competitive base salaries and benefits to attract and retain superior employees, and to provide short- and long-term incentive compensation to incentivize executive officers to attain, and to reward executive officers for attaining, established financial goals that are consistent with increasing stockholder value. The compensation committee uses a combination of cash bonuses and equity-based awards as key components in the short- and long-term incentive compensation arrangements for executive officers, including the named executive officers.

The compensation committee's goal is to maintain compensation programs that are competitive within our industry. Each year, the compensation committee reviews the executive compensation program with respect to the external competitiveness of the program, the linkage between executive compensation and the creation of stockholder value, and determines what changes, if any, are appropriate.

In determining the form and amount of compensation payable to the named executive officers, the compensation committee is guided by the following objectives and principles:

- ***Compensation levels should be sufficiently competitive to attract and retain key executives.*** The compensation committee aims to ensure that our executive compensation program attracts, motivates and retains high performance talent and rewards them for our achieving and maintaining a competitive position in our industry. Total compensation (*i.e.*, maximum achievable compensation) should increase with position and responsibility.
- ***Compensation should relate directly to performance, and incentive compensation should constitute a substantial portion of total compensation.*** We aim to foster a pay-for-performance culture, with a significant portion of total compensation being "at risk." Accordingly, a substantial portion of total compensation should be tied to and vary with our financial, operational and strategic performance, as well as individual performance. Executives with greater roles and the ability to directly impact our strategic goals and long-term results should bear a greater proportion of the risk if these goals and results are not achieved.
- ***Long-term incentive compensation should align executives' interests with our stockholders.*** Awards of equity-based compensation encourage executives to focus on our long-term growth and prospects and incentivize executives to manage the company from the perspective of stockholders with a meaningful stake in us, as well as to focus on long-term career orientation.

Our executive compensation program is designed to reward the achievement of goals regarding growth, productivity and people, including such goals as follows:

- attracting and retaining the most talented and dedicated executives possible;
- motivating and exhibiting leadership that aligns employees' interests with that of our stockholders;
- developing and maintaining a profound and dynamic grasp of the competitive environment and positioning us as a competitive force within our industry;
- developing business models and systems that seek out strategic opportunities, which benefit us and our stockholders;
- implementing a culture of compliance and unwavering commitment to operating our business with the highest standards of professional conduct and compliance; and
- achieving accountability for performance by linking annual cash awards to the achievement of revenue, Net Cash Flow (defined as EBITDA less net capital expenditures) and individual performance objectives.

Role of Executive Officers in Compensation Decisions

The compensation committee makes all compensation decisions for all executive officers (which includes the named executive officers). The compensation committee actively considers, and has the ultimate authority of approving, recommendations made by the Chief Executive Officer regarding executive officer's compensation. Our Chief Executive Officer determines the non-equity compensation of our employees who are not executive officers.

The Chief Executive Officer annually reviews the performance of each executive officer (other than the Chief Executive Officer whose performance is reviewed by the compensation committee) whose reviews may be based on input from various sources and our employees. Based on these annual reviews, the Chief Executive Officer makes recommendations to the compensation committee with respect to annual base salary adjustments and short- and long-term incentive compensation awards for such executive officers. The compensation committee then reviews these recommendations and decides whether to accept or modify such recommendations as it deems appropriate.

Determining Compensation Levels

Each year, typically in January, the compensation committee annually determines targeted total compensation levels, as well as the individual pay components of the named executive officers. In making such determinations, the compensation committee reviews and considers (a) recommendations of our Chief Executive Officer, based on individual responsibilities and performance, (b) historical compensation levels for each named executive officer, (c) industry conditions and our future objectives and challenges, and (d) overall effectiveness of the executive compensation program.

Elements of Compensation

For the year ended December 31, 2006, the principal components of compensation for our named executive officers were as follows:

- base salary;
- performance-based incentive compensation, including cash bonuses and long-term equity incentive compensation; and
- retirement and other benefits.

Base Salary. We provide our named executive officers and other employees with a base salary to compensate them for services rendered during the fiscal year.

On April 2, 2007, we entered into employment agreements with our Chief Executive Officer, our Chief Financial Officer, each of our other named executive officers (with the exception of Mr. Inserra, with whom we entered into an employment agreement on March 27, 2007), as well as with certain other key employees.

Mr. Insera's employment agreement expired on July 31, 2007. For 2007, the annual base salaries for our named executive officers are as follows: Mr. Pearson, $300,000; Mr. Stauffer, $220,000; Mr. Kennedy, $200,000; Mr. Rose, $155,000; and Mr. Acree, $225,000. Mr. Inserra received approximately $5,770 per week during the term of his employment agreement. With the exception of Mr. Inserra, each of the aforementioned base salaries is subject to periodic review and adjustment by the compensation committee. The compensation committee agreed to these base salaries based on the scope of the named executive officers' responsibilities, years of service and informal data we have gathered on market compensation reflective of demonstrated skills, behaviors and attributes paid by other similarly situated companies in our industry for similar positions, to the extent such information was available through recruitment, director and officer contacts and experience with other companies. The compensation committee also considered the other elements of the executive's compensation, including stock-based compensation. Base salaries may be increased to realign salaries with market levels after taking into account individual responsibilities, performance and experience. We may also decrease base salaries, subject to the executive officer's ability to resign for good reason and receive severance, as more fully described below under "Employment Agreements, Severance Benefits and Change in Control Provisions." Based on publicly available information, the compensation committee believes (though cannot confirm) that the base salaries established for our executive officers, including our named executive officers, are competitive and comparable to those paid by similarly situated companies in our industry.

Performance-Based Incentive Compensation

2006 Bonuses. We provide cash bonuses to provide incentives to executive officers to achieve annual and multiyear performance targets for us as a whole as well as within specific areas of responsibility of our named executive officers. All of our named executive officers are eligible for annual cash bonuses, which are set annually at the discretion of the compensation committee. The determination of the amount of annual bonuses paid to our executive officers generally reflects a number of objective and subjective considerations, including our overall revenue, net cash flow, performance of specific operating divisions, and the individual contributions of the executive officer during the relevant period.

Under our Executive Incentive Plan ("EIP"), which covers the President and Chief Executive Officer, Vice President and Chief Financial Officer and the Vice President (Orion Marine Group), an amount is allocated to a "bonus pool" based on our performance (determined prior to the award of bonuses under the EIP) during the annual performance period. Bonuses that may be awarded under the EIP are comprised of a formula award and a discretionary award. The formula award, which accounts for 75% of the bonus to be awarded under the EIP, is based on our achievement of a consolidated Net Cash Flow target, and is only payable if we meet or exceed 80% of that target. The remaining 25% of the bonus amount, which is the discretionary award, is based on mutually-agreed-to individual objectives. These individual objectives are established on an annual basis. Similar to the formula award, the discretionary award is only available if we meet or exceed 80% of the target. Earned bonuses under the EIP are payable only if the individual is an employee in "good standing." An employee is in good standing under the EIP if the employee (a) has not resigned, (b) has not indicated an intention to resign, (c) has not been notified that his employment has been terminated and (d) is not on a performance improvement plan.

The EIP is administered by a separate committee ("EIP Administrator") approved by the compensation committee. The EIP Administrator approves annually developed performance measures, performance standards, award levels, and award payments, in each case subject to the compensation committee's approval.

Under our Subsidiary Incentive Plan ("SIP"), which is applicable to our subsidiary management teams, each participant has a target bonus equal to 30%-50% of his or her annual base salary. The bonus amount is determined by the following four factors: (a) 30% of bonus amount is dependent upon overall company performance; (b) 35%-45% is dependent upon subsidiary financial performance; (c) 15%-20% is dependent upon individual goals established at the discretion of the President or Chief Executive Officer; and (d) 10%-20% is dependent upon subsidiary safety performance. The percentages for items (b), (c), and (d) may be adjusted for an individual at the discretion of the President or Chief Executive Officer. Earned bonuses under the SIP are payable only if the individual is an employee in "good standing." An participant is in good standing under the SIP if the participant (a) has not resigned, (b) has not indicated an intention to resign, (c) has not been notified that his employment has been terminated and (d) is not on a performance improvement plan.

The SIP is administered by a separate committee ("SIP Administrator") appointed by our Senior Management Team. The SIP Administrator approves annually developed performance measures, performance standards, award levels, and award payments. Achievement of goals is also determined by the SIP Administrator, in its sole discretion.

Under both the EIP and the SIP, actual performance results for 2006 significantly exceeded the established targets. Because no limit was placed on the 2006 bonus amounts, bonuses were much greater than the officers' base salaries.

2007 Bonuses. Similar to the 2006 bonuses, bonuses to be paid to the named executive for services provided in 2007 are based on the amount, if any, allocated to a "bonus pool" based on our performance (determined prior to the award of these bonuses) during the annual performance period. Bonuses that may be awarded will comprise of a formula award and a discretionary award. The formula award, which accounts for 75% of the bonus to be awarded, is based on our achievement of a consolidated Net Cash Flow target, and is only payable if we meet or exceed 80% of that target. The remaining 25% of the bonus amount, which is the discretionary award, is based on mutually-agreed-to individual objectives. These individual objectives are established on an annual basis. Similar to the formula award, the discretionary award is only available if we meet or exceed 80% of the target.

For 2007, the aggregate bonus pool for our President and Chief Executive Officer, Vice President and Chief Financial Officer, Vice President (Orion Marine Group) and President (Misener Marine) is approximately $0.5 million at 100% of the Net Cash Flow target. No bonus is earned until our Net Cash Flow is at least 80% of the target, and the aggregate size of the bonus pool grows as Net Cash Flow exceeds target, without any limitation. Assuming that all individual goals are met, some potential 2007 bonus amounts for our President and Chief Executive Officer, Vice President and Chief Financial Officer, Vice President (Orion Marine Group) and President (Misener Marine) are as follows:

Name	Percent of Target Net Cash Flow	Bonus Award Amount
J. Michael Pearson	90.0%	$ 75,000
	100.0	150,000
	125.0	506,250
Mark R. Stauffer	75.0	55,000
	100.0	110,000
	125.0	371,250
Elliott J. Kennedy	90.0	50,000
	100.0	100,000
	125.0	337,500
James L. Rose	90.0	38,750
	100.0	77,500
	125.0	261,563

Between 80% and 110% of our Net Cash Flow target, the bonus pool increases in a linear fashion based on actual Net Cash Flow. For Net Cash Flow above 110% of our target, the bonus pool increases at a higher rate based on actual Net Cash Flow.

Transaction Bonus Agreements with Officers. In addition, on April 2, 2007, we entered into transaction bonus agreements with our Chief Executive Officer, our Chief Financial Officer, each of our other named executive officers and certain other key employees. Under these bonus agreements, as amended, our Chief Executive Officer,

our Chief Financial Officer, each of our other named executive officers and certain other key employees received cash bonuses, common stock grants and options to acquire common stock as follows:

Name	Cash Bonus	Common Stock	Options
J. Michael Pearson	$ 1,000,000	18,519	44,844
Mark R. Stauffer	750,000	—	44,844
Elliott J. Kennedy	26,250	3,611	33,633
James L. Rose	75,000	—	26,906
All others (9 Persons), in the aggregate	292,000	4,296	179,369

In addition, the transaction bonus agreements with Messrs. Pearson, Stauffer and Kennedy and one other key employee vested in full all equity grants under the 2005 Stock Incentive Plan.

Long-Term Incentive Compensation. We believe that long-term performance is achieved through an ownership culture that rewards and encourages long-term performance by our executive officers through the use of stock-based awards. We adopted our Long Term Incentive Plan (the "LTIP") on March 27, 2007 and the stockholders approved the LTIP on May 2, 2007. The purposes of the LTIP are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to our employees and consultants, and to promote the success of our business. The LTIP provides for grants of (a) incentive stock options qualified as such under U.S. federal income tax laws, (b) stock options that do not qualify as incentive stock options, (c) stock appreciation rights (or SARs), (d) restricted stock awards, (e) restricted stock units, or (f) any combination of such awards. The compensation committee will determine on an annual basis who will receive awards under the LTIP and the limitations on those awards. The determination will be based on factors that normally apply to a company's decision to grant awards, *i.e.*, performance and industry conditions.

Other Awards. Participants may be granted, subject to applicable legal limitations and the terms of the LTIP and its purposes, other awards related to common stock. Such awards may include, but are not limited to, convertible or exchangeable debt securities, other rights convertible or exchangeable into common stock, purchase rights for common stock, awards with value and payment contingent upon our performance or any other factors designated by the compensation committee, and awards valued by reference to the book value of common stock or the value of securities of or the performance of specified subsidiaries. The compensation committee will determine terms and conditions of all such awards. Cash awards may be granted as an element of or a supplement to any awards permitted under the LTIP. Awards may also be granted in lieu ofobligations to pay cash or deliver other property under the LTIP or under other plans or compensatory arrangements, subject to any applicable provision under Section 16 of the Exchange Act.

Performance Awards. The compensation committee may designate that certain awards granted under the LTIP constitute "performance" awards. A performance award is any award the grant, exercise or settlement of which is subject to one or more performance standards. These standards may include business criteria for us on a consolidated basis, such as total stockholders' return and earnings per share, or for specific subsidiaries or business or geographical units.

None of the awards that have been made under our 2005 Stock Incentive Plan prior to the completion of the offering were based on pre-defined performance criteria. Following the completion of the offering, we expect that the compensation committee may make awards, and may implement and maintain one or more plans, that are based on performance criteria. Incentive compensation is intended to compensate officers for achieving financial and operational goals and for achieving individual annual performance objectives. These objectives are expected to vary depending on the individual executive, but are expected to relate generally to strategic factors such as expansion of our services and to financial factors such as improving our results of operations. Specific performance targets used to determine incentive compensation for each of our executive officers in 2007 have not yet been determined.

Following the completion of the offering, we also intend to align executives' interests with shareholder value. To that end, we expect that the compensation committee will continue to maintain compensation plans that relate a portion of each of our named executive officers' overall compensation to our financial and operational performance, as measured by revenues, net cash flow, and performance of individual operating divisions, and to accomplishing strategic goals such as the expansion of our business to other geographic areas. We expect that the compensation

committee will evaluate individual executive performance with a goal of setting compensation at levels it believes are comparable with executives in other companies of similar size and stage of development operating in the heavy civil marine infrastructure industry while taking into account our relative performance and our own strategic goals.

Retirement and Other Benefits. Executive officers are eligible to participate in our benefit programs as described below. The compensation committee reviews the overall cost to us of these various programs generally on an annual basis or when changes are proposed. The compensation committee believes that the benefits provided by these programs have been important factors in attracting and retaining the overall executive officer group, including the named executive officers.

Each named executive officer is eligible to participate in our 401(k) plan. The plan provides that we match 100% on the first 2% of eligible compensation contributed to the plan, and 50% on the next 2% of eligible compensation contributed to the plan. These matching contributions vest over a four-year period. At our discretion, we may make additional matching and profit sharing contributions to the plan.

Each named executive officer is also eligible to participate in all other benefit plans and programs that are or in the future may be available to our other executive employees, including any profit-sharing plan, thrift plan, health insurance or health care plan, disability insurance, pension plan, supplemental retirement plan, vacation and sick leave plan, and other similar plans. In addition, each executive officer is eligible for certain other benefits, including reimbursement of business and entertainment expenses, car allowances and life insurance. The compensation committee in its discretion may revise, amend or add to the officer's executive benefits and perquisites as it deems advisable. We believe that these benefits and perquisites are typically provided to senior executives of similar marine construction companies.

Employment Agreements, Severance Benefits and Change in Control Provisions

The employment agreements we entered into on April 2, 2007 with our Chief Executive Officer, our Chief Financial Officer and our other named executive officers entitle them to severance benefits in the amount of the officer's base salary for six months in the event of a resignation for good reason or a termination without cause. In the event of termination related to a change in control (if resignation is for good reason or without cause), the officers receive their respective base salary for two to three years. The compensation committee believes that such severance benefits due to these termination events provides our named executive officers a reasonable package based on the value such officers have created, which is ultimately realized by our stockholders. We believe that the payments under the employment agreements will better enable us to maintain the services of our employees if a change of control is contemplated. See "Executive Compensation — Potential Payments Upon Termination or Change in Control" below.

Stock Ownership Guidelines

The compensation committee has not implemented stock ownership guidelines. The compensation committee has chosen not to require stock ownership given the limited market for our securities. The compensation committee will continue to periodically review best practices and re-evaluate our position with respect to stock ownership guidelines.

Tax and Accounting Implications

Section 162(m) of the Internal Revenue Code prohibits certain companies from deducting compensation of more than $1.0 million paid to certain employees. We are currently not subject to Section 162(m), but we will become subject to it if our stock becomes publicly traded, including by registering the stock sold in this offering for resale to the public. We believe that compensation paid under the management incentive plans are fully deductible for federal income tax purposes. In certain situations, however, the compensation committee may approve compensation that will not meet the necessary requirements in order to ensure competitive levels of total compensation for our executives.

The compensation committee relied heavily on the favorable tax treatment associated with restricted stock in connection with the grants of restricted stock awards in 2005.

COMPENSATION COMMITTEE REPORT

Our current compensation committee has reviewed and discussed the Compensation Discussion and Analysis with management and, based on such review and discussions, the current compensation committee recommended to our board of directors that the Compensation Discussion and Analysis be included in this prospectus.

THE COMPENSATION COMMITTEE

Austin J. Shanfelter
Richard L. Daerr, Jr.

EXECUTIVE COMPENSATION

The following table shows the annual compensation for our Chief Executive Officer, Chief Financial Officer and three other most highly compensated executive officers, who are referred to as our named executive officers, for the fiscal year ended December 31, 2006. As explained in more detail below, salary and bonus accounted for approximately 97% of the total compensation of the named executive officers in 2006, and equity-based compensation accounted for approximately 2%.

SUMMARY COMPENSATION TABLE FOR FISCAL YEAR ENDED 2006

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(2)	Option Awards ($)(3)	All Other Compensation ($)	Total ($)
J. Michael Pearson President and Chief Executive Officer	2006	$ 202,884	$ 840,973	$ —	$52,800	$ 14,058(5)	$ 1,110,715
Mark R. Stauffer Chief Financial Officer	2006	199,423	770,427	—	9,900	6,772(6)	986,522
Elliott J. Kennedy Vice President	2006	179,424	900,000(4)	—	—	4,701(6)	1,084,125
Russell B. Inserra(1) Former Chairman of the Board and President	2006	299,038	1,248,973	—	33,000	5,520(6)	1,586,531
James L. Rose President — Misener Marine Construction, Inc.	2006	131,779	91,100	—	9,900	184(6)	232,963

(1) Mr. Inserra resigned as Chairman of the board and President effective as of November 1, 2006, but remained as one of our employees up until July 31, 2007 when his employment agreement expired.

(2) On May 3, 2005, Messrs. Stauffer, Kennedy, Inserra, and Rose received awards of 123,319, 168,162, 336,323, and 11,211 shares of restricted stock, respectively. These awards had a grant date fair value of $2,750, $3,750, $7,500, and $250, respectively. We recognized the full cost of these awards at the time of grant.

(3) Amounts reflect the dollar amount recognized for financial statement reporting purposes for the year ended December 31, 2006, in accordance with FAS 123R, of awards of stock options under the 2005 Stock Incentive Plan. Assumptions used in the calculation of this amount are included in Note 13, Stock Based Compensation in the Notes to the Consolidated Financial Statements contained elsewhere in this prospectus.

(4) Mr. Kennedy received $100,000 of his bonus in February 2007. The remaining $800,000 will be paid to him at some point during the fourth quarter of 2007.

(5) The amount reflects an automobile allowance provided to Mr. Pearson in the amount of $12,298, and our matching contributions to his account under our 401(k) Plan in the amount of $1,760.

(6) The amounts reported reflect the value of the named executive officer's personal use of a company automobile and, with the exception of Mr. Rose, our matching contributions to the named executive officer's account under our 401(k) Plan.

GRANTS OF PLAN-BASED AWARDS FOR FISCAL YEAR ENDED 2006

The following table sets forth certain information with respect to grants of plan-based awards to the named executive officers for the year ended December 31, 2006:

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)(1)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Options Awards ($/Sh)(2)
J. Michael Pearson	August 2, 2006	179,373	$ 1.96	$ 152,000
Mark R. Stauffer	August 2, 2006	33,633	1.96	28,500
Elliott J. Kennedy	August 2, 2006	—	—	—
Russell B. Inserra	August 2, 2006	112,108(3)	1.96	95,000
James L. Rose	August 2, 2006	33,633	1.96	28,500

(1) The option awards were issued under the 2005 Stock Incentive Plan. Provided the named executive officer remains continuously employed with us (or a parent or subsidiary of ours), the option awards (a) have vested with respect to one-fifth of the underlying shares on March 21, 2007, and (b) will vest with respect to one-sixtieth of the underlying shares upon the completion of each full month following March 21, 2007.

(2) The amounts shown reflect the grant date fair value of the applicable option awards computed in accordance with FAS 123R.

(3) Pursuant to the employment agreement we entered into with Mr. Inserra on March 27, 2007, Mr. Inserra agreed to forfeit 89,686 of the 112,108 options awarded to him on March 2, 2006. The remaining 22,422 options vested on March 21, 2007.

Employment Agreements

Employment Agreements with Certain Officers. We have entered into an employment agreement with our Chief Executive Officer, our Chief Financial Officer, Mr. Inserra, each of our other named executive officers and certain other key employees. Mr. Inserra's employment agreement expired on July 31, 2007. The employment agreement for Mr. Inserra was on different terms than those for all other officers and is described in more detail under "Employment agreement with Russell B. Inserra" below. For each of the other officers and key employees, the employment agreement has an initial term commencing on May 17, 2007 and lasting for two years thereafter. Each employment agreement may be renewed for an additional period at the end of the initial term upon the mutual agreement of the parties entered into at least 30 days prior to the end of the initial term. Each employment agreement provides for a base salary, a discretionary bonus, and participation in our benefit plans and programs.

The base salaries for 2007 for each of our named executive officers are as follows: J. Michael Pearson — $300,000; Mark R. Stauffer — $220,000; Elliott J. Kennedy — $200,000; James L. Rose — $155,000; and J. Cabell Acree, III — $225,000. Under the employment agreements, the officers are entitled to severance benefits in the event of a resignation for good reason or a termination without cause of the officer's base salary continued for a period of six months if such resignation or termination is not in connection with a change of control.

The employment agreements also provide for certain change of control benefits. The officers are entitled to severance benefits of the officer's base salary continued for a period of two to three years in the event of a resignation for good reason or a termination without cause that is related to a change of control at any time three months prior to or within twelve months after a change of control. Such period is two years for Messrs. Kennedy, Rose and Acree, and three years for Messrs. Pearson and Stauffer. The amount of such severance payments will be reduced to an amount such that the aggregate payments and benefits to be provided to the officer do not constitute a "parachute payment" subject to a Federal excise tax.

The agreements also include confidentiality provisions without a time limit and non-competition provisions which apply during the severance payout period.

Employment Agreement with Russell B. Inserra. We entered into an employment agreement with Mr. Inserra dated March 27, 2007, with a term commencing on March 1, 2007 which expired on July 31, 2007. Mr. Inserra's services were required in order to maintain certain licenses and permits in connection with our business, which were transferred to us during the course of his employment. The employment agreement provided for the following:

- a weekly base salary equal to $5,770 for each week during the term of his agreement;
- the accelerated vesting of 213,004 shares of our common stock, which were part of the 336,323 shares granted to Mr. Inserra in 2005 under our 2005 Stock Incentive Plan;
- the vesting of options to acquire 22,422 shares of our common stock on March 31, 2007; and
- certain other perquisites specified in his employment agreement.

Stock Incentive Plans

2005 Stock Incentive Plan. We adopted a Stock Incentive Plan in 2005 for issuances of equity-based awards based on our common stock to our current or future employees and directors. The Stock Incentive Plan consists of two components: restricted stock and stock options. The Stock Incentive Plan limits the number of shares of our common stock that may be delivered pursuant to awards to the existing 926,025 grants of restricted stock and outstanding options to purchase up to 354,272 shares of our common stock. Stock withheld to satisfy exercise prices or tax withholding obligations are available for delivery pursuant to other awards. The Stock Incentive Plan is administered by our board of directors. The board of directors may delegate administration of the Stock Incentive Plan to a committee of the board.

Our board of directors may terminate or amend the Stock Incentive Plan at any time with respect to any shares of stock for which a grant has not yet been made. Our board of directors also has the right to alter or amend the Stock Incentive Plan or any part thereof from time-to-time, including increasing the number of shares of stock that may be granted subject to stockholder approval. No change, however, in the Stock Incentive Plan or in any outstanding grant may be made that would materially reduce the benefits of the participant without the consent of the participant. The Stock Incentive Plan will expire on the earlier of the tenth anniversary of its approval by stockholders or its adoption or its termination by the board of directors. Awards then outstanding will continue pursuant to the terms of their grants.

Restricted Stock. Restricted stock is stock that vests over a period of time and that during such time is subject to forfeiture. At any time in the future, the board of directors may determine to make grants of restricted stock under the Stock Incentive Plan to employees and directors containing such terms as the board shall determine. The board of directors will determine the period over which restricted stock granted to employees and members of our board of directors will vest. The board of directors may base its determination upon the achievement of specified financial or other objectives. If a grantee's employment or membership on the board of directors terminates for any reason, the grantee's restricted stock will be automatically forfeited unless, and to the extent, the board of directors or the terms of the award agreement provide otherwise. Shares of common stock to be delivered as restricted stock may be newly issued common stock, common stock already owned by us, common stock acquired by us from any other person or any combination of the foregoing. If we issue new common stock upon the grant of the restricted stock, the total number of shares of common stock outstanding will increase. We intend the restricted stock under the Stock Incentive Plan to serve as a means of incentive compensation for performance and not primarily as an opportunity to participate in the equity appreciation of our common stock. Therefore, Stock Incentive Plan participants will not pay any consideration for the common stock they receive, and we will receive no remuneration for the stock.

Stock Options. The Stock Incentive Plan permits the grant of options covering our common stock. Options may be incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, or nonqualified stock options as determined by the board of directors. At any time in the future, the board of directors may determine to make grants under the Stock Incentive Plan to employees and members of our board of directors containing such terms as the committee shall determine. Stock options will have an exercise price that may not be less than the fair market value of the stock on the date of grant. In general, stock options granted will become exercisable over a period determined by the board of directors. If a grantee's employment or membership on the

board of directors terminates for any reason, the grantee's unvested stock options will be automatically forfeited unless, and to the extent, the option agreement or the board of directors provides otherwise.

Long Term Incentive Plan. We adopted our Long Term Incentive Plan (the "LTIP") on March 27, 2007, and the stockholders approved the LTIP on May 2, 2007. The purposes of the LTIP are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to our employees and consultants, and to promote the success of our business. The LTIP provides for grants of (a) incentive stock options qualified as such under U.S. federal income tax laws, (b) stock options that do not qualify as incentive stock options, (c) stock appreciation rights (or SARs), (d) restricted stock awards, (e) restricted stock units, or (f) any combination of such awards.

The LTIP is not subject to ERISA. The LTIP, for a period of time following this offering, will qualify for an exception to the rules imposed by Section 162(m) of the Code. Therefore, awards will be exempt from the limitations on the deductibility of compensation that exceeds $1.0 million.

Shares Available. The maximum aggregate number of shares of our common stock that may be reserved and available for delivery in connection with awards under the LTIP is 2,017,938, but is also limited so that the total shares of common stock that may be delivered under the LTIP and the 2005 Stock Incentive Plan may not exceed 2,943,946. If common stock subject to any award is not issued or transferred, or ceases to be issuable or transferable for any reason, those shares of common stock will again be available for delivery under the LTIP to the extent allowable by law.

Eligibility. Any individual who provides services to us, including non-employee directors and consultants, and is designated by the compensation committee to receive an award under the LTIP will be a "Participant." A Participant will be eligible to receive an award pursuant to the terms of the LTIP and subject to any limitations imposed by appropriate action of the compensation committee.

Administration. Our board of directors has appointed the compensation committee to administer the LTIP pursuant to its terms, except in the event our board of directors chooses to take action under the LTIP. Our compensation committee will, unless otherwise determined by the board of directors, be comprised of two or more individuals each of whom constitutes an "outside director" as defined in Section 162(m) of the Code and "nonemployee director" as defined in Rule 16b-3 under the Exchange Act. Unless otherwise limited, the compensation committee has broad discretion to administer the LTIP, including the power to determine to whom and when awards will be granted, to determine the amount of such awards (measured in cash, shares of common stock or as otherwise designated), to proscribe and interpret the terms and provisions of each award agreement, to accelerate the exercise terms of an option (provided that such acceleration does not cause an award intended to qualify as performance based compensation for purposes of Section 162(m) of the Code to fail to so qualify), to delegate duties under the LTIP and to execute all other responsibilities permitted or required under the LTIP.

Terms of Options. The compensation committee may grant options to eligible persons including (a) incentive stock options (only to our employees) that comply with Section 422 of the Code and (b) nonstatutory options. The exercise price for an incentive stock option must not be less than the greater of (a) the par value per share of common stock or (b) the fair market value per share as of the date of grant. The exercise price per share of common stock subject to an option other than an incentive stock option will not be less than the par value per share of the common stock (but may be less than the fair market value of a share of the common stock on the date of grant). Options may be exercised as the compensation committee determines, but not later than 10 years from the date of grant. Any incentive stock option granted to an employee who possesses more than 10% of the total combined voting power of all classes of our shares within the meaning of Section 422(b)(6) of the Code must have an exercise price of at least 110% of the fair market value of the underlying shares at the time the option is granted and may not be exercised later than five years from the date of grant.

Terms of SARs. SARs may be awarded in connection with or separate from an option. A SAR is the right to receive an amount equal to the excess of the fair market value of one share of common stock on the date of exercise over the grant price of the SAR. SARs awarded in connection with an option will entitle the holder, upon exercise, to surrender the related option or portion thereof relating to the number of shares for which the SAR is exercised, which option or portion thereof will then cease to be exercisable. Such SAR is exercisable or transferable only to the

extent that the related option is exercisable or transferable. SARs granted independently of an option will be exercisable as the compensation committee determines. The term of a SAR will be for a period determined by the compensation committee but will not exceed ten years. SARs may be paid in cash, common stock or a combination of cash and stock, as provided for by the compensation committee in the award agreement.

Restricted Stock Awards. A restricted stock award is a grant of shares of common stock subject to a risk of forfeiture, restrictions on transferability, and any other restrictions imposed by the compensation committee in its discretion. Except as otherwise provided under the terms of the LTIP or an award agreement, the holder of a restricted stock award may have rights as a stockholder, including the right to vote or to receive dividends (subject to any mandatory reinvestment or other requirements imposed by the compensation committee). A restricted stock award that is subject to forfeiture restrictions may be forfeited and reacquired by us upon termination of employment or services. Common stock distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, may be subject to the same restrictions and risk of forfeiture as the restricted stock with respect to which the distribution was made.

Restricted Stock Units. Restricted stock units are rights to receive common stock, cash, or a combination of both at the end of a specified period. Restricted stock units may be subject to restrictions, including a risk of forfeiture, as specified in the award agreement. Restricted stock units may be satisfied by common stock, cash or any combination thereof, as determined by the compensation committee. Except as otherwise provided by the compensation committee in the award agreement or otherwise, restricted stock units subject to forfeiture restrictions will be forfeited upon termination of a participant's employment or services prior to the end of the specified period. The compensation committee may, in its sole discretion, grant dividend equivalents with respect to restricted stock units.

Other Awards. Participants may be granted, subject to applicable legal limitations and the terms of the LTIP and its purposes, other awards related to common stock. Such awards may include, but are not limited to, convertible or exchangeable debt securities, other rights convertible or exchangeable into common stock, purchase rights for common stock, awards with value and payment contingent upon our performance or any other factors designated by the compensation committee, and awards valued by reference to the book value of common stock or the value of securities of or the performance of specified subsidiaries. The compensation committee will determine terms and conditions of all such awards. Cash awards may granted as an element of or a supplement to any awards permitted under the LTIP. Awards may also be granted in lieu ofobligations to pay cash or deliver other property under the LTIP or under other plans or compensatory arrangements, subject to any applicable provision under Section 16 of the Exchange Act.

Performance Awards. The compensation committee may designate that certain awards granted under the LTIP constitute "performance" awards. A performance award is any award the grant, exercise or settlement of which is subject to one or more performance standards. These standards may include business criteria for us on a consolidated basis, such as total stockholders' return and earnings per share, or for specific subsidiaries or business or geographical units.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information regarding options or warrants authorized for issuance under our equity compensation plans as of December 31, 2006. The following table excludes 26,426 shares of common stock and options to purchase 327,357 shares which were granted to management and certain employees at the consummation of the 2007 Private Placement:

	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance
Equity compensation plans approved by security holders(1)	354,272	$ 1.96	1,663,677
Equity compensation plans not approved by security holders	—	—	—
Total	354,272	$ 1.96	1,663,677

(1) Consists of the 2005 Stock Incentive Plan and the LTIP.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2006

The following table reflects all outstanding equity awards held by our named executive officers as of the year ended December 31, 2006:

	Option Awards			Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Unexercisable(1)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested ($)(3)
J. Michael Pearson	179,373	$ 1.96	8/2/16	—	$ —
Mark R. Stauffer	33,633	1.96	8/2/16	84,268	165,164
Elliott J. Kennedy	—	—	—	114,910	225,224
Russell B. Inserra	112,108(4)	1.96	8/2/16	229,821(5)	450,448(5)
James L. Rose	33,633	1.96	8/2/16	7,661	15,015

(1) The option awards were issued under the 2005 Stock Incentive Plan. Provided the named executive officer remains continuously employed with us (or a parent or subsidiary of ours), the option awards (a) have vested with respect to one-fifth of the underlying shares on March 21, 2007, and (b) will vest with respect to one-sixtieth of the underlying shares upon the completion of each full month following March 21, 2007. Notwithstanding, pursuant to the terms of a transaction bonus agreement entered into with each of Mr. Pearson and Mr. Stauffer effective as of April 2, 2007, as amended, their stock vested in full upon the consummation of the 2007 Private Placement. The share numbers provided do not include option awards granted to our named executive officers upon consummation of the 2007 Private Placement.

(2) On May 3, 2005, Messrs. Stauffer, Kennedy, Inserra, and Rose received awards of 123,319, 168,162, 336,323, and 11,211 shares of restricted stock, respectively. The shares of restricted stock were issued under the 2005 Stock Incentive Plan. Provided the named executive officer remains continuously employed with us (or a parent or subsidiary of ours), the restricted stock will vest (or, as applicable, vested) as follows: (a) one-fifth of the restricted stock became vested on May 3, 2006, and (b) one-sixtieth of the restricted stock will vest (or, as applicable, vested) upon the completion of each full month following May 3, 2006. Notwithstanding, pursuant to the terms of a transaction bonus agreement entered into with each of Mr. Stauffer and Mr. Kennedy effective as of April 2, 2007, as amended, their stock vested in full upon the consummation of the 2007 Private

Placement. The share numbers provided do not include option awards granted to our named executive officers upon consummation of the 2007 Private Placement.

(3) The amounts provided equal the product of (a) the number of unvested shares of restricted stock and (b) $1.96, the amount determined by an independent third-party valuation firm to be the fair market value of a share of our common stock as of March 31, 2006. The March 31, 2006 valuation is our most recent valuation.

(4) Pursuant to the employment agreement we entered into with Mr. Inserra on March 27, 2007, Mr. Inserra agreed to forfeit 89,686 of the 112,108 options awarded to him on March 2, 2006. The remaining 22,422 options vested on March 21, 2007.

(5) Pursuant to the employment agreement we entered into with Mr. Inserra on March 27, 2007, all of his restricted stock vested in full upon the consummation of the 2007 Private Placement.

OPTION EXERCISES AND STOCK VESTED IN FISCAL YEAR ENDED 2006

The following table reflects the vested stock options held by our named executive officers during 2006:

	Stock Awards	
Name	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(1)
J. Michael Pearson	—	$ —
Mark R. Stauffer	39,051	76,540
Elliott J. Kennedy	53,251	104,372
Russell B. Inserra	106,502(2)	208,744(2)
James L. Rose	3,550	6,958

(1) The amounts provided equal the product of (a) the number of shares of restricted stock that vested during 2006 and (b) $1.96, the amount determined by an independent third-party valuation firm to be the fair market value of a share of our common stock as of March 31, 2006. The March 31, 2006 valuation is the most recent valuation.

(2) Pursuant to the employment agreement we entered into with Mr. Inserra on March 27, 2007, all of his restricted stock vested in full upon the consummation of the 2007 Private Placement.

Potential Payments Upon Termination or Change in Control

J. Michael Pearson

Stock Option Agreement. As provided in his stock option agreement, in the event that Mr. Pearson is involuntarily terminated (as defined below) other than for cause (as defined below) within twelve months following a corporate change (as defined below) his then unvested stock options will fully vest. Assuming, therefore, that such a corporate change and termination occurred on December 31, 2006, his option to purchase 179,373 shares of our common stock would have become fully vested. Assuming that the fair market value of our common stock was $1.96 a share (i.e., the fair market value per share of our common stock as of March 31, 2006, based on the most recent valuation of our common stock) the value to Mr. Pearson of this accelerated vesting would have been $0 since the exercise price of the option was $1.96 per share.

The term “involuntary termination” means a termination of service, which (a) is not initiated in whole or in part by Mr. Pearson, (b) is not a termination as a result of Mr. Pearson’s disability or death, and (c) is not consented to by Mr. Pearson.

The term “cause” means “cause” as defined in Mr. Pearson’s employment agreement or service agreement or in the absence of such agreement, “cause” means a determination by the compensation committee that Mr. Pearson (a) engaged in personal dishonesty, willful violation of a law, rule, or regulation (other than minor traffic violations or similar offenses), or breach of fiduciary duty involving personal profit, (b) is unable to satisfactorily perform or has failed to satisfactorily perform his duties and responsibilities for us or our affiliate (b) is convicted of, or plead *nolo contendere* to, any felony or a crime involving moral turpitude, (d) engaged in negligence or willful

misconduct in the performance of his duties, including, but not limited to, willfully refusing without proper legal reason to perform his duties and responsibilities, (e) materially breached any corporate policy or code of conduct established by us or our affiliate as such policies or codes may be adopted from time-to-time, (f) violated the terms of any confidentiality, nondisclosure, intellectual property, nonsolicitation, noncompetition, proprietary information and inventions, or any other agreement between him and us related to his service, or (g) engaged in conduct that is likely to have a deleterious effect on us or an affiliate thereof or their legitimate business interests, including, but not limited to, their goodwill and public image.

The term "corporate change" means either (a) we will not be the surviving entity in any merger, share exchange, or consolidation (or survives only as a subsidiary of an entity), (b) we sell, lease, or exchange, or agree to sell, lease, or exchange, all or substantially all of its assets to any other person or entity, (c) we are to be dissolved and liquidated, (d) any person or entity, including a "group" acquires or gains ownership or control (including, without limitation, power to vote) of more than 50% of the outstanding shares of our voting stock (based upon voting power), or (e) at such time as we become a reporting company, as a result of or in connection with a contested election of directors, the persons who were our directors before such election will cease to constitute a majority of the board of directors; provided, that, a corporate change does not include (a) any reorganization, merger, consolidation, sale, lease, exchange, or similar transaction, which involves solely us and one or more entities wholly-owned, directly or indirectly, by us immediately prior to such event or (b) the consummation of any transaction or series of integrated transactions immediately following which the record holders of our voting stock immediately prior to such transaction or series of transactions continue to hold 50% or more of the voting stock (based upon voting power) of (x) any entity that owns, directly or indirectly, our stock (y) any entity with which we have merged, or (z) any entity that owns an entity with which we have merged.

2007 Employment Agreement. On April 2, 2007, we entered into an employment agreement with Mr. Pearson. The employment agreement is for a term of two years, after which time it may be extended by mutual agreement of Mr. Pearson and us. Pursuant to this employment agreement, if, unrelated to a change in control (as defined below) Mr. Pearson is terminated without cause (as defined below) or he voluntarily terminates his employment for good reason (as defined below), he would be entitled to receive his base salary (as of the date of such termination) for a period of six months, payable in accordance with our normal payroll practices.

The employment agreement also provides that in the event that, in connection with a change of control, we terminate Mr. Pearson without cause, or he voluntarily terminates his employment for good reason during the period that begins on the date that is three months prior to the occurrence of a change in control and ends on the date that is twelve months following the occurrence of a change in control, he would be entitled to receive his base salary (as of the date of such termination) for a period of three years, payable in accordance with our normal payroll practices.

For this purpose the term "change in control" generally means the occurrence of any of the following events:

(a) A "change in the ownership of the Company" which will occur on the date that any one person, or more than one person acting as a group, acquires ownership of our stock that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of our stock; however the following acquisitions will not constitute a change in control: (i) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by us or any entity controlled by us or (ii) any acquisition by investors (immediately prior to such acquisition) of us for financing purposes, as determined by the compensation committee in its sole discretion.

(b) A "change in the effective control of the Company" which will occur on the date that either (i) any one person, or more than one person acting as a group, acquires ownership of our stock possessing 35% or more of the total voting power of our stock, excluding (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by us or (z) any acquisition by investors (immediately prior to such acquisition) of us for financing purposes, as determined by the compensation committee in its sole discretion or (ii) a majority of the members of the Board are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.

(c) A "change in the ownership of a substantial portion of the Company's assets" which occurs on the date that any one person, or more than one person acting as a group, acquires our assets that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of our assets immediately prior to such acquisition.

The term "cause" means: (a) a material breach by Mr. Pearson of the noncompetition and confidentiality provisions of the employment agreement; (b) the commission of a criminal act by Mr. Pearson against us, including, but not limited to, fraud, embezzlement or theft; (c) the conviction, plea of no contest or *nolo contendere*, deferred adjudication or unadjudicated probation of Mr. Pearson for any felony or any crime involving moral turpitude; or (d) Mr. Pearson's failure or refusal to carry out, or comply with, any lawful directive of our board of directors consistent with the terms of the employment agreement which is not remedied within 30 days after Mr. Pearson's receipt of notice from us.

The term "good reason" means: (a) a substantial reduction of Mr. Pearson's base salary without his consent; (b) a substantial reduction of Mr. Pearson's duties (without his consent) from those in effect as of the effective date of the employment agreement or as subsequently agreed to by Mr. Pearson and us; or (c) the relocation of Mr. Pearson's primary work site to a location greater than 50 miles from Mr. Pearson's work site as of the effective date of the employment agreement.

Mark R. Stauffer

Stock Option and Restricted Stock Agreements. As provided in his stock option and restricted stock agreements, in the event that Mr. Stauffer is involuntarily terminated other than for cause within twelve months following a corporate change his then unvested stock options and shares of restricted stock will fully vest. Assuming, therefore, that such a corporate change and termination occurred on December 31, 2006, his option to purchase 33,633 shares of our common stock and 82,212 shares of restricted stock would have become fully vested. Assuming that the fair market value of our common stock was $1.96 a share (i.e., the fair market value per share of our common stock as of March 31, 2006, based on the most recent valuation of our common stock) the value to Mr. Stauffer of this accelerated vesting would have been $0 for the stock options (since the exercise price of the option was $1.96 per share), and $161,333 for the restricted stock. For purposes of the foregoing, the terms "involuntary termination," "good reason," and "corporate change" each have the meaning ascribed to such terms with respect to Mr. Pearson's stock option agreement, described above.

2007 Employment Agreement. On April 2, 2007, we entered into an employment agreement with Mr. Stauffer. The employment agreement is for a term of two years, after which time it may be extended by mutual agreement of Mr. Stauffer and us. Pursuant to this employment agreement, if, unrelated to a change in control Mr. Stauffer is terminated without cause or he voluntarily terminates his employment for good reason, he would be entitled to receive his base salary (as of the date of such termination) for a period of six months, payable in accordance with our normal payroll practices.

The employment agreement also provides that in the event that, in connection with a change of control, Mr. Stauffer is terminated by us without cause, or he voluntarily terminates his employment for good reason during the period that begins on the date that is three months prior to the occurrence of a change in control and ends on the date that is twelve months following the occurrence of a change in control, he would be entitled to receive his base salary (as of the date of such termination) for a period of three years, payable in accordance with our normal payroll practices.

For purposes of the foregoing, the terms "change in control," "good reason," and "cause" each have the meaning ascribed to such terms with respect to Mr. Pearson's 2007 employment agreement, described above.

Elliot J. Kennedy

Restricted Stock Agreement. As provided in his restricted stock agreement, in the event that Mr. Kennedy is involuntarily terminated other than for cause within twelve months following a corporate change his then unvested shares of restricted stock will fully vest. Assuming, therefore, that such a corporate change and termination occurred on December 31, 2006, 112,108 shares of restricted stock would have become fully vested. The value to

Mr. Kennedy of this accelerated vesting would have been $220,000. For purposes of the foregoing, the terms "involuntary termination," "good reason," and "corporate change" each have the meaning ascribed to such terms with respect to Mr. Pearson's stock option agreement, described above.

2007 Employment Agreement. On April 2, 2007, we entered into an employment agreement with Mr. Kennedy. The employment agreement is for a term of two years, after which time it may be extended by mutual agreement of Mr. Kennedy and us. Pursuant to this employment agreement, if, unrelated to a change in control Mr. Kennedy is terminated without cause or he voluntarily terminates his employment for good reason, he would be entitled to receive his base salary (as of the date of such termination) for a period of six months, payable in accordance with our normal payroll practices.

The employment agreement also provides that in the event that, in connection with a change of control, Mr. Kennedy is terminated by us without cause, or he voluntarily terminates his employment for good reason during the period that begins on the date that is three months prior to the occurrence of a change in control and ends on the date that is twelve months following the occurrence of a change in control, he would be entitled to receive his base salary (as of the date of such termination) for a period of two years, payable in accordance with our normal payroll practices.

For purposes of the foregoing, the terms "change in control," "good reason," and "cause" each have the meaning ascribed to such terms with respect to Mr. Pearson's 2007 employment agreement, described above.

James L. Rose

Stock Option and Restricted Stock Agreements. As provided in his stock option and restricted stock agreements, in the event that Mr. Rose is involuntarily terminated other than for cause within twelve months following a corporate change his then unvested stock options and shares of restricted stock will fully vest. Assuming, therefore, that such a corporate change and termination occurred on December 31, 2006, his option to purchase 33,633 shares of our common stock and 7,474 shares of restricted stock would have become fully vested. Assuming that the fair market value of our common stock was $1.96 a share (i.e., the fair market value per share of our common stock as of March 31, 2006, based on the most recent valuation of our common stock) the value to Mr. Rose of this accelerated vesting would have been $0 for the stock options (since the exercise price of the option was $1.96 per share), and $14,667 for the restricted stock. For purposes of the foregoing, the terms "involuntary termination," "good reason," and "corporate change" each have the meaning ascribed to such terms with respect to Mr. Pearson's stock option agreement, described above.

2007 Employment Agreement. On April 2, 2007 we entered into an employment agreement with Mr. Rose. The employment agreement is for a term of two years, after which time it may be extended by mutual agreement of Mr. Rose and us. Pursuant to this employment agreement, if, unrelated to a change in control Mr. Rose is terminated without cause or he voluntarily terminates his employment for good reason, he would be entitled to receive his base salary (as of the date of such termination) for a period of six months, payable in accordance with our normal payroll practices.

The employment agreement also provides that in the event that, in connection with a change of control, Mr. Rose is terminated by us without cause, or he voluntarily terminates his employment for good reason during the period that begins on the date that is three months prior to the occurrence of a change in control and ends on the date that is twelve months following the occurrence of a change in control, he would be entitled to receive his base salary (as of the date of such termination) for a period of two years, payable in accordance with our normal payroll practices.

For purposes of the foregoing, the terms "change in control," "good reason," and "cause" each have the meaning ascribed to such terms with respect to Mr. Pearson's 2007 employment agreement, described above.

J. Cabell Acree, III

2007 Employment Agreement. On August 13, 2007 we entered into an employment agreement with Mr. Acree. The employment agreement is for a term of two years, after which time it may be extended by mutual agreement of Mr. Acree and us. Pursuant to this employment agreement, if, unrelated to a change in control

Mr. Acree is terminated without cause or he voluntarily terminates his employment for good reason, he would be entitled to receive his base salary (as of the date of such termination) for a period of six months, payable in accordance with our normal payroll practices.

The employment agreement also provides that in the event that, in connection with a change of control, Mr. Acree is terminated by us without cause, or he voluntarily terminates his employment for good reason during the period that begins on the date that is three months prior to the occurrence of a change in control and ends on the date that is twelve months following the occurrence of a change in control, he would be entitled to receive his base salary (as of the date of such termination) for a period of two years, payable in accordance with our normal payroll practices.

For purposes of the foregoing, the terms "change in control," "good reason," and "cause" each have the meaning ascribed to such terms with respect to Mr. Pearson's 2007 employment agreement, described above.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the beneficial ownership of our common stock by (a) 5% stockholders, (b) current directors, (c) five most highly compensated executive officers and (d) executive officers as a group, as of June 30, 2007.

Unless otherwise indicated in the footnotes to this table, each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Other than as specifically noted below, the mailing address for each executive officer is in care of Orion, 12550 Fuqua, Houston, Texas 77034.

	Beneficial Ownership	
Name of Beneficial Owner	Amount of Common Stock(1)	Percent of Common Stock(2)
5% Stockholders:		
JANA Piranha Master Fund, Ltd.(3)(4)	1,500,000	6.96%
Bear, Stearns & Co. Inc.(3)(5)	1,488,458	6.90%
Directors and Executive Officers: (6)		
Richard L. Daerr, Jr.	2,000	*
J. Michael Pearson(7)	197,892	*
Mark R. Stauffer(8)	156,952	*
Elliott J. Kennedy	171,773	*
James L. Rose(9)	20,740	*
Directors and Executive Officers as a group (5 persons)(10)	549,357	2.52%

* Less than 1%.

(1) Includes shares that may be acquired within 60 days of June 30, 2007 by exercising vested stock options but does not include any unvested stock options.

(2) For each individual, this percentage is determined by assuming the named stockholder exercises all options which the stockholder has the right to acquire within 60 days of June 30, 2007, but that no other person exercises any options.

(3) Based on information furnished to us by the holder as of June 30, 2007.

(4) The shares held by Jana Piranha Master Fund, Ltd. are indirectly beneficially owned by Jana Partners LLC, a Delaware limited liability company and a private money management firm which holds its common stock in various accounts under its management and control. The principals of Jana Partners LLC are Barry Rosenstein and Gary Claar. Address: 200 Park Avenue, Suite 3800, New York, New York, 10166

(5) Bear, Stearns & Co. Inc. is owned by The Bear Stearns Companies Inc., a publicly traded company that is listed on the New York Stock Exchange. Address: 383 Madison Avenue, New York,New York, 10179

(6) Other than Richard L. Daerr, Jr. and J. Michael Pearson, none of our current directors have beneficial ownership of our common stock.

(7) Includes 179,373 shares Mr. Pearson could acquire within 60 days of June 30, 2007 by exercising vested stock options.

(8) Includes 33,633 shares Mr. Stauffer could acquire within 60 days of June 30, 2007 by exercising vested stock options.

(9) Includes 9,529 shares Mr. Rose could acquire within 60 days of June 30, 2007 by exercising vested stock options.

(10) Includes (a) 179,373 shares Mr. Pearson could acquire within 60 days of June 30, 2007 by exercising vested stock options; (b) 33,633 shares Mr. Stauffer could acquire within 60 days of June 30, 2007 by exercising vested stock options; and (c) 9,529 shares Mr. Rose could acquire within 60 days of June 30, 2007 by exercising vested stock options.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We were a party to a Management Agreement with Capture 2004, L.P., one of our former principal stockholders, dated as of October 14, 2004, in which we agreed to pay an annual management fee to Capture 2004, L.P. and reimburse Capture 2004, L.P. for reasonable out-of-pocket expenses directly related to the performance by Capture 2004, L.P. under the Management Agreement. The aggregate amount paid under this Management Agreement for the year ended December 31, 2006 was approximately $300,000. The Management Agreement was terminated as part of the 2007 Private Placement.

We have entered into indemnification agreements with our directors to provide our directors and certain of their affiliated parties with additional indemnification and related rights. See "Description of Capital Stock — Liability and Indemnification of Officers, Directors and Certain Affiliates" for further information.

We entered into an agreement with Mr. Inserra whereby certain of our subsidiaries lease equipment used in our business from Mr. Inserra for $57,500 per month, payable on a monthly basis. The agreement is month to month. We have leased such equipment from Mr. Inserra pursuant to an oral agreement since October 2004. In March 2007, we entered into written lease agreements with Mr. Inserra regarding the lease of such equipment. The aggregate amount of the lease payments under the lease for the years ended December 31, 2005 and 2006 was $256,912 and $625,428, respectively. In addition, we purchased equipment for $1.0 million from Mr. Inserra in 2006.

On March 27, 2007 we entered into a redemption agreement with Austin Ventures VII, L.P., Austin Ventures VIII, L.P., Mr. Inserra, Capture 2004, L.P., Orion Incentive Equity, L.P. and 2004 Orion LLP, which was amended and restated on May 8, 2007. Under the redemption agreement, as amended, as part of the 2007 Private Placement, we redeemed all of the shares of our preferred stock held by them for a price per share equal to $1,000 plus all accrued or declared but unpaid dividends, and repurchased all 16,053,816 shares of our common stock held by them for a price per share equal to $12.555, representing the offering price less the initial purchaser's discount and placement fee.

SELLING SHAREHOLDERS

This prospectus covers shares sold in the 2007 Private Placement. We sold shares to Friedman, Billings, Ramsey & Co., Inc. as initial purchaser who also acted as sole placement agent in the 2007 Private Placement. Some of the shares sold in the private equity placement were sold to "accredited investors" as defined by Rule 501(a) under the Securities Act pursuant to an exemption from registration under Regulation D, Rule 506 under Section 4(2) of the Securities Act. In addition, Friedman, Billings, Ramsey & Co., Inc. sold the shares it purchased from us in transactions exempt from the registration requirements of the Securities Act to persons that it reasonably believed were "qualified institutional buyers," as defined by Rule 144A under the Securities Act or to non-U.S. persons pursuant to Regulation S under the Securities Act. The selling shareholders who purchased shares in the 2007 Private Placement and their transferees, pledges, donees, assignees or successors, may from time to time offer and sell under this prospectus any or all of the shares listed opposite each of their names below.

The following table sets forth information about the number of shares owned by each selling shareholder that may be offered from time to time under this prospectus. Certain selling shareholders may be deemed to be "underwriters" as defined in the Securities Act. Any profits realized by the selling shareholders may be deemed to be underwriting commissions.

The table below has been prepared based upon the information furnished to us by the selling shareholders as of [ ], 2007. The selling shareholders identified below may have sold, transferred or otherwise disposed of some or all of their shares since the date on which the information in the following table is presented in transactions exempt from or not subject to the registration requirements of the Securities Act. Information concerning the selling shareholders may change from time to time and, if necessary, we will supplement this prospectus accordingly. We cannot give an estimate as to the amount of shares of common stock that will be held by the selling shareholders upon termination of this offering because the selling shareholders may offer some or all of their common stock under the offering contemplated by this prospectus. The total amount of shares that may be sold hereunder will not exceed the number of shares offered hereby. See "Plan of Distribution."

Except as noted below, to our knowledge, none of the selling shareholders has, or has had within the past three years, any position, office or other material relationship with us or any of our predecessors or affiliates, other than their ownership of shares described below.

Selling Shareholder(1)	Number of Shares of Common Stock Held Prior to the Offering	Number of Shares Offered	Number of Shares of Common Stock Held after the Offering	Percentage of Common Stock Outstanding after Offering

(1) The names of the selling shareholders and the number of securities held by them will be provided in a pre-effective amendment to this registration statement.

DESCRIPTION OF CAPITAL STOCK

The following description of the material terms of our capital stock is only a summary of the information contained in our amended and restated certificate of incorporation. You should read it together with our amended and restated certificate of incorporation and bylaws. Selected provisions of our organizational documents are summarized below. Copies of our organizational documents will be provided upon request. In addition, you should be aware that the summary below does not give full effect to the terms of the provisions of statutory or common law which may affect your rights as a stockholder.

General

Pursuant to our amended and restated certificate of incorporation, which we refer to as our certificate of incorporation, we have the authority to issue an aggregate of 60,000,000 shares of capital stock, consisting of 50,000,000 shares of common stock, par value $0.01 per share, and 10,000,000 shares of preferred stock, par value $0.01 per share.

Common Stock

We have a total of 21,565,324 shares of common stock outstanding which does not include shares reserved for issuance pursuant to our stock incentive plans, including outstanding options to purchase 659,195 shares and options to purchase an additional 1,307,644 shares available for future grants.

Voting Rights. Each share of common stock is entitled to one vote in the election of directors and on all other matters submitted to a stockholder vote. Our stockholders may not cumulate their votes in the election of directors or any other matter.

Dividends. Any dividends declared by our board of directors on our common stock will be payable ratably out of assets legally available therefor after payment of dividends required to be paid on shares of preferred stock, if any.

Liquidation. In the event of any dissolution, liquidation or winding up of our affairs, whether voluntary or involuntary, after payment of our debts and other liabilities and making provision for any holders of our preferred stock who have a liquidation preference, our remaining assets will be distributed ratably among the holders of common stock.

Fully Paid. All the shares of common stock to be outstanding upon completion of this offering will be fully paid and nonassessable.

Other Rights. Holders of our common stock have no redemption or conversion rights and no preemptive or other rights to subscribe for our securities.

Preferred Stock

Our board of directors has the authority to issue up to 10,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion rates, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of that series, which may be superior to those of the common stock, without further vote or action by the stockholders. There are currently no shares of preferred stock outstanding .

The issuance of shares of the preferred stock by our board of directors as described above may adversely affect the rights of the holders of common stock. For example, preferred stock issued by us may rank prior to the common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights, and may be convertible into shares of common stock.

Liability and Indemnification of Officers, Directors and Certain Affiliates

Our certificate of incorporation contains certain provisions permitted under the Delaware General Corporation Law relating to the liability of directors. These provisions eliminate a director's personal liability for monetary

damages resulting from a breach of fiduciary duty, except that a director will be personally liable under the Delaware General Corporation Law:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law relating to unlawful stock repurchases, redemptions or dividends; or
- for any transaction from which the director derives an improper personal benefit.

If the Delaware General Corporation Law is amended to authorize the further elimination or limitation of director's liability, then the liability of our directors will automatically be limited to the fullest extent provided by law. These provisions do not limit or eliminate our rights or those of any stockholder to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of a director's fiduciary duty. These provisions will not alter a director's liability under federal securities laws.

Our certificate of incorporation and bylaws also provide that we must indemnify our directors and officers to the fullest extent permitted by Delaware law and also provide that we must advance expenses, as incurred, to our directors and officers in connection with a legal proceeding to the fullest extent permitted by Delaware law, subject to very limited exceptions. We may also indemnify employees and others and advance expenses to them in connection with legal proceedings.

We have entered into separate indemnification agreements with our directors that provide our directors and any partnership, corporation, trust or other entity of which such director is or was a partner, stockholder, trustee, director, officer, employee or agent ("Indemnitees"), with additional indemnification and related rights, particularly with respect to indemnification procedures and directors' and officers' insurance coverage. The indemnification agreements require us, among other things, to indemnify the Indemnitees against liabilities that may arise by reason of the directors' acts or omissions while providing service to us, other than liabilities arising from acts or omissions (a) regarding enforcement of the indemnification agreement, if not taken in good faith, (b) relating to the purchase and sale by an Indemnitee of securities in violation of Section 16(b) of the Exchange Act, (c) subject to certain exceptions, in the event of claims initiated or brought voluntarily by an Indemnitee, not by way of defense, counterclaim or cross claim or (d) for which applicable law or the indemnification agreements prohibit indemnification; provided, however, that an Indemnitee shall be entitled to receive advance amounts for expenses they incur in connection with claims or actions against them unless and until a court having jurisdiction over the claim shall have made a final judicial determination that such Indemnitee is prohibited from receiving indemnification. Furthermore, we are not responsible for indemnifying an Indemnitee if an independent reviewing party (a party not involved in the pending claim) determines that such Indemnitee is not entitled to indemnification under applicable law, unless a court of competent jurisdiction determines that such Indemnitee is entitled to indemnification. We believe that these indemnification arrangements are important to our ability to attract and retain qualified individuals to serve as directors.

We obtained directors' and officers' liability insurance to provide our directors and officers with insurance coverage for losses arising from claims based on any breaches of duty, negligence, or other wrongful acts, including violations of securities laws, unless such a violation is based on any deliberate fraudulent act or omission or any willful violation of any statute or regulation.

These provisions may have the practical effect in certain cases of eliminating the ability of our stockholders to collect monetary damages from our directors and officers. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and officers.

Anti-Takeover Effects of Provisions of Delaware Law, Our Certificate of Incorporation and Bylaws

Our certificate of incorporation, bylaws and the Delaware General Corporation Law contain certain provisions that could discourage potential takeover attempts and make it more difficult for our stockholders to change management or receive a premium for their shares.

Delaware Anti-Takeover Statute. We have elected to be subject to Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, this section prevents certain Delaware companies under certain circumstances from engaging in a "business combination" with (a) a stockholder who owns 15% or more of our outstanding voting stock (otherwise known as an "interested stockholder"), (b) an affiliate of an interested stockholder, or (c) associate of an interested stockholder, for three years following the date that the stockholder became an "interested stockholder." A "business combination" includes a merger or sale of 10% or more of our assets.

Charter and Bylaw Provisions

Classified Board. Our certificate of incorporation provides that our board of directors will be divided into three classes of directors, with the classes to be as nearly equal in number as possible. As a result, approximately one-third of our board of directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board of directors. Our certificate of incorporation and bylaws provide that the number of directors will be fixed from time-to-time exclusively pursuant to a resolution adopted by the board of directors.

Authorized But Unissued Shares. The authorized but unissued shares of our common stock and preferred stock are available for future issues without stockholder approval. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could make it more difficult or discourage an attempt to obtain control of us by means of a proxy context, tender offer, merger or otherwise. Undesignated preferred stock may also be used in connection with a stockholder rights plan, although we have no present intention to adopt such a plan.

Filling Board of Directors Vacancies; Removal. Our certificate of incorporation provides that vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the affirmative vote of a majority of the directors then in office, though less than a quorum, or by the sole remaining director. Each director will hold office until his or her successor is elected and qualified, or until the director's earlier death, resignation, retirement or removal from office. Any director may resign at any time upon written notice to our board of directors or to our President. Directors may be removed only for cause upon the affirmative vote of the holders of 75% of the voting power of the outstanding shares of capital stock voting together as a single class. We believe that the removal of directors by the stockholders only for cause, together with the classification of the board of directors, will promote continuity and stability in our management and policies and that this continuity and stability will facilitate long-range planning.

No Cumulative Voting. The Delaware General Corporation Law provides that stockholders are not entitled to the right to cumulate votes in the election of directors or any other matter brought to a vote of our stockholders unless our certificate of incorporation provides otherwise. Under cumulative voting, a majority stockholder holding a sufficient percentage of a class of shares may be able to ensure the election of one or more directors. Our certificate of incorporation does not provide for cumulative voting.

Election of Directors. Our bylaws require the affirmative vote of a plurality of the outstanding shares of our capital stock entitled to vote generally in the election of directors cast at a meeting of our stockholders called for such purpose.

Advance Notice Requirement for Stockholder Proposals and Director Nominations. Our bylaws provide that stockholders seeking to bring business before or to nominate candidates for election as directors at an annual meeting of stockholders must provide timely notice of their proposal in writing to the corporate secretary. With respect to the nomination of directors, to be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices (a) with respect to an election of directors to be held at the annual meeting of stockholders, not later than 120 days prior to the anniversary date of the proxy statement for the immediately preceding annual meeting of the stockholders and (b) with respect to an election of directors to be held at a special meeting of stockholders, not later than the close of business on the 10th day following the day on which such notice of the date of the special meeting was first mailed to our stockholders or public disclosure of the date of the special meeting was first made, whichever first occurs. With respect to other business to be brought before a meeting of

stockholders, to be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices not less than 120 days prior to the anniversary date of the proxy statement for the immediately preceding annual meeting of the stockholders. Our bylaws also specify requirements as to the form and content of a stockholder's notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders or may discourage or defer a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Amendments to our Certificate of Incorporation and Bylaws. Pursuant to the Delaware General Corporation Law and our certificate of incorporation, certain anti-takeover provisions of our certificate of incorporation may not be repealed or amended, in whole or in part, without the approval of at least 80% of the outstanding stock entitled to vote. Our certificate of incorporation permits our board of directors to adopt, amend and repeal our bylaws. Our certificate of incorporation also provides that our bylaws can be amended by the affirmative vote of the holders of at least 80% of the voting power of the outstanding shares of our common stock.

No Stockholder Action by Written Consent; Special Meeting. Our certificate of incorporation precludes stockholders from initiating or effecting any action by written consent and thereby taking actions opposed by our board of directors in that manner. Our bylaws also provide that special meeting of stockholders may be called only by our board of directors.

Restrictions on Ownership

Restrictions on Foreign Ownership. Certain U.S. maritime laws, including the Dredging Act, the Jones Act, the Shipping Act and the Vessel Documentation Act, prohibit foreign ownership or control of persons engaged in the transport of merchandise or passengers or dredging in the navigable waters of the U.S. A corporation is considered to be foreign owned or controlled if, among other things, 25% or more of the ownership or voting interests with respect to its equity stock is held by non-U.S. citizens. If we should fail to comply with such requirements, our vessels would lose their eligibility to engage in coastwise trade or dredging within U.S. domestic waters. To facilitate our compliance, our certificate of incorporation includes the following provisions:

- limits ownership by non-U.S. citizens of any class or series of our capital stock (including our common stock) to 23%;
- permits us to withhold dividends and suspend voting rights with respect to any shares held by non-U.S. citizens;
- permits a stock certification system with two types of certificates to aid tracking of ownership;
- permits us to redeem any shares held by non-U.S. citizens so that our foreign ownership is less than 23%; and
- permits us to take measures to ascertain ownership of our stock.

You may be required to certify whether you are a U.S. citizen before purchasing or transferring our common stock. If you or a proposed transferee cannot make such certification, or a sale of stock to you or a transfer of your stock would result in the ownership by non-U.S. citizens of 23% or more of our common stock, you may not be allowed to purchase or transfer our common stock. All certificates representing the shares of our common stock will bear legends referring to the foregoing restrictions.

In addition, our certificate of incorporation permits us to establish and maintain a dual stock certificate system under which different forms of certificates may be used to reflect whether the owner is a U.S. citizen.

Listing

We intend to apply for listing on the NASDAQ Global Market under the symbol "OMGI".

Transfer Agent and Registrar

Our transfer agent and registrar for our common stock is American Stock Transfer & Trust Company.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering there has been no public market for our common stock. Although we intend to apply for listing on the NASDAQ Global Market, a significant public market for our common stock may never develop or be sustained. We cannot predict the effect, if any, that market sales of shares or the availability of shares for sale will have on the market price prevailing from time-to-time. As described below, a limited number of our shares will be subject to contractual and legal restrictions on resale after the offering. Sales of our common stock in the public market after the restrictions lapse, or the perception that these sales may occur, could cause the market price of our common stock to decline.

We currently have 21,565,324 outstanding shares of common stock. Of these shares, 20,949,196 shares may be sold pursuant to the registration statement of which this prospectus is a part. Purchasers of shares sold pursuant to the registration statement of which this prospectus is a part — other than one of our "affiliates" (as defined in Rule 144 under the Securities Act) — will receive shares which are freely tradable and without restriction under the Securities Act. All shares outstanding other than the shares sold in this offering, a total of 616,128 shares, will be "restricted securities" within the meaning of Rule 144 under the Securities Act and subject to lock-up arrangements.

Lock-Up Agreements

We have agreed that for a period beginning on the closing date until 180 days after such date and from the date the registration statement (of which this prospectus is a part) is declared effective until 60 days thereafter, except as otherwise provided below, we will not, without the prior written consent of Friedman, Billings, Ramsey & Co., Inc:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer, directly or indirectly, any of our equity securities or any securities convertible into or exercisable or exchangeable for our equity securities, or file any registration statement under the Securities Act with respect to any of the foregoing; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of any of our equity securities, whether any such transaction described above is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise.

The restrictions in the prior sentence will not apply to: (a) the shares of our common stock sold in the 2007 Private Placement; (b) the registration and sale of shares of our common stock under the registration statement (of which this prospectus is a part); (c) any shares of our common stock issued by us upon the exercise of an option outstanding on the date of this prospectus and referred to in this prospectus; or (d) such issuances of options or grants of restricted stock under our stock option and incentive plans described in this prospectus.

For a period beginning on the effective date of the registration statement (of which this prospectus is a part) and ending (and including) 180 days after the date that is 180 days after such effective date (the "Lock-Up Period"), except as otherwise provided below, our executive officers, certain of our key employees, our directors and certain of our existing stockholders have agreed, without the prior written consent of Friedman, Billings, Ramsey & Co., Inc. not to:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, lend or otherwise dispose of or transfer, directly or indirectly, any of our equity securities or any securities convertible into or exercisable or exchangeable for our equity securities; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of any of our equity securities, whether any such transaction described above is to be settled by delivery of shares of our common stock or such other securities, in cash or otherwise.

Notwithstanding the restrictions in the prior sentence, subject to applicable securities laws and the restrictions contained in our charter, our executive officers, key employees, directors and certain of our existing stockholders

may transfer our securities: (a) pursuant to the exercise and issuance of options; (b) as a bona fide gift or gifts, provided that the donees agree to be bound by the same restrictions; (c) to any trust for the direct or indirect benefit of the stockholder or the immediate family of the stockholder, provided that the trustee agrees to be bound by the same restrictions; (d) as a distribution to its beneficial owners, provided that such beneficial owners agree to be bound by the same restrictions; (e) as required under any of our benefit plans; (f) as required by participants in our benefit plans to reimburse or pay U.S. federal income tax and withholding obligations in connection with the vesting of restricted common stock grants; (g) as collateral for any bona fide loan, provided that the lender agrees to be bound by the same restrictions; (h) with respect to sales of securities acquired after the closing of this offering in the open market; (i) to third parties as consideration for acquisitions provided that such third parties agree to be bound by the same restrictions; (j) in connection with awards under our benefit plans; (k) pursuant to an initial public offering of our common stock; and (l) to each other.

In addition, the holders of our common stock that are beneficiaries of the registration rights agreement dated as of May 17, 2007 by and between us and Friedman, Billings, Ramsey & Co., Inc., for the benefit of the purchasers in the 2007 Private Placement (the "2007 Private Placement Registration Rights Agreement") and who elect to include their shares of our common stock in this offering will not be able to sell any remaining shares not included in this offering during such periods as reasonably requested by Friedman, Billings, Ramsey & Co., Inc. (but in no event for a period longer than 30 days prior to and 180 days following the effective date of the registration statement). The holders of our common stock that are beneficiaries of the 2007 Private Placement Registration Rights Agreement but who elected not to include their shares of our common stock in this offering will not be able to sell their shares for a period of up to 60 days following the effective date of the registration statement of which this prospectus is a part. See "Registration Rights."

Upon expiration of these lock-up agreements, [ ] shares will be eligible for sale in the public market under Rule 144 of the Securities Act, subject to the restrictions contained therein.

Eligibility of Restricted Shares for Sale in the Public Market

Rule 144. In general, under Rule 144 as currently in effect, if we have been a public reporting company under the Exchange Act for at least 90 days, a person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned shares of our common stock for at least one year, including the holding period of any prior owner other than an affiliate, and who files a Form 144 with respect to this sale, will be entitled to sell within any three-month period a number of shares of common stock that does not exceed the greater of:

- 1.0% of the then outstanding shares of our common stock, or approximately 215,653 shares immediately after this offering; or
- the average weekly trading volume during the four calendar weeks preceding the date of which notice of the sale is filed on Form 144.

Sales under Rule 144 are also subject to restrictions relating to manner of sale, notice requirements and the availability of current public information about us.

Rule 144(k). A person (or persons whose shares are aggregated) who is not deemed to have been our affiliate at any time during the 90 days immediately preceding a sale and who has beneficially owned his or her shares for at least two years, including the holding period of any prior owner other than an affiliate, is entitled to sell these shares of our common stock pursuant to Rule 144(k) without regard to the volume limitations, manner of sale provisions, public information or notice requirements of Rule 144. Affiliates must always sell pursuant to Rule 144, even after the applicable holding periods have been satisfied.

REGISTRATION RIGHTS

In connection with the 2007 Private Placement, we entered into the 2007 Private Placement Registration Rights Agreement.

Under the 2007 Private Placement Registration Rights Agreement, we agreed, at our expense, to file with the SEC as soon as reasonably practicable following the closing of the 2007 Private Placement (but in no event later than September 15, 2007) a shelf registration statement registering for resale the shares of our common stock sold in this offering plus any additional shares of common stock issued in respect thereof whether by stock dividend, stock distribution, stock split, or otherwise.

If we choose to file a registration statement for an initial public offering of our common stock, all holders of our common stock sold in the 2007 Private Placement and each of their respective direct and indirect transferees may elect to participate in the registration in order to resell their shares, subject to:

- compliance with the registration rights agreement;
- cutback rights on the part of the underwriters, provided that the holders of the registrable shares will be entitled to include shares comprising at least 25% of the total securities in the initial public offering proposed under the registration statement; and
- other conditions and limitations that may be imposed by the underwriters.

Upon an initial public offering of our common stock, the holders of our common stock purchased in the 2007 Private Placement who elect, pursuant to the registration rights agreement, to include their shares of our common stock for resale in the initial public offering will not be able to sell any of their shares of our common stock that are not included in the initial public offering during such periods as reasonably requested by the underwriters (but in no event for a period longer than 30 days prior to and 180 days following the effective date of the registration statement filed in connection with the initial public offering of our common stock). Those holders of our common stock purchased in the 2007 Private Placement who do not elect, despite their right to do so under the registration rights agreement, to include their shares of our common stock for resale in the initial public offering may not directly or indirectly sell, offer to sell, grant any option or otherwise dispose of any shares of our common stock (or securities convertible into such shares) for a period of up to 60 days following the effective date of the registration statement filed in connection with the initial public offering of our common stock.

The preceding summary of certain provisions of the registration rights agreement is not intended to be complete, and is subject to, and qualified in its entirety by reference to, all of the provisions of the registration rights agreement and you should read this summary together with the complete text of the registration rights agreement. We or Friedman, Billings, Ramsey & Co., Inc. will make copies of the registration rights agreement available to purchasers in this offering upon request.

DESCRIPTION OF INDEBTEDNESS

Credit Facility

On October 14, 2004, simultaneously with the closing of the acquisition of the stock of Orion Marine Group, Inc., we obtained a $41.5 million term loan facility and $8.5 million revolving line of credit, subject to a borrowing base, from a group of lender banks led by Southwest Bank of Texas, N.A. Proceeds of these advances were used to pay a portion of the consideration paid for the stock (which included repayment of certain debt of Orion Marine Group, Inc.) and transaction costs and expenses associated with the transaction. On March 23, 2007 the credit facility was amended to add a new acquisition term loan facility of $25.0 million and to add an "accordion facility" by which either the revolving line of credit or acquisition term loan may be increased by up to an aggregate of $25.0 million at the discretion of our lenders. Following the 2007 Private Placement, we repaid a significant portion of our debt and on July 10, 2007 we restated our credit agreement with our existing lenders. Debt under the new credit facility includes the balance of the term loan facility of $3.1 million, which will be repaid in three installments through March 2008. In addition, we may borrow up to $25 million under an acquisition term loan facility and up to $8.5 million under a revolving line of credit. At the discretion of our lenders, we also have an accordion facility available to us by which either the revolving line of credit or acquisition term loan may be increased by up to $25 million. As of August 1, 2007, no amounts had been drawn under the acquisition term loan facility or the revolving line of credit. All provisions of the credit facility mature on September 10, 2010.

The borrowing base for our revolving facility is based upon the value of certain of our accounts receivable and the amount of cash on hand. Borrowings under our debt facilities bear interest, at our option, at a rate equal (a) to the LIBOR rate plus a variable margin between 1.5% and 2.5% or (b) the prime rate plus a variable margin between 0.0% and (1.0%). Availability on the revolving line of credit is reduced by any outstanding letters of credit. Substantially all of our assets and the assets of Orion Marine Group, Inc. and our subsidiaries are pledged to secure the credit facility. In addition, our subsidiaries have guaranteed our obligations under the credit facility. We must pay quarterly a commitment fee of 0.20% to 0.375% per year on both the unused availability under the revolving line of credit and on the availability under the acquisition loan facility. The credit facility contains various restrictive covenants and other usual and customary terms and conditions of a revolving line of credit and term loan facility, including limitations on the payment of cash dividends and other restricted payments, limitations on the incurrence of additional debt, and prohibitions on the sale of assets. Financial covenants require us to, among other things:

- maintain a net worth, at all times, of not less than the sum of (a) $40.0 million plus (b) 50% of adjusted net income since December 31, 2006 plus (c) 75% of the net proceeds of equity issuances (other than the proceeds of this offering);
- maintain a ratio, as of any date, of (a) EBITDA (earnings before interest, taxes, depreciation, amortization and depletion) minus the greater of (y) the maintenance capital expenditures for such period or (z) $3.0 million to (b) the sum of (x) interest expense plus (y) scheduled principal payments for such period plus (z) the amount of all income and franchise taxes paid in cash during such period, of not less than 1.30 to 1.00; and
- maintain a ratio, as of the last day of each fiscal quarter, of (a) total debt to (b) EBITDA of not greater than 3.00 to 1.00.

The credit facility also contains customary events of default, including the occurrence of (a) an acquisition of more than 50% of the total voting power of our stock by a person not holding 50% or more of such voting power prior to execution of our restated loan agreement, (b) the replacement of a majority of the members of our board of directors during any 12 month period by directors whose appointment is not endorsed by a majority of the members of our board of directors prior to such appointment or (c) default by us in the payment or performance of any other indebtedness equal to or exceeding $250,000.

PLAN OF DISTRIBUTION

We are registering the common stock covered by this prospectus to permit the selling shareholders to conduct public secondary trading of these shares from time to time after the date of this prospectus. Under the 2007 Private Placement Registration Rights Agreement we entered into with Friedman, Billings, Ramsey & Co., Inc. (for the benefit of selling shareholders), we agreed to, among other things, bear all expenses, other than brokers' or underwriters' discounts and commissions, in connection with the registration and sale of the common stock covered by this prospectus. We will not receive any of the proceeds of the sale of the common stock offered by this prospectus. The aggregate proceeds to the selling shareholders from the sale of the common stock will be the purchase price of the common stock less any discounts and commissions. A selling shareholder reserves the right to accept and, together with their agents, to reject, any proposed purchases of common stock to be made directly or through agents.

The common stock offered by this prospectus may be sold from time to time to purchasers:

- directly by the selling shareholders and their successors, which include their donees, pledges or transferees or their successors-in-interest; or
- through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, commissions or agent's commissions from the selling shareholders or the purchasers of the common stock. These discounts, concessions or commissions may be in excess of those customary in the types of transactions involved.

The selling shareholders and any underwriters, brokers-dealers or agents who participate in the sale or distribution of the common stock may be deemed to be "underwriters" within the meaning of the Securities Act. The selling shareholders identified as registered broker-dealers in the selling shareholders table (under the caption "Selling Shareholders") are deemed to be underwriters with respect to securities sold by them pursuant to this prospectus. As a result, any profits on the sale of the common stock by such selling shareholders and any discounts, commissions or agent's commissions or concessions received by any such broker-dealer or agents may be deemed to be underwriting discounts and commissions under the Securities Act. Selling shareholders who are deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act will be subject to prospectus delivery requirements of the Securities Act. Underwriters are subject to certain statutory liabilities, including, but not limited to, Sections 11, 12 and 17 of the Securities Act.

The common stock may be sold in one or more transactions at:

- fixed prices;
- prevailing market prices at the time of sale;
- prices related to such prevailing market prices;
- varying prices determined at the time of sale; or
- negotiated prices.

These sales may be effected in one or more transactions:

- on any national securities exchange or quotation on which the common stock may be listed or quoted at the time of the sale;
- in the over-the-counter market;
- in transactions other than on such exchanges or services or in the over-the-counter market;
- through the writing of options (including the issuance by the selling shareholders of derivative securities), whether the options or such other derivative securities are listed on an options exchange or otherwise;
- through the settlement of short sales; or
- through any combination of the foregoing.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

In connection with the sales of the common stock, the selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions which in turn may:

- engage in short sales of the common stock in the course of hedging their positions;
- sell the common stock short and deliver the common stock to close out short positions;
- loan or pledge the common stock to broker-dealers or other financial institutions that in turn may sell the common stock;
- enter into option or other transactions with broker-dealers or other financial institutions that require the delivery to the broker-dealer or other financial institution of the common stock, which the broker-dealer or other financial institution may resell under the prospectus; or
- enter into transactions in which a broker-dealer makes purchases as a principal for resale for its own account or through other types of transactions.

To our knowledge, there are currently no plans, arrangements or understandings between any selling shareholders and any underwriter, broker-dealer or agent regarding the sale of the common stock by the selling shareholders.

We intend to apply for listing on the NASDAQ Global Market under the symbol “OMGI”. However, we can give no assurances as to the development of liquidity or any trading market for the common stock.

There can be no assurance that the selling shareholders will sell any or all of the common stock under this prospectus. Further, we cannot assure you that any selling shareholder will not transfer, devise or gift the common stock by other means not described in this prospectus. In addition, any common stock covered by this prospectus that qualifies for sale under Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than under this prospectus. The common stock covered by this prospectus may also be sold to non-U.S. persons outside the U.S. in accordance with Regulation S under the Securities Act rather than under this prospectus. The common stock may be sold in some states only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification is available and complied with.

The selling shareholders and any other person participating in the sale of the common stock will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any common stock by the selling shareholders and any other such person. In addition, Regulation M may restrict the ability of any person engaged in the distribution of the common stock to engage in market-making activities with respect to the particular common stock being distributed. This may affect the marketability of the common stock and the ability of any person or entity to engage in market-making activities with respect to the common stock.

We have agreed to indemnify the selling shareholders against certain liabilities, including liabilities under the Securities Act.

We have agreed to pay substantially all of the expenses incidental to the registration, offering and sale of the common stock to the public, including the payment of federal securities law and state blue sky registration fees, except that we will not bear any underwriting discounts or commissions or transfer taxes relating to the sale of shares of our common stock by the selling shareholders.

LEGAL MATTERS

Vinson & Elkins L.L.P., Austin, Texas will pass upon the validity of the shares of our common stock offered by the selling shareholders under this prospectus.

EXPERTS

The consolidated balance sheets of Orion Marine Group, Inc. as of December 31, 2005 and 2006, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2006 and the period from October 14, 2004 through December 31, 2004 and the consolidated statements of income and cash flow for Orion Marine Group Holdings, Inc. for the period from January 1, 2004 to October 13, 2004 included in this prospectus and elsewhere in the registration statement have been audited by Grant Thornton LLP, independent registered public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm, as experts in accounting and auditing in giving said reports.

WHERE YOU CAN FIND MORE INFORMATION

For further information regarding us and the common stock offered by this prospectus, you may desire to review the full registration statement, including its exhibits. The registration statement, including the exhibits, may be inspected and copied at the public reference facilities maintained by the Securities and Exchange Commission at Judiciary Plaza, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of these materials can also be obtained upon written request from the Public Reference Section of the Securities and Exchange Commission at Judiciary Plaza, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates or from the Securities and Exchange Commission's website on the Internet at http://www.sec.gov. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on public reference rooms.

As a result of this offering, we will file with or furnish to the Securities and Exchange Commission periodic reports and other information. These reports and other information may be inspected and copied at the public reference facilities maintained by the Securities and Exchange Commission or obtained from the Securities and Exchange Commission's website as provided above. Our website on the Internet is located at http://www.orionmarinegroup.com, and we expect to make our periodic reports and other information filed or furnished to the Securities and Exchange Commission available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the Securities and Exchange Commission. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
Orion Marine Group, Inc.

We have audited the accompanying consolidated balance sheets of Orion Marine Group, Inc.. (a Delaware corporation) as of December 31, 2006 and 2005, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 2006 and the period from October 14, 2004 through December 31, 2004,and the consolidated statements of income and cash flows for Orion Marine Group Holdings, Inc. (the Predecessor) for the period from January 1, 2004 through October 13, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orion Marine Group, Inc. as of December 31, 2006 and 2005, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2006, the period from October 14, 2004 through December 31, 2004 and of the Predecessor for the period from January 1, 2004 through October 13, 2004 in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

Houston, Texas
August 20, 2007

Orion Marine Group, Inc. and Subsidiaries

Consolidated Balance Sheets

	December 31,	
	2006	2005
	(In thousands, except share and per share information)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,561	$ 7,645
Accounts receivable:		
Trade, net of allowance of $500 and $0, respectively	22,253	20,974
Retainage	4,514	7,079
Other	432	168
Inventory	526	558
Taxes receivable	—	914
Deferred tax asset	559	188
Costs and estimated earnings in excess of billings on uncompleted contracts	2,136	3,492
Prepaid expenses and other	217	193
Total current assets	49,198	41,211
Accounts receivable — long term retainage	1,306	—
Property and equipment, net	71,334	69,914
Goodwill	2,481	2,481
Other assets	753	1,020
Total assets	$125,072	$114,626
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 5,810	$ 4,565
Accounts payable:		
Trade	6,099	9,660
Retainage	1,114	970
Related party	45	257
Accrued liabilities	10,632	4,301
Taxes payable	330	—
Billings in excess of costs and estimated earnings on uncompleted contracts	12,198	6,729
Total current liabilities	36,228	26,482
Long-term debt, less current portion	19,190	29,983
Deferred income taxes	15,934	16,896
Deferred revenue	481	535
Total liabilities	71,833	73,896
Commitments and contingencies		
Stockholders' equity:		
Preferred stock — $0.01 par value, 35,000 shares authorized, issued and outstanding, $1,000 per share liquidation preference	—	—
Common stock — $0.01 par value, 50,000,000 shares authorized, 16,730,942 shares issued	167	167
Treasury Stock, 100,897 and 0 shares at cost	(24)	—
Additional paid-in capital	34,963	34,833
Retained earnings	18,133	5,730
Total stockholders' equity	53,239	40,730
Total liabilities and stockholders' equity	$125,072	$114,626

The accompanying notes are an integral part of these consolidated financial statements.

Orion Marine Group, Inc. and Subsidiaries

Consolidated Statements of Income

	Successor			Predecessor
	Year Ended December 31, 2006	Year Ended December 31, 2005	October 14 Through December 31, 2004	January 1 Through October 13, 2004
	(In thousands, except share and per share information)			
Contract revenues	$ 183,278	$ 167,315	$ 32,570	$ 97,989
Costs of contract revenues	144,741	145,740	30,065	79,185
Gross profit	38,537	21,575	2,505	18,804
Selling, general and administrative expenses	18,225	10,685	1,611	7,752
	20,312	10,890	894	11,052
Other (income) expense				
Interest expense, net	1,755	2,179	446	24
Other income	(886)	(405)	(237)	(52)
Other (income) expense, net	869	1,774	209	(28)
Income before income taxes	19,443	9,116	685	11,080
Income tax expense	7,040	3,805	266	4,378
Net income	$ 12,403	$ 5,311	$ 419	$ 6,702
Net income	$ 12,403	$ 5,311	$ 419	$ 6,702
Preferred dividends	2,100	2,100	460	—
Earnings available to common shareholders	$ 10,303	$ 3,211	$ (41)	$ 6,702
Basic earnings per share	$ 0.65	$ 0.20	$ 0.00	$ 69.02
Diluted earnings per share	$ 0.63	$ 0.20	$ 0.00	$ 69.02
Shares used to compute earnings per share:				
Basic	15,872,360	15,706,960	15,695,067	97,100
Diluted	16,407,250	16,135,211	15,695,067	97,100

The accompanying notes are an integral part of these consolidated financial statements.

Orion Marine Group, Inc. and Subsidiaries

Consolidated Statement of Stockholders' Equity

	Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In	Retained	
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Earnings	Total
	(In thousands, except share information)								
Balance at inception	—	$ —	—	$ —	—	$ —	$ —	$ —	$ —
Sale of stock	31,500	—	4,036	—	—	—	31,500	—	31,500
Exchange of stock	3,500	—	448	—	—	—	3,500	—	3,500
Net income		—		—	—	—	—	419	419
Balance, December 31, 2004	35,000	—	4,484	—	—	—	35,000	419	35,419
Stock split	—	—	15,690,583	157	—	—	(157)	—	—
Issuance of stock awards	—	—	1,035,874	10	—	—	(10)	—	—
Net income	—	—		—	—	—	—	5,311	5,311
Balance, December 31, 2005	35,000	—	16,730,942	167	—	—	34,833	5,730	40,730
Purchase of treasury stock	—	—	—	—	(100,897)	(24)	—	—	(24)
Stock-based compensation	—	—	—	—	—	—	130	—	130
Net income	—	—	—	—	—	—	—	12,403	12,403
Balance, December 31, 2006	35,000	$ —	16,730,942	$ 167	(100,897)	$ (24)	$ 34,963	$18,133	$53,239

The accompanying notes are an integral part of this consolidated financial statement.

Orion Marine Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Successor			Predecessor
	Year Ended December 31, 2006	Year Ended December 31, 2005	October 14 Through December 31, 2004	January 1 Through October 13, 2004
	(In thousands)			
Cash flows from operating activities:				
Net income	$ 12,403	$ 5,311	$ 419	$ 6,702
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	11,634	10,865	1,919	5,416
Deferred financing cost amortization	171	171	41	24
Non-cash interest expense	87	65	(7)	7
Bad debt expense	500	—	—	—
Deferred income taxes	1,333	(1,175)	(193)	(1,231)
Stock-based compensation	130	—	—	—
Loss (gain) on sale of property and equipment	(69)	(642)	80	(518)
Change in operating assets and liabilities:				
Accounts receivable	1,339	(8,151)	3,179	(9,761)
Income tax receivable	914	(839)	(75)	
Inventory	32	(32)	—	(259)
Prepaid expenses and other	(24)	54	571	(379)
Costs and estimated earnings in excess of billings on uncompleted contracts	2,261	3,488	(517)	(4,669)
Accounts payable	(5,248)	1,076	7,022	(1,673)
Accrued liabilities	5,077	2,039	(1,445)	3,237
Income tax payable	330	—	335	1,403
Billings in excess of costs and estimated earnings on uncompleted contracts	4,325	(1,147)	(8,067)	9,894
Deferred revenue	(54)	535	—	—
Net cash provided by operating activities	32,475	11,618	3,262	8,193
Cash flows from investing activities:				
Proceeds from sale of property and equipment	438	3,718	625	1,773
Purchase of property and equipment	(11,931)	(9,149)	(2,383)	(8,407)
Acquisition of business (net of cash acquired)	(494)	—	(59,896)	—
Net cash used in investing activities	(11,987)	(5,431)	(61,654)	(6,634)
Cash flows from financing activities:				
Proceeds from issuance of subsidiary preferred stock	—	3,513	31,500	1,000
Repurchase of subsidiary preferred stock	—	(3,513)	—	—
Borrowings on long-term debt	—	—	41,500	—
Payments for debt issue costs	—	(303)	—	
Net borrowings (repayments) under credit facility	—	—	(471)	471
Payments on long-term debt	(9,548)	(5,941)	(5,449)	(2,526)
Purchase of treasury stock	(24)	—	—	—
Payment of debt issuance costs	—	—	(986)	—
Net cash (used in) provided by financing activities	(9,572)	(6,244)	66,094	(1,055)
Net change in cash and cash equivalents	10,916	(57)	7,702	504
Cash and cash equivalents at beginning of year	7,645	7,702	—	8,420
Cash and cash equivalents at end of year	$ 18,561	$ 7,645	$ 7,702	$ 8,924
Supplemental disclosures of cash flow information:				
cash paid during the year for:				
Interest	$ 3,453	$ 2,146	$ 263	$ 150
Income taxes, net of refunds received	7,127	6,330	88	2,530

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

Principle of Consolidation and Basis of Presentation

Orion Marine Group, Inc., formerly Hunter Acquisition Corp. ("Orion" or "Successor"), and its wholly-owned subsidiary Orion Marine Group Holdings Inc. ("OMGH" or "Predecessor"); OMGH wholly-owned subsidiaries F. Miller Construction, LLC ("FMC"), Orion Construction LP ("OLP"), King Fisher Marine Service LP ("KFMS") and Misener Marine Construction, Inc. ("Misener"), (collectively referred to as "the Company"), engage in heavy civil marine projects including marine transportation facilities; bridges and causeways; marine pipelines; mechanical and hydraulic dredging; and specialty projects. Orion is headquartered in Houston, Texas and performs services primarily in the continental United States, Latin America, and the Caribbean basin.

On October 14, 2004, Orion, a newly formed company owned by new investors and the prior owners of OMGH, acquired 100% of the outstanding common stock of OMGH. The cash purchase prices for the shares that were redeemed was approximately $73.0 million (including acquisition costs), which was financed with approximately $41.5 million of new debt of the Company, and the remainder was funded by the new investors. The acquisition was accounted for using the purchase method of accounting in accordance with SFAS No. 141, *Business Combinations*.

The consolidated financial statements include the accounts of Orion and its direct and indirect wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management must apply significant judgments in this process. Among the factors, but not fully inclusive of all factors, that may be considered by management in these processes are: the range of accounting policies permitted by accounting principles generally accepted in the United States; management's understanding of the business; expected rates of business and operational change; sensitivity and volatility associated with the assumptions used in developing estimates; and whether historical trends are expected to be representative of future trends. Among the most subjective judgments employed in the preparation of these financial statements are estimates of expected costs to complete construction projects, the collectibility of contract receivables and claims, the depreciable lives of and future cash flows to be provided by our equipment and long-lived assets, the amortization period of maintenance and repairs for dry-docking activity, estimates for the number and magnitude of self-insurance reserves needed for potential medical claims and Jones Act obligations, judgments regarding the outcomes of pending and potential litigation and certain judgments regarding the nature of income and expenditures for tax purposes. The Company reviews all significant estimates on a recurring basis and records the effect of any necessary adjustments prior to publication of its financial statements. Adjustments made with respect to the use of estimates relate to improved information not previously available. Because of the inherent uncertainties in this process, actual results could differ from these estimates.

Revenue Recognition

The Company records revenue on construction contracts for financial statement purposes on the percentage-of-completion method, measured by the percentage of contract costs incurred to date to total estimated costs for each contract. This method is used because management considers contract costs incurred to be the best available measure of progress on these contracts. The Company follows the guidance of American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 81-1, *Accounting for Performance of Construction — Type and Certain Production — Type Contracts*, for its accounting policy relating to the use of the percentage-of-completion method, estimated costs and claim recognition for construction contracts. Contract revenue reflects the original contract price adjusted for agreed upon change orders and unapproved claims. Contract costs include all direct costs, such as material and labor, and those indirect costs related to contract performance such as payroll taxes and insurance. General and administrative costs are charged to expense as incurred. Unapproved claims are recognized only when the collection is deemed probable and if the amount can be reasonably estimated for purposes of calculating total profit or loss on long-term contracts. The Company records revenue and the unbilled receivable for claims to the extent of costs incurred and to the extent we believe related collection is probable and includes no profit on claims recorded. Changes in job performance, job conditions and estimated profitability, including those arising from final contract settlements, may result in revisions to costs and revenues and are recognized in the period in which the revisions are determined. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

The current asset "costs and estimated earnings in excess of billings on uncompleted contracts" represents revenues recognized in excess of amounts billed, which management believes will be billed and collected within one year of the completion of the contract. The liability "billings in excess of costs and estimated earnings on uncompleted contracts" represents billings in excess of revenues recognized.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Risk Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk principally consist of cash and cash equivalents and accounts receivable.

The Company's primary customers are governmental agencies in the United States. The Company depends on its ability to continue to obtain federal, state and local governmental contracts, and indirectly, on the amount of funding available to these agencies for new and current governmental projects. Therefore, the Company's operations can be influenced by the level and timing of government funding.

At December 31, 2006 and 2005, 13% and 38% of accounts receivable were due from one and three customers, respectively. The Company had three, two and two customers that represented greater than 10% of revenues for the years ended December 31, 2006 and 2005 and on a combined basis for the Predecessor and Successor for the year ended December 31, 2004, respectively. Revenue generated from these customers accounted for 48%, 26% and 34% of total revenue for the years ended December 31, 2006 and 2005 and on a combined basis for the Predecessor and Successor for the year ended December 31, 2004, respectively.

A significant portion of accounts receivable are due from federal, state or local governmental agencies in the United States. The following table represents concentrations of revenue and receivables (trade and retainage) at December 31, 2006 and 2005:

	Revenue	%	A/R	%
2006				
Federal Government	$ 43,682	24%	$ 1,880	7%
State Governments	29,172	16	1,647	6
Local Municipalities	59,159	32	13,426	48
Private Companies	51,265	28	11,120	39
	$ 183,278	100%	$ 28,073	100%
2005				
Federal Government	$ 28,214	17%	$ 1,178	4%
State Governments	40,990	25	6,076	22
Local Municipalities	37,237	22	8,549	30
Private Companies	60,874	36	12,250	44
	$167,315	100%	$ 28,053	100%

Accounts Receivable

Accounts receivable are stated at the historical carrying value, less write-offs and allowances for doubtful accounts. The Company has significant investments in billed and unbilled receivables as of December 31, 2006 and 2005. Billed receivables represent amounts billed upon the completion of small contracts and progress billings on large contracts in accordance with contract terms and milestones. Unbilled receivables on fixed-price contracts, which are included in costs in excess of billings, arise as revenues are recognized under the percentage-of-completion method. Unbilled amounts on cost-reimbursement contracts represent recoverable costs and accrued profits not yet billed. Revenue associated with these billings is recorded net of any sales tax, if applicable. In establishing an allowance for doubtful accounts, the Company evaluates its contract receivables and costs in excess of billings and thoroughly reviews historical collection experience, the financial condition of its customers, billing disputes and other factors. The Company writes off uncollectible accounts receivable against the allowance for doubtful accounts if it is determined that the amounts will not be collected or if a settlement is reached for an amount that is less than the carrying value. As of December 31, 2006 and 2005, the Company had an allowance for doubtful accounts of $0.5 million and $0.0 million, respectively.

The Company negotiates change orders and unapproved claims with its customers. In particular, unsuccessful negotiations of unapproved claims could result in the settlement or collection of a receivable at an amount that is less than its carrying value, which would result in the recording of a loss. Successful claims negotiations could result in the recovery of previously recorded losses. Significant losses on receivables would adversely affect our financial position, results of operations and our overall liquidity.

Inventory

Inventory consists of parts and small equipment held for use in the ordinary course of business and is valued at the lower of cost or market using historical average cost. Where shipping and handling costs are incurred by us, these charges are included in inventory and charged to cost of contract revenue upon use.

Income Taxes

The Company records income taxes based upon SFAS No. 109, *Accounting for Income Taxes*, which requires the recognition of income tax expense for the amount of taxes payable or refundable for the current year and for deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. The Company must make significant assumptions, judgments and estimates to determine its current provision for income taxes, its deferred tax assets and liabilities, and any valuation allowance to be recorded against any deferred tax asset. The current provision for income tax is based upon the current tax laws and the Company's interpretation of these laws, as well as the probable outcomes of any tax audits. The value of any net deferred tax asset depends upon estimates of the amount and category of future taxable income reduced by the amount of any tax benefits that the Company does not expect to realize. Actual operating results and the underlying amount and category of income in future years could render current assumptions, judgments and estimates of recoverable net deferred taxes inaccurate, thus impacting the Company's financial position and results of operations. The Company computes deferred income taxes using the liability method. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the liability method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Property and Equipment

Property and equipment are recorded at cost. Ordinary maintenance and repairs are charged to expense, while expenditures that extend the physical or economic life of the assets are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

In accordance with SFAS 144, *Accounting for the Impairment or Disposal of Long-lived Assets*, property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are separately presented in the balance sheet and reported at the lower of the carrying amount or the fair value, less the costs to sell, and are no longer depreciated. No property and equipment were held for sale at December 31, 2006 and 2005.

Goodwill

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Goodwill is tested for impairment on an annual basis in the fourth quarter of each year. Additionally, goodwill will be tested in the interim if events and circumstances indicate that goodwill may be impaired. Impairment of goodwill is evaluated using a two-step process. The first step involves a comparison of the fair value of a reporting unit with its carrying value. If the carrying amount of the reporting unit exceeds its fair value, the second step of the process involves a comparison of the fair value and carrying value of the goodwill of that reporting unit. If the carrying value of the goodwill of a reporting unit exceeds the fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess. Based on management's evaluation in 2006 and 2005, no impairment loss was recognized. No impairment evaluation was performed during the year ended December 31, 2004 as the goodwill was created during the acquisition of the Predecessor by the Company.

Fair Values of Financial Instruments

At December 31, 2006 and 2005, the carrying amounts of the Company's cash and cash equivalents, receivables, and payables approximated their fair values due to the short maturity of such financial instruments. The carrying amount of the Company's floating-rate debt approximated its fair value at December 31, 2006 and 2005 as such instruments bear short-term, market-based interest rates.

Debt Issuance Costs

Debt issuance costs paid in connection with new loan facilities are included in other assets and are amortized over the scheduled maturity of the debt. At December 31, 2006 and 2005, the Company had unamortized capitalized debt issuance costs of $0.6 million and $0.8 million, respectively, related to the credit agreement. Amortization expense was $0.2 million and $0.2 million for the years ended December 31, 2006 and 2005, respectively. For the period January 1, 2004 through October 13, 2004 and the period October 14, 2004 through December 31, 2004, amortization expense was $0 and $41, respectively.

Intangible Assets

Intangible assets are included in other assets and consist of non-compete agreements which are being amortized over the related terms of the agreements using the straight-line method. At December 31, 2006 and 2005, the Company had unamortized intangible assets of $0 and $8, respectively. Amortization expense was $8 and $13 for the years ended December 31, 2006 and 2005, respectively. For the period January 1, 2004 through October 13, 2004 and the period October 14, 2004 through December 31, 2004, amortization expense was $24 and $3, respectively.

Self-Insurance

The Company retains the risk for workers' compensation, employer's liability, automobile liability, general liability and employee group health claims, resulting from uninsured deductibles per accident or occurrence which are subject to annual aggregate limits. Losses up to the deductible amounts are accrued based upon known claims incurred and an estimate of claims incurred but not reported. For the year ended December 31, 2006 and 2005, the Company utilized the services of an actuary to assist in the determination of the ultimate loss associated with our self-insurance programs. The Company believes that the actuarial valuation provides the best estimate of the ultimate losses to be expected under these programs.

Stock-Based Compensation

Effective January 1, 2006, the Company adopted SFAS No. 123(R), *Share-Based Payment.* Among its provisions, SFAS No. 123(R) requires the Company to recognize compensation expense for equity awards over the vesting period based on their fair value at the date of grant. Prior to the adoption of SFAS No. 123(R), the Company accounted for stock-based awards in accordance with Accounting Principal Board Opinion No. 25, *Accounting for Stock Issued to Employees*. The Company's policy is to grant stock options at fair value on the date of grant. As the restricted stock grants do not require the recipients to pay for the stock, the Company has historically recognized compensation expense for the fair value at the date of grant over the vesting period. The fair value for the restricted stock grants is based on an independent third party appraisal performed close to the date of grant.

Compensation expense is recognized only for share-based payments expected to vest. The Company estimates forfeitures at the date of grant based on historical experience and future expectations. See Note 13 to the Consolidated Financial Statements for further discussion of the Company's stock-based compensation plan.

Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. ("FIN") 48, *Accounting for Uncertainty in Income Taxes*, in June 2006. This interpretation clarifies the accounting for income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes.* This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation became effective for us in the first quarter of 2007 and did not have an impact on our consolidated financial statements.

The FASB issued SFAS No. 157, *Fair Value Measurements*, in September 2006. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements but does not require any new fair value measurements. We do not believe the adoption of this standard will have a material impact on our Consolidated Financial Statements. This standard will become effective for us in the first quarter of 2008.

The FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, in February 2007. SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. We do not believe the adoption of this standard will have a material impact on our Consolidated Financial Statements. This standard will become effective for us in the first quarter of 2008.

The FASB issued FASB Staff Position No. AUG AIR-1, *Accounting for Planned Major Maintenance Activities* , (FSP No. AUG AIR-1) in September 2006. FSP No. AUG AIR-1 prohibits the use of accrual method of accounting for planned major maintenance activities because it results in the recognition of liabilities that do not meet the definition of a liability in FASB Concepts Statement No. 6, *Elements of Financial Statements*, by causing the recognition of a liability in a period prior to the occurrence of the transaction or event obligating the entity. The adoption of FSP No. AUG AIR-1 will not have an impact on our financial statements because the Company uses the deferral method, whereby costs are capitalized and are amortized on the straight-line method over a period ranging between five to fifteen years until the next scheduled dry-docking.

In September 2006, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 108, *"Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements"* ("SAB 108"). SAB 108 provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. Under this bulletin, registrants should quantify errors using both a balance sheet and an income statement approach and evaluate whether either approach results in quantifying a misstatement that, when all relevant quantitative and qualitative factors are considered, is material. SAB 108 is effective for fiscal years ending on or after November 15, 2006. Adoption of SAB 108 did not have a material impact on our consolidated financial statements for all periods presented.

2. Property and Equipment

The following is a summary of property and equipment at December 31, 2006 and 2005:

	Useful lives (Years)	2006	2005
Automobiles and trucks	3 to 5	$ 2,956	$ 3,807
Building and improvements	5 to 30	11,734	10,979
Construction equipment	3 to 15	74,282	68,999
Dredges and dredging equipment	1 to 15	23,444	17,471
Office equipment	1 to 5	796	218
		113,212	101,474
Less: accumulated depreciation		(48,596)	(38,508)
Net book value of depreciable assets		64,616	62,966
Construction in progress		1,489	1,719
Land		5,229	5,229
		$ 71,334	$ 69,914

For the year ended December 31, 2006 and 2005, depreciation expense was $11.6 million and $10.9 million, respectively. For the period January 1, 2004 through October 13, 2004 and the period October 14, 2004 through December 31, 2004, depreciation expense was $5.4 million and $1.9 million, respectively.

The assets of the Company are pledged as collateral for debt obligations in the amount of $25.0 million and $34.5 million at December 31, 2006 and 2005, respectively. The debt obligations mature in September 2010.

3. Contracts in Progress

Contracts in progress are as follows at December 31, 2006 and 2005:

	2006	2005
Costs incurred on uncompleted contracts	$ 180,421	$ 128,025
Estimated earnings	43,975	16,168
	224,396	144,193
Less: Billings to date	(234,458)	(147,430)
	$ (10,062)	$ (3,237)
Included in the accompanying consolidated balance sheet under the following captions:		
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 2,136	$ 3,492
Billings in excess of costs and estimated earnings on uncompleted contracts	(12,198)	(6,729)
	$ (10,062)	$ (3,237)

Contract costs include all direct costs, such as material and labor, and those indirect costs related to contract performance such as payroll taxes and insurance. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are

determined. An amount equal to contract costs attributable to claims is included in revenues when realization is probable and the amount can be reliably estimated.

4. Accrued Liabilities

Accrued liabilities at December 31, 2006 and 2005 consisted mainly of the following:

	2006	2005
Accrued salaries, wages and benefits	$ 7,028	$1,868
Accrual for self insurance liabilities	1,954	1,084
Accrued interest	21	419
Warranty reserve	61	100
Other accrued expenses	1,568	830
	$10,632	$ 4,301

5. Debt

On October 14, 2004, the Company entered into a credit agreement with several participating banks totaling $41.5 million. Principal payments are due quarterly beginning December 31, 2006 through maturity, September 30, 2010 as defined in the loan agreement. Interest is due quarterly for each prime rate loan at prime plus or minus a spread (prime minus 0.25% or 7.5% at December 31, 2006 and prime plus 0.25% or 7.50% at December 31, 2005) or at the end of each interest period for each LIBOR loan plus a spread (LIBOR plus 2.25% or 7.63% at December 31, 2006 and LIBOR plus 2.50% or 6.73% at December 31, 2005), as defined in the loan agreement. The Credit Agreement also contains provisions requiring the Company to maintain certain financial ratios and restricting the Company's ability to incur indebtedness, create liens, and take certain other actions.

The Company is subject to certain restrictive financial covenants under the agreement and the loans are secured by the Company's accounts receivable, stock or ownership interests, property, and guarantees on a senior subordinated basis by all of the Company's domestic subsidiaries. As of December 31, 2006, the Company was in compliance with all debt covenants.

Following is a schedule of total long-term debt maturities:

Year Ending December 31,	Amount
2007	$ 5,810
2008	8,300
2009	9,960
2010	930
	$25,000

6. Line of Credit

On October 14, 2004, the Company entered into a credit agreement with several participating banks. Under terms of a revolving credit agreement, the Company may borrow against a line of credit to a maximum of $8.5 million, subject to a borrowing base as defined by the agreements. Interest is payable at the prime rate plus or minus a spread (prime minus 0.5% or 7.75% at December 31, 2006 and prime of 7.25% at December 31, 2005) or LIBOR plus a spread (LIBOR plus 2.0% or 7.38% at December 31, 2006 and LIBOR plus 2.25% or 6.48% at December 31, 2005).

Debt covenants are calculated on the consolidated financial statements of the Company, and the Company was in compliance with debt covenants at December 31, 2006.

Under the terms of the revolving credit agreement, the Company can obtain letters of credit. Any letters of credit issued under those terms reduce the amount that the Company can borrow against its line of credit. As of December 31, 2006 and 2005, due to outstanding letters of credit of $0.6 million and $0.4 million, respectively, the available balance to the Company on the line of credit was $7.9 million and $8.1 million, respectively. The line of credit expires on September 30, 2010.

7. Income Taxes

The following table presents the 2006, 2005 and 2004 provisions for income taxes:

	Current	Deferred	Total
Predecessor:			
Period ended October 13, 2004:			
U.S. Federal	2,891	1,093	$ 3,984
State and local	256	138	394
	$ 3,147	$ 1,231	$ 4,378
Successor:			
Period October 14, 2004 through December 31, 2004:			
U.S. Federal	$ 145	$ 134	$ 279
State and local	(72)	59	(13)
	$ 73	$ 193	$ 266
Period ended December 31, 2005:			
U.S. Federal	$1,946	$ 1,290	$ 3,236
State and local	684	(115)	569
	$ 2,630	$ 1,175	$ 3,805
Period ended December 31, 2006:			
U.S. Federal	$7,712	$(1,096)	$6,616
State and local	661	(237)	424
	$ 8,373	$ (1,333)	$ 7,040

The Company's income tax provision reconciles to the provision at the statutory U.S. federal income tax rate as follows:

	Successor			Predecessor
	Year Ended December 31, 2006	Year Ended December 31, 2005	October 14, Through December 31, 2004	January 1, Through October 13, 2004
Tax provision at statutory U.S. federal income tax rate	$ 6,805	$ 3,099	$ 233	$ 3,767
State income tax, net of federal income tax benefit	424	569	(13)	394
Permanent differences	(70)	71	46	217
Other	(119)	66	—	—
Income tax provision	$ 7,040	$ 3,805	$ 266	$ 4,378

The Company's deferred tax (assets) liabilities are as follows:

	December 31, 2006	December 31, 2005
Net deferred tax (assets) liabilities:		
Accrued liabilities	$ (559)	$ (188)
Depreciation and amortization	15,248	16,896
Other	686	—
Total net deferred tax liabilities:	$ 15,375	$ 16,708
As reported in the balance sheet:		
Net current deferred tax assets	(559)	(188)
Net non-current deferred tax liabilities	15,934	16,896
Total net deferred tax (assets) liabilities:	$ 15,375	$ 16,708

In assessing the realizability of deferred tax assets at December 31, 2006, the Company considered whether it was more likely than not that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets depends upon the generation of future taxable income during the periods in which these temporary differences become deductible. As of December 31, 2006, the Company believes that all of the deferred tax assets will be utilized and therefore has not recorded a valuation allowance.

Although the Company believes its recorded assets and liabilities are reasonable, tax regulations are subject to interpretation and tax litigation is inherently uncertain; therefore the Company's assessments can involve both a series of complex judgments about future events and rely heavily on estimates and assumptions. Although the Company believes that the estimates and assumptions supporting its assessments are reasonable, the final determination of tax audit settlements and any related litigation could be materially different from that which is reflected in historical income tax provisions and recorded assets and liabilities. If the Company were to settle an audit or a matter under litigation, it could have a material effect on the income tax provision, net income, or cash flows in the period or periods for which that determination is made. Any accruals for tax contingencies are provided for in accordance with the requirements of SFAS No. 5, *Accounting for Contingencies.*

8. Related Party Transaction

The Company has entered into a management services agreement with one of its stockholders. The annual commitment under this agreement is $0.3 million. The management fee expense is included in general and

administrative expenses in the accompanying consolidated statement of income. During the year ended December 31, 2006 and 2005, a total of $0.3 million each year was paid under the agreement. For the period January 1, 2004 through October 13, 2004 and the period October 14, 2004 through December 31, 2004, the Company paid $0 and $62, respectively under the agreement.

The Company rents and purchases various pieces of construction equipment from a related party. During the year ended December 31, 2006 and 2005, related party rental expense in the amount of $0.6 million and $0.3 million, respectively, is included in the accompanying consolidated statement of income. No rental expense was recognized during 2004. During 2006, $1.0 million of assets were purchased from this related party. No assets were purchased from this related party in 2005. In 2004, the Company purchased approximately $1.5 million in assets from this related party.

9. Commitments and Contingencies

Operating Leases

In July 2005, the Company executed a sale-leaseback transaction in which it sold an office building for $2.1 million and entered into a ten year lease agreement. The Company, at its option, can extend the lease for two additional five year terms. Scheduled increases in monthly rent are included in the lease agreement. The sale of the office building resulted in a gain which has been deferred and amortized over the life of the lease. The Company recognized $54 and $27 of the deferred gain of $0.6 million during the years ended December 31, 2006 and 2005, respectively.

In 2005, the Company entered into a lease agreement for certain machinery and equipment under an operating lease agreement that expires in 2010. Rental expense under this lease for the years ended December 31, 2006 and 2005 was $0.7 million and $0.1 million, respectively.

Future minimum lease payments under non-cancelable operating leases as of December 31, 2006 are as follows:

Year Ending December 31,	Amount
2007	$ 841
2008	809
2009	331
2010	170
2011	173
Thereafter	629
	$2,953

Litigation

The Company is involved in various claims and lawsuits in the normal course of business. The ultimate outcome of these matters cannot presently be determined, but management believes the resolution of the matters will not have a material effect on the financial statements of the Company.

10. Employee Benefits

All employees except the Associate Divers and Associate Tugmasters are eligible to participate in the Company's 401(k) Retirement Plan after completing six months of service. Each participant may contribute between 1% and 80% of eligible compensation on a pretax basis, up to the annual IRS limit. The Company matches 100% on the first 2% of eligible compensation contributed to the Plan and 50% on the next 2% of eligible compensation contributed to the Plan. Participants' contributions are fully vested at all times. Employer matching

contributions vest over a four-year period. At its discretion, the Company may make additional matching and profit-sharing contributions. During the year ended December 31, 2006 and 2005, the Company contributed $0.6 million and $0.5 million, respectively, to the plan. For the period January 1, 2004 through October 13, 2004 and the period October 14, 2004 through December 31, 2004, the Company contributed $0.3 million and $0.1 million, respectively, to the plan.

11. Earnings Per Share

Basic earnings per share are based on the weighted average number of common shares outstanding during each period. Diluted earnings per share is based on the weighted average number of common shares outstanding and the effect of all dilutive common stock equivalents during each period. In February 2005, the board of directors approved a 3,500-for-1 stock split for the common stock. On April 9, 2007, the Company authorized a 2.23 for one reverse split of the common shares, which became effective on May 17, 2007. In accordance with SFAS No. 128, *Earnings Per Share*, the computations of basic and diluted earnings per share have been adjusted retroactively for all periods presented to reflect the common stock splits.

The following table reconciles the numerators and denominators used in the computations of both basic and diluted EPS:

	Successor		
	Year Ended December 31, 2006 (Unaudited)	Year Ended December 31, 2005 (Unaudited)	October 14 through December 31, 2004 (Unaudited)
Basic EPS computation:			
Numerator:			
Net Income	$ 12,403	$ 5,311	$ 419
Preferred dividends	2,100	2,100	460
Earnings available to common stockholders	10,303	3,211	(41)
Denominator:			
Total common shares — basic	15,872,360	15,706,960	15,695,067
Basic EPS	$ 0.65	$ 0.20	$ 0.00
Diluted EPS computation:			
Numerator:			
Earnings available to common stockholders	$ 10,303	$ 3,211	$ (41)
Denominator:			
Common shares	15,872,360	15,706,960	15,695,067
Common share equivalents	534,892	428,251	—
Total common shares — diluted	16,407,250	16,135,211	15,695,067
Diluted EPS	$ 0.63	$ 0.20	$ 0.00

12. Acquisition

On September 13, 2006, the Company acquired substantially all of the operations of F. Miller and Sons, LLC, including its cash and accounts receivable, the majority of its equipment fleet, its outstanding contracts and the right to the name F. Miller and Sons for a total purchase price of $4.1 million (including acquisition costs).

Under the purchase method of accounting, the total purchase price was allocated to the acquired tangible and intangible assets and the assumed liabilities based upon their estimated fair value at the date of acquisition. The following represents the allocation of the purchase price to the assets acquired and liabilities assumed:

Cash	$ 3,606
Accounts receivable	2,121
Cost & profits in excess of billings	905
Fixed assets	1,484
Billings in excess of cost & profits	(1,144)
Liabilities assumed	(2,872)
	$ 4,100

The following pro forma information presents results of operations of the Company as if the acquisition of F. Miller and Sons LLC occurred as of January 1, 2005. Pro forma revenues and net income are not presented as if the acquisition occurred as of January 1, 2006 as the effect on the Company's results of operations for the year ended December 31, 2006 is not material. Although prepared on a basis consistent with the Company's consolidated financial statements, these unaudited pro forma results do not purport to be indicative of the actual results of operations of the combined companies which would have been achieved had these events occurred at the beginning of the periods presented nor are they indicative of future results:

	Year Ended December 31, 2005
Contract revenues	$ 184,665
Income before income tax expense	8,586
Net income	5,136
Basic earnings per share	0.20
Shares used in computing basic earnings per share	15,706,960
Diluted earnings per share	0.20
Shares used in computing diluted earnings per share	16,135,211

13. Stock-Based Compensation

In February 2005, the board of directors approved the 2005 Stock Incentive Plan ("2005 Plan") which reserves up to 4.0 million shares of the common stock for issuance to employees, consultants and directors. The 2005 Plan consists of two components: restricted stock and stock options. Restricted stock and stock options are granted at the estimated fair value on the date of grant and become exercisable over a vesting period determined by the board of directors. Option terms are specified at each grant date, but are generally 10 years.

Restricted Stock

In 2005, the Company issued 1,035,874 shares of restricted stock under the 2005 Plan. Of these awards, 17,937 shares vested immediately and the remaining shares vest 20% in the first year and at a rate of 1/60 of total shares at each month of continuous services thereafter. The effect on the December 31, 2005 balance sheet was to reduce Paid-in Capital by $24 and increase common stock by $24. In 2006, the Company repurchased 100,897 shares of the restricted stock.

The following table summarizes the restricted stock activity under the 2005 Plan:

Restricted Stock Units	Number of Shares	Weighted Average Fair Value per Share	Weighted Average Remaining Vesting (Years)	Aggregate Intrinsic Value
Nonvested at January 1, 2005	—	$ —		
Granted	1,035,874	0.02		
Vested	17,937	0.02		
Forfeited	—	—		
Nonvested at December 31, 2005	1,017,937	$ 0.02		
Granted	—	—		
Vested	312,332	0.02		
Forfeited	(100,897)	0.02		
Nonvested at December 31, 2006	604,708	$ 0.02	4.3	$ 1,173
Vested at December 31, 2006 and expected to vest	923,242	$ 0.02	4.3	$ 1,791

Stock Options

In 2006, the Company issued 443,946 options under the 2005 Plan. The shares vest 20% in the first year and at a rate of 1/60 of total shares at each month of continuous service thereafter. Under FAS 123(R), the estimated fair value of these options on the date of grant was $0.4 million. During the year ended December 31, 2006, the Company amortized $0.1 million in expense related to these options.

The following table summarizes the stock option activity under the 2005 Plan:

Stock Options	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2006	—	—		
Granted	443,946	$ 1.96		
Exercised	—	—		
Forfeited	—	—		
Outstanding at December 31, 2006	443,946	$ 1.96	9.58	$ —
Vested at December 31, 2006 and expected to vest	435,067	$ 1.96	9.58	$ —
Exercisable at December 31, 2006	—	$ 1.96	9.58	$ —

The fair value of options granted in 2006 was estimated on the date of grant at $0.85 using the Black-Scholes-Merton pricing model and using the following assumptions: a 6.5 year average life, 4.7 percent risk-free interest rate, zero percent expected dividend yield and 32 percent volatility. The expected term represents the period which the Company's stock based awards are expected to be outstanding and was calculated using the simplified method. The risk free interest rate is based upon the grant-date implied yield on US Treasury zero-coupon issues with equivalent remaining terms. Volatility was calculated using a weighted average of similar public entities within the Company's industry. No dividends were assumed as the Company does not anticipate paying dividends in the future.

As of December 31, 2006, there was $0.3 million of unrecognized compensation cost, net of estimated forfeitures, related to the company's non-vested stock options, which is expected to be recognized over a weighted average period of 4.25 years.

14. Stockholders' Equity

Preferred Stock

The preferred stock is entitled to receive cumulative dividends at the annual rate of 6 percent of the original issue price. As of December 31, 2006, the cumulative unpaid dividends due preferred shareholders were $4,660. However, the Company's loan agreement prevents it from declaring or paying any dividends. Preferred stockholders are entitled to a liquidation preference amounting to $1,000 per share. If excess assets and funds exists after payment of the liquidation preference to the preferred stockholders, then the remaining assets and funds will be distributed to the common stockholders. All stockholders are entitled to vote; however, the common stockholders are limited to voting for the election of directors.

Stock Split

On February 24, 2005, the Company's board of directors approved a 3,500-for-1 split on the Company's common stock in the form of a share distribution and the amendment to the Company's Certificate of Incorporation to increase the number of authorized shares of the Company's common stock from 10,000 to 50 million to compensate for the stock split. As a result, the split was paid in the form of a share distribution to shareholders of record on February 24, 2005. On April 9, 2007, the Company authorized a 2.23 for one reverse split of the common shares, which became effective on May 17, 2007.

Treasury Stock

During 2006, the Company repurchased 100,897 common shares that had been granted under the 2005 Plan according to the terms of the plan. The Company hired a third party consultant to provide a fair value of the common shares, which the Company used to value the repurchased shares.

15. Subsequent Events

In March 2007, the credit facility was amended to add a new acquisition term loan facility of $25 million and to add an "accordion facility" by which the revolving loan or term loans may be increased by up to $25 million at the discretion of the Company's lenders.

On March 27, 2007, the Company adopted the Long Term Incentive Plan ("LTIP"), which provides for grants of (a) incentive stock options qualified as such under U.S. federal income tax laws, (b) stock options that do not qualify as incentive stock options, (c) stock appreciation rights, (d) restricted stock awards, (e) restricted stock units, or (f) any combination of such awards. The LTIP became effective upon the closing of the transaction described below.

On April 9, 2007, the Company authorized a 2.23 for one reverse split of the common shares, to become effective upon the closing of the transaction described below.

On May 17, 2007, the Company completed the sale of 17,500,000 shares of its common stock and an additional 138,999 shares in an Over-Allotment offering (the "Transaction"). Immediately prior to the sale of the common stock, the Company's certificate of incorporation was amended whereby all Class A common stock was converted into preferred stock and the Class B common stock was converted into common stock and each 2.23 outstanding shares of common stock was combined into one outstanding share of common stock. In connection with the Transaction, the Company entered into employment agreements and transaction bonus agreements with its executive officers and certain key employees. Under the agreements, the Company granted 26,426 shares of common stock, granted options to acquire 327,357 shares of common stock, and made cash payments totaling $2.2 million. On May 31, 2007, the Company sold an additional 3,310,197 shares of common stock. From the sale of its common stock in these transactions, the Company received net proceeds of approximately $261.5 million and used approximately $242.0 million to purchase and retire all of the outstanding preferred stock and 16,053,816 shares of common stock from our former principal stockholders.

Orion Marine Group, Inc. and Subsidiaries

Consolidated Balance Sheets

	June 30, 2007 (Unaudited)	December 31, 2006
	(In thousands, except share and per share information)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,935	$ 18,561
Restricted cash	2,674	—
Accounts receivable:		
Trade, net of allowance of $500 and $500, respectively	16,959	22,253
Retainage	6,672	4,514
Other	491	432
Inventory	545	526
Deferred tax asset	559	559
Costs and estimated earnings in excess of billings on uncompleted contracts	7,212	2,136
Prepaid expenses and other	948	217
Total current assets	51,995	49,198
Accounts receivable — long term retainage	—	1,306
Property and equipment, net	67,921	71,334
Goodwill	2,481	2,481
Other assets	741	753
Total assets	$ 123,138	$ 125,072
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 3,095	$ 5,810
Accounts payable:		
Trade	4,333	6,099
Retainage	901	1,114
Related party	—	45
Accrued liabilities	10,515	10,632
Taxes payable	1,305	330
Billings in excess of costs and estimated earnings on uncompleted contracts	8,750	12,198
Total current liabilities	28,899	36,228
Long-term debt, less current portion	—	19,190
Deferred income taxes	14,908	15,934
Deferred revenue	454	481
Total liabilities	44,261	71,833
Commitments and contingencies		
Stockholders' equity:		
Preferred stock — $0.01 par value, 35,000 shares authorized, 0 and 35,000 issued and outstanding, respectively, $1,000 per share liquidation preference	—	—
Common stock — $0.01 par value, 50,000,000 shares authorized, 37,619,140 and 16,730,942 shares issued	376	167
Treasury Stock, 16,053,816 and 100,897 shares at cost	(201,555)	(24)
Additional paid-in capital	256,357	34,963
Retained earnings	23,699	18,133
Total stockholders' equity	78,877	53,239
Total liabilities and stockholders' equity	$ 123,138	$ 125,072

The accompanying notes are an integral part of these consolidated financial statements.

Orion Marine Group, Inc. and Subsidiaries

Consolidated Statements of Income

	Six Months June 30, 2007 (Unaudited)	Six Months June 30, 2006 (Unaudited)
	(In thousands, except share and per share information)	
Contract revenues	$ 89,772	$ 82,124
Costs of contract revenues	69,182	68,614
Gross profit	20,590	13,510
Selling, general and administrative expenses	11,368	5,840
	9,222	7,670
Other (income) expense		
Interest expense, net	279	950
Other income	(20)	(368)
Other (income) expense, net	259	582
Income before income taxes	8,963	7,088
Income tax expense	3,397	2,568
Net income	$ 5,566	$ 4,520
Net income	$ 5,566	$ 4,520
Preferred dividends	777	1,042
Earnings available to common shareholders	$ 4,789	$ 3,478
Basic earnings per share — Common	$ 0.28	$ 0.22
Diluted earnings per share — Common	$ 0.27	$ 0.21
Shares used to compute earnings per share:		
Basic — Common	17,254,063	15,777,884
Diluted — Common	17,990,674	16,383,194

The accompanying notes are an integral part of these consolidated financial statements.

Orion Marine Group, Inc. and Subsidiaries

Consolidated Statement of Stockholders' Equity

	Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Total
	Shares	Amount	Shares	Amount	Shares	Amount			
	(In thousands, except share information)								
Balance, January 1, 2007	35,000	$ —	16,730,942	$ 167	(100,897)	$ (24)	$ 34,963	$18,133	$ 53,239
Forfeited unvested restricted stock	—	—	—	—	(8,969)	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	147	—	147
Liquidation of preferred stock stock	(35,000)	—	—	—	—	—	(40,431)	—	(40,431)
Exercise of stock options			22,422	—	—	—	48		48
Proceeds from sale of common stock, net			20,839,350	209	109,866	24	261,273	—	261,506
Redemption of common shares					(16,053,816)	(201,555)	—	—	(201,555)
Issuance of restricted stock	—	—	26,426	—	—	—	357	—	357
Net income	—	—	—	—	—	—	—	5,566	5,566
Balance, June 30, 2007	—	$ —	37,619,140	$ 376	(16,053,816)	$(201,555)	$256,357	$23,699	$ 78,877

The accompanying notes are an integral part of this consolidated financial statement.

Orion Marine Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Six Months June 30, 2007 (Unaudited)	Six Months June 30, 2006 (Unaudited)
	(In thousands)	
Cash flows from operating activities:		
Net income	$ 5,566	$ 4,520
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,228	5,708
Deferred financing cost amortization	92	86
Non-cash interest expense	43	31
Deferred income taxes	(1,026)	(875)
Stock-based compensation	147	—
(Gain) loss on sale of property and equipment	(408)	38
Change in operating assets and liabilities:		
Accounts receivable	4,383	10,366
Income tax receivable	—	—
Inventory	(19)	(20)
Prepaid expenses and other	(731)	6
Costs and estimated earnings in excess of billings on uncompleted contracts	(5,076)	(57)
Accounts payable	(2,024)	(9,546)
Accrued liabilities	(2,791)	412
Income tax payable	975	—
Billings in excess of costs and estimated earnings on uncompleted contracts	(3,448)	925
Deferred revenue	(27)	373
Net cash provided by operating activities	1,884	11,967
Cash flows from investing activities:		
Proceeds from sale of property and equipment	1,534	228
Purchase of property and equipment	(3,941)	(4,806)
Net cash used in investing activities	(2,407)	(4,578)
Cash flows from financing activities:		
Payments on long-term debt	(21,905)	(2,568)
Increase in loan costs	(123)	—
Issuance of restricted stock	357	—
Exercise of stock options	48	—
Proceeds from sale of stock, net	19,520	—
Net cash used in financing activities	(2,103)	(2,568)
Net change in cash and cash equivalents	(2,626)	4,821
Cash and cash equivalents at beginning of period	18,561	7,645
Cash and cash equivalents at end of period	$ 15,935	$ 12,466
Supplemental disclosures of cash flow information: cash paid during the period for:		
Interest	$ 820	$ 1,218
Taxes	$ 3,864	$ 2,867

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

Principle of Consolidation and Basis of Presentation

Orion Marine Group, Inc., formerly Hunter Acquisition Corp. ("Orion"), and its wholly-owned subsidiaries Orion Administrative Services, Inc. ("OAS"), F. Miller Construction, LLC ("FMC") and Orion Construction LP ("OLP") and its wholly-owned subsidiaries, King Fisher Marine Service LP ("KFMS") and Misener Marine Construction, Inc. ("Misener"), (collectively referred to as "the Company"), engage in heavy civil marine projects including marine transportation facilities; bridges and causeways; marine pipelines; mechanical and hydraulic dredging; and specialty projects. Orion is headquartered in Houston, Texas and performs services primarily in the continental United States, Latin America, and the Caribbean basin.

On May 17, 2007, the Company completed the sale of 17,638,999 shares of its common stock and on May 31, 2007 the Company completed the sale of a further 3,310,197 shares of its common stock in an over allotment (collectively, the "Transaction''). See Note 15 to the Consolidated Financial Statements for further discussion of the Transaction. On April 9, 2007, the Company authorized a 2.23 for one reverse split of its then Class B common shares, which became effective upon the closing of the Transaction, when all of its then Class A shares were redeemed and retired, with the result that the Company's certificate of incorporation was modified to change Class A shares to preferred and Class B shares to common.. All references to the number of shares and per share amounts in the consolidated financial statements have adjusted retroactively for all periods presented to reflect the common share stock split.

The consolidated financial statements include the accounts of Orion and its direct and indirect wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

In the opinion of management, all adjustments considered necessary for a fair and comparable statement of the Company's financial position, results of operations and cash flows for the periods presented have been included and are of a normal recurring nature. Operating results for the six months ended June 30, 2007, are not necessarily indicative of the results that may be expected for the year ending December 31, 2007.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Management must apply significant judgments in this process. Among the factors, but not fully inclusive of all factors, that may be considered by management in these processes are: the range of accounting policies permitted by accounting principles generally accepted in the United States; management's understanding of the business; expected rates of business and operational change; sensitivity and volatility associated with the assumptions used in developing estimates; and whether historical trends are expected to be representative of future trends. Among the most subjective judgments employed in the preparation of these financial statements are estimates of expected costs to complete construction projects, the collectibility of contract receivables and claims, the depreciable lives of and future cash flows to be provided by our equipment and long-lived assets, the amortization period of maintenance and repairs for dry-docking activity, estimates for the number and magnitude of self-insurance reserves needed for potential medical claims and Jones Act obligations, judgments regarding the outcomes of pending and potential litigation and certain judgments regarding the nature of income and expenditures for tax purposes. The Company reviews all significant estimates on a recurring basis and records the effect of any necessary adjustments prior to publication of its financial statements. Adjustments made with respect to the use of estimates relate to improved

information not previously available. Because of the inherent uncertainties in this process, actual results could differ from these estimates.

Revenue Recognition

The Company records revenue on construction contracts for financial statement purposes on the percentage-of-completion method, measured by the percentage of contract costs incurred to date to total estimated costs for each contract. This method is used because management considers contract costs incurred to be the best available measure of progress on these contracts. The Company follows the guidance of American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 81-1, *Accounting for Performance of Construction — Type and Certain Production — Type Contracts*, for its accounting policy relating to the use of the percentage-of-completion method, estimated costs and claim recognition for construction contracts. Contract revenue reflects the original contract price adjusted for agreed upon change orders and unapproved claims. Contract costs include all direct costs, such as material and labor, and those indirect costs related to contract performance such as payroll taxes and insurance. General and administrative costs are charged to expense as incurred. Unapproved claims are recognized only when the collection is deemed probable and if the amount can be reasonably estimated for purposes of calculating total profit or loss on long-term contracts. The Company records revenue and the unbilled receivable for claims to the extent of costs incurred and to the extent we believe related collection is probable and includes no profit on claims recorded. Changes in job performance, job conditions and estimated profitability, including those arising from final contract settlements, may result in revisions to costs and revenues and are recognized in the period in which the revisions are determined. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

The current asset "costs and estimated earnings in excess of billings on uncompleted contracts" represents revenues recognized in excess of amounts billed, which management believes will be billed and collected within one year of the completion of the contract. The liability "billings in excess of costs and estimated earnings on uncompleted contracts" represents billings in excess of revenues recognized.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Risk Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk principally consist of cash and cash equivalents and accounts receivable.

The Company's primary customers are governmental agencies in the United States. The Company depends on its ability to continue to obtain federal, state and local governmental contracts, and indirectly, on the amount of funding available to these agencies for new and current governmental projects. Therefore, the Company's operations can be influenced by the level and timing of government funding.

At June 30, 2007 and December 31, 2006, 22.6% and 13% of accounts receivable were due from one and one customers, respectively. Two customers in each of the six months ended June 30, 2007 and 2006 represented more than 10% of revenues. In the six months ended June 30, 2007 and 2006, these customers generated revenues that accounted for 31.3% and 42.1% of total revenues, respectively.

A significant portion of accounts receivable are due from federal, state or local governmental agencies in the United States.

The following table represents concentrations of receivables (trade and retainage) at June 30, 2007 and December 31, 2006:

	A/R	%
June 30, 2007:		
Federal Government	$ 1,942	8%
State Governments	1,755	7
Local Municipalities	9,556	41
Private Companies	10,377	44
	$23,631	100%
December 31, 2006		
Federal Government	$ 1,880	7%
State Governments	1,647	6
Local Municipalities	13,426	48
Private Companies	11,120	39
	$ 28,073	100%

The following table represents concentrations of revenue for the six months ended June 30, 2007 and 2006:

	Revenue	%
Six months ended June 30, 2007:		
Federal Government	$15,469	17%
State Governments	7,133	8
Local Municipalities	31,253	35
Private Companies	35,917	40
	$ 89,772	100%
Six months ended June 30, 2006:		
Federal Government	$ 21,673	26%
State Governments	17,657	22
Local Municipalities	21,034	26
Private Companies	21,760	26
	$ 82,124	100%

Accounts Receivable

Accounts receivable are stated at the historical carrying value, less write-offs and allowances for doubtful accounts. The Company has significant investments in billed and unbilled receivables as of June 30, 2007 and December 31, 2006. Billed receivables represent amounts billed upon the completion of small contracts and progress billings on large contracts in accordance with contract terms and milestones. Unbilled receivables on fixed-price contracts, which are included in costs in excess of billings, arise as revenues are recognized under the percentage-of-completion method. Unbilled amounts on cost-reimbursement contracts represent recoverable costs and accrued profits not yet billed. Revenue associated with these billings is recorded net of any sales tax, if applicable. In establishing an allowance for doubtful accounts, the Company evaluates its contract receivables and costs in excess of billings and thoroughly reviews historical collection experience, the financial condition of its customers, billing disputes and other factors. The Company writes off uncollectible accounts receivable against the

allowance for doubtful accounts if it is determined that the amounts will not be collected or if a settlement is reached for an amount that is less than the carrying value. As of June 30, 2007 and December 31, 2006, the Company had an allowance for doubtful accounts of $0.5 million and $0.5 million, respectively.

The Company negotiates change orders and unapproved claims with its customers. In particular, unsuccessful negotiations of unapproved claims could result in the settlement or collection of a receivable at an amount that is less than its carrying value, which would result in the recording of a loss. Successful claims negotiations could result in the recovery of previously recorded losses. Significant losses on receivables would adversely affect our financial position, results of operations and our overall liquidity.

Inventory

Inventory consists of parts and small equipment held for use in the ordinary course of business and is valued at the lower of cost or market using historical average cost. Where shipping and handling costs are incurred by us, these charges are included in inventory and charged to cost of contract revenue upon use.

Income Taxes

The Company records income taxes based upon SFAS No. 109, *Accounting for Income Taxes*, which requires the recognition of income tax expense for the amount of taxes payable or refundable for the current year and for deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. The Company must make significant assumptions, judgments and estimates to determine its current provision for income taxes, its deferred tax assets and liabilities, and any valuation allowance to be recorded against any deferred tax asset. The current provision for income tax is based upon the current tax laws and the Company's interpretation of these laws, as well as the probable outcomes of any tax audits. The value of any net deferred tax asset depends upon estimates of the amount and category of future taxable income reduced by the amount of any tax benefits that the Company does not expect to realize. Actual operating results and the underlying amount and category of income in future years could render current assumptions, judgments and estimates of recoverable net deferred taxes inaccurate, thus impacting the Company's financial position and results of operations. The Company computes deferred income taxes using the liability method. Under the liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under the liability method, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company accounts for uncertain tax positions in accordance with the provisions of FASB Interpretation No. 48 *"Accounting for Uncertainty in Income Taxes"* (FIN 48), which it adopted on January 1, 2007. The implementation of FIN 48 required the Company to make subjective assumptions and judgments regarding income tax exposure. Interpretations of and guidance surrounding income tax laws and regulations change over time, and these may change the Company's subjective assumptions, which in turn, affect amounts recognized in the condensed consolidated balance sheets and statements of income. Adoption of FIN 48 is described more fully in Note 7.

Property and Equipment

Property and equipment are recorded at cost. Ordinary maintenance and repairs are charged to expense, while expenditures that extend the physical or economic life of the assets are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

In accordance with SFAS 144, *Accounting for the Impairment or Disposal of Long-lived Assets*, property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are separately presented in the balance sheet and reported at the lower of the carrying amount or the fair value, less the costs to sell, and are no longer depreciated. No property and equipment were held for sale at June 30, 2007 and December 31, 2006.

Goodwill

Goodwill represents the excess of costs over fair value of assets of businesses acquired. Goodwill is tested for impairment on an annual basis in the fourth quarter of each year. Additionally, goodwill will be tested in the interim if events and circumstances indicate that goodwill may be impaired. Impairment of goodwill is evaluated using a two-step process. The first step involves a comparison of the fair value of a reporting unit with its carrying value. If the carrying amount of the reporting unit exceeds its fair value, the second step of the process involves a comparison of the fair value and carrying value of the goodwill of that reporting unit. If the carrying value of the goodwill of a reporting unit exceeds the fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess. There have been no indications of any events or circumstances that indicate that goodwill has been impaired since the last annual impairment test.

Fair Values of Financial Instruments

At June 30, 2007 and December 31, 2006, the carrying amounts of the Company's cash and cash equivalents, receivables, and payables approximated their fair values due to the short maturity of such financial instruments. The carrying amount of the Company's floating-rate debt approximated its fair value at June 30, 2007 and December 31, 2006; as such, instruments bear short-term, market-based interest rates.

Debt Issuance Costs

Debt issuance costs paid in connection with new loan facilities are included in other assets and are amortized over the scheduled maturity of the debt. At June 30, 2007 and December 31, 2006, the Company had unamortized capitalized debt issuance costs of $0.7 million and $0.6 million, respectively, related to the credit agreement. Amortization expense was $92 for the six months ended June 30, 2007 and $86 for the six months ended June 30, 2006.

Self-Insurance

The Company retains the risk for workers' compensation, employer's liability, automobile liability, general liability and employee group health claims, resulting from uninsured deductibles per accident or occurrence which are subject to annual aggregate limits. Losses up to the deductible amounts are accrued based upon known claims incurred and an estimate of claims incurred but not reported. As of June 30, 2007 and December 31, 2006, the Company utilized the services of an actuary to assist in the determination of the ultimate loss associated with our self-insurance programs. The Company believes that the actuarial valuation provides the best estimate of the ultimate losses to be expected under these programs.

Stock-Based Compensation

Effective January 1, 2006, the Company adopted SFAS No. 123(R), *Share-Based Payment.* Among its provisions, SFAS No. 123(R) requires the Company to recognize compensation expense for equity awards over the vesting period based on their fair value at the date of grant. Prior to the adoption of SFAS No. 123(R), the Company

accounted for stock-based awards in accordance with Accounting Principal Board Opinion No. 25, *Accounting for Stock Issued to Employees*. The Company's policy is to grant stock options at fair value on the date of grant. As the restricted stock grants do not require the recipients to pay for the stock, the Company has historically recognized compensation expense for the fair value at the date of grant over the vesting period. The fair value for the restricted stock grants is based on an independent third party appraisal performed close to the date of grant.

Compensation expense is recognized only for share-based payments expected to vest. The Company estimates forfeitures at the date of grant based on historical experience and future expectations. See Note 13 to the Consolidated Financial Statements for further discussion of the Company's stock-based compensation plan.

Recently Issued Accounting Pronouncements

The FASB issued SFAS No. 157, *Fair Value Measurements*, in September 2006. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements but does not require any new fair value measurements. We do not believe the adoption of this standard will have a material impact on our Consolidated Financial Statements. This standard will become effective for us January 1, 2008.

The FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, in February 2007. SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. We do not believe the adoption of this standard will have a material impact on our Consolidated Financial Statements. This standard will become effective for us January 1, 2008.

In June 2006, the FASB issued Financial Interpretation No. 48, *"Accounting for Uncertainty in Income Taxes"*. The interpretation prescribes a recognition threshold and measurement attribute criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation also provides guidance on classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company adopted the provisions of FIN 48 on January 1, 2007. Adoption of FIN 48 is described in more detail in Note 7, below.

In September 2006, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 108, *"Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements"* ("SAB 108"). SAB 108 provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. Under this bulletin, registrants should quantify errors using both a balance sheet and an income statement approach and evaluate whether either approach results in quantifying a misstatement that, when all relevant quantitative and qualitative factors are considered, is material. SAB 108 is effective for fiscal years ending on or after November 15, 2006. Adoption of SAB 108 did not have a material impact on the our consolidated financial statements for all periods presented.

2. Property and Equipment

The following is a summary of property and equipment at June 30, 2007 and December 31, 2006:

	Useful lives (Years)	June 30, 2007	December 31, 2006
Automobiles and trucks	3 to 5	$ 2,632	$ 2,956
Building and improvements	5 to 30	11,734	11,734
Construction equipment	3 to 15	74,265	74,282
Dredges and dredging equipment	1 to 15	23,844	23,444
Office equipment	1 to 5	845	796
		113,320	113,212
Less: accumulated depreciation		(53,539)	(48,596)
Net book value of depreciable assets		59,781	64,616
Construction in progress		2,911	1,489
Land		5,229	5,229
		$ 67,921	$ 71,334

For the six months ended June 30, 2007 and 2006, depreciation expense was $6.2 million and $5.7 million, respectively The assets of the Company are pledged as collateral for debt obligations in the amount of $3.1 million and $25.0 million at June 30, 2007 and December 31, 2006, respectively. The debt obligations mature in September 2010.

3. Contracts in Progress

Contracts in progress are as follows at June 30, 2007 and December 31, 2006:

	June 30, 2007	December 31, 2006
Costs incurred on uncompleted contracts	$ 167,743	$ 180,421
Estimated earnings	38,269	43,975
	206,012	224,396
Less: Billings to date	(207,550)	(234,458)
	$ (1,538)	$ (10,062)
Included in the accompanying consolidated balance sheet under the following captions:		
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 7,212	$ 2,136
Billings in excess of costs and estimated earnings on uncompleted contracts	(8,750)	(12,198)
	$ (1,538)	$ (10,062)

Contract costs include all direct costs, such as material and labor, and those indirect costs related to contract performance such as payroll taxes and insurance. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined. An amount equal to contract costs attributable to claims is included in revenues when realization is probable and the amount can be reliably estimated.

4. Accrued Liabilities

Accrued liabilities at June 30, 2007 and December 31, 2006 consisted of the following:

	June 30, 2007	December 31, 2006
Accrued salaries, wages and benefits	$ 3,708	$ 7,028
Accrual for self-insurance liabilities	2,059	1,954
Accrued interest	41	21
Warranty reserve	61	61
Due to related party (see Note 15)	2,674	—
Other accrued expenses	1,972	1,568
	$10,515	$ 10,632

5. Debt

On October 14, 2004, the Company entered into a credit agreement with several participating banks totaling $41.5 million. Principal payments are due quarterly beginning December 31, 2004 through maturity, September 30, 2010 as defined in the loan agreement. Interest is due quarterly for each prime rate loan at prime plus or minus a spread (prime minus 0.25% or 8.0% at June 30, 2007 and 7.5% at December 31, 2006) or at the end of each interest period for each LIBOR loan plus a spread (LIBOR plus 2.25% or 7.61% at June 30, 2007 and 7.63% at December 31, 2006), as defined in the loan agreement. The Credit Agreement also contains provisions requiring the Company to maintain certain financial ratios and restricting the Company's ability to incur indebtedness, create liens, and take certain other actions.

In March 2007, the credit facility was amended to add a new acquisition term loan facility of $25 million and to add an "accordion facility" by which the revolving loan or term loans may be increased by up to $25 million at the discretion of the Company's lenders.

Upon the successful completion of the sale of its common stock as more fully described in Note 15, the Company prepaid all except $3.1 million of its credit facility. The Company incurred a prepayment penalty of $17 in connection with the prepayment.

The Company is subject to certain restrictive financial covenants under the agreement and the loans are secured by the Company's accounts receivable, stock or ownership interests, property, and guarantees on a senior subordinated basis by all of the Company's domestic subsidiaries. As of June 30, 2007, the Company was in compliance with all debt covenants.

In July 2007, the credit agreement was modified. See Note 16 for a description of the modification.

6. Line of Credit

On October 14, 2004, the Company entered into a credit agreement with several participating banks. Under terms of a revolving credit agreement, the Company may borrow against a line of credit to a maximum of $8.5 million, subject to a borrowing base as defined by the agreements. Interest is payable at the prime rate plus or minus a spread (prime minus 0.5% or 7.75% at June 30, 2007 and 7.75% at December 31, 2006) or LIBOR plus a spread (LIBOR plus 2.0% or 7.36% at June 30, 2007 and 7.38% at December 31, 2006). The Company is subject to a monthly commitment fee on the unused portion of the revolving credit agreement at a rate of 0.20% of the unused balance.

Debt covenants are calculated on the consolidated financial statements of the Company, and the Company was in compliance with debt covenants at June 30, 2007.

Under the terms of the revolving credit agreement, the Company can obtain letters of credit. Any letters of credit issued under those terms reduce the amount that the Company can borrow against its line of credit. At June 30, 2007 and December 31, 2006, the Company had outstanding letters of credit of $0.6 million, thus reducing the balance available to the Company on the line of credit to $7.9 million in each period. The line of credit expires on September 30, 2010.

In July 2007, the credit agreement was modified. See Note 16 for a description of the modification.

7. Income Taxes

The following table presents the 2007 and 2006 provisions for income taxes:

	Current	Deferred	Total
Six months ended June 30, 2007:			
U.S. Federal	$ 4,073	$(1,026)	$ 3,047
State and local	350	—	350
	$ 4,423	$(1,026)	$ 3,397
Six months ended June 30, 2006:			
U.S. Federal	$ 3,313	$ (875)	$ 2,438
State and local	130	—	130
	$ 3,443	$ (875)	$2,568

The Company's income tax provision reconciles to the provision at the statutory U.S. federal income tax rate as follows:

	Six Months June 30, 2007	Six Months June 30, 2006
Tax provision at statutory U.S. federal income tax rate	$ 3,047	$ 2,410
State income tax, net of federal income tax benefit	350	130
Other	—	28
Income tax provision	$ 3,397	$ 2,568

The Company's deferred tax (assets) liabilities are as follows:

	June 30, 2007	December 31, 2006
Net deferred tax (assets) liabilities:		
Accrued liabilities	$ (559)	$ (559)
Depreciation and amortization	14,908	15,248
Other	—	686
Total net deferred tax liabilities:	$ 14,349	$ 15,375
As reported in the balance sheet:		
Net current deferred tax assets	(559)	(559)
Net non-current deferred tax liabilities	14,908	15,934
Total net deferred tax liabilities:	$ 14,349	$ 15,375

In assessing the realizability of deferred tax assets at June 30, 2007, the Company considered whether it was more likely than not that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets depends upon the generation of future taxable income during the periods in which these temporary differences become deductible. As of June 30, 2007, the Company believes that all of the deferred tax assets will be utilized and therefore has not recorded a valuation allowance.

Although the Company believes its recorded assets and liabilities are reasonable, tax regulations are subject to interpretation and tax litigation is inherently uncertain; therefore the Company's assessments can involve both a series of complex judgments about future events and rely heavily on estimates and assumptions. Although the Company believes that the estimates and assumptions supporting its assessments are reasonable, the final determination of tax audit settlements and any related litigation could be materially different from that which is reflected in historical income tax provisions and recorded assets and liabilities. If the Company were to settle an audit or a matter under litigation, it could have a material effect on the income tax provision, net income, or cash flows in the period or periods for which that determination is made. Any accruals for tax contingencies are provided for in accordance with the requirements of SFAS No. 5, *Accounting for Contingencies.*

In June 2006, the FASB issued Financial Interpretation No. 48, *"Accounting for Uncertainty in Income Taxes"*. The interpretation prescribes a recognition threshold and measurement attribute criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation also provides guidance on classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Company and its subsidiaries file income tax returns in the United States federal jurisdiction and in various states. With few exceptions, the Company is no longer subject to federal tax examinations for years prior to 2000 and state income tax examinations for years prior to 2002. The Company's policy is to recognize interest and penalties related to any unrecognized tax benefit as additional tax expenses. No interest or penalties have been accrued at June 30, 2007. The Company believes it has appropriate and adequate support for the income tax positions taken and to be taken on its tax returns and that its accruals for tax liabilities are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter.

The Company adopted FIN 48 effective January 1, 2007. Adoption did not result in an adjustment.

The Company does not believe that its uncertain tax positions will significantly change due to the settlement and expiration of statutes of limitations prior to June 30, 2008.

8. Related Party Transaction

The Company had a management services agreement with one of its stockholders until the end of 2006. During the year ended December 31, 2006, the annual commitment under this agreement was $0.3 million. The agreement was amended in 2006, which eliminated the annual commitment under the agreement. The management fee expense is included in general and administrative expenses in the accompanying consolidated statement of income. During the six months ended June 30, 2006, a total of $150 was paid under the agreement. This agreement was terminated upon the closing of the Transaction, as more fully described in Note 15.

The Company rents and purchases various pieces of construction equipment from a related party. During the six months ended June 30, 2007 and 2006, related party rental expense was $292 and $294 respectively. During the six months ended June 30, 2006, $88 of assets were purchased from this related party. No assets were purchased from this related party in 2007.

9. Commitments and Contingencies

Operating Leases

In July 2005, the Company executed a sale-leaseback transaction in which it sold an office building for $2.1 million and entered into a ten year lease agreement. The Company, at its option, can extend the lease for two additional five year terms. Scheduled increases in monthly rent are included in the lease agreement. The sale of the office building resulted in a gain of $0.6 million which has been deferred and amortized over the life of the lease. The Company recognized $27 during each of the six months ended June 30, 2007 and 2006, respectively. Rent expense under this agreement was $82 for each of the six months ended June 30, 2007 and 2006, respectively.

In 2005, the Company entered into a lease agreement for certain machinery and equipment under an operating lease agreement that expires in 2010. Rental expense under this lease for the six months ended June 30, 2007 and 2006 was $441 and $215, respectively.

Future minimum lease payments under non-cancelable operating leases as of June 30, 2007 are as follows:

	Amount
Six months ending December 31, 2007	$ 561
Year ending December 31, 2008	1,104
Year ending December 31, 2009	635
Year ending December 31, 2010	208
Year ending December 31, 2011	173
Thereafter	629
	$3,310

Litigation

The Company is involved in various claims and lawsuits in the normal course of business. The ultimate outcome of these matters cannot presently be determined, but management believes the resolution of the matters will not have a material effect on the financial statements of the Company.

10. Employee Benefits

All employees except the Associate Divers and Associate Tugmasters are eligible to participate in the Company's 401(k) Retirement Plan after completing six months of service. Each participant may contribute between 1% and 80% of eligible compensation on a pretax basis, up to the annual IRS limit. The Company matches 100% on the first 2% of eligible compensation contributed to the Plan and 50% on the next 2% of eligible compensation contributed to the Plan. Participants' contributions are fully vested at all times. Employer matching contributions vest over a four-year period. At its discretion, the Company may make additional matching and profit-sharing contributions. During the six months year ended June 30, 2007 and 2006, the Company contributed $387 and $261, respectively, to the plan.

11. Earnings Per Share

Basic earnings per share are based on the weighted average number of common shares outstanding during each period. Diluted earnings per share is based on the weighted average number of common shares outstanding and the effect of all dilutive common stock equivalents during each period. On April 9, 2007, the Company authorized a 2.23 for one reverse split of the then Class B common shares, which became effective upon the closing of the Transaction at which time the Company's certificate of incorporation was modified such that Class A shares were converted into preferred and Class B shares were converted into common shares.. In accordance with SFAS No. 128,

Earnings Per Share, the computations of basic and diluted earnings per share have been adjusted retroactively for all periods presented to reflect the common stock split.

In May 2007, all outstanding preferred (Class A) dividends were paid in full and these shares were redeemed and retired

The following table reconciles the numerators and denominators used in the computations of both basic and diluted EPS:

	Six Months June 30, 2007	Six Months June 30, 2006
Basic EPS computation:		
Numerator:		
Net Income	$ 5,566	$ 4,520
Preferred dividends(1)	777	1,042
Earnings available to common shareholders	4,789	3,478
Denominator:		
Total common shares — basic	17,254,063	15,777,884
Basic EPS	$ 0.28	$ 0.22
Diluted EPS computation:		
Numerator:		
Earnings available to common shareholders	$ 4,789	$ 3,478
Denominator:		
Common shares	17,254,063	15,777,884
Common share equivalents	736,611	605,310
Total common shares — diluted	17,990,674	16,383,194
Diluted EPS	$ 0.27	$ 0.21

(1) Upon any liquidation of the Company, holders of preferred shares would have received a liquidation preference of $1,000 per share, plus 6% cumulative dividends per year. Holders were not entitled to additional payment or distribution of the earnings, assets or surplus funds of the Company upon liquidation. The shares were converted into preferred stock, redeemed and retired in May 2007. See Note 15.

12. Acquisition

On September 13, 2006, the Company acquired substantially all of the operations of F. Miller and Sons, LLC, including its cash and accounts receivable, the majority of its equipment fleet, its outstanding contracts and the right to the name F. Miller and Sons for a total purchase price of $4.1 million (including acquisition costs).

Under the purchase method of accounting, the total purchase price was allocated to the acquired tangible and intangible assets and the assumed liabilities based upon their estimated fair value at the date of acquisition. The following represents the allocation of the purchase price to the assets acquired and liabilities assumed:

Cash	$ 3,606
Accounts receivable	2,121
Cost and profits in excess of billings	905
Fixed assets	1,484
Billings in excess of cost and profits	(1,144)
Liabilities assumed	(2,872)
	$ 4,100

Pro forma revenues and net income are not presented as if the acquisition occurred as of January 1, 2006 as the effect on the Company's results of operations for the six months ended June 30, 2006 is not material.

13. Stock-Based Compensation

In February 2005, the board of directors approved the 2005 Stock Incentive Plan ("2005 Plan") which reserves up to 4.0 million shares of common stock for issuance to employees, consultants and directors. The 2005 Plan consisted of two components: restricted stock and stock options. Restricted stock and stock options are granted at the estimated fair value on the date of grant and become exercisable over a vesting period determined by the board of directors. Option terms are specified at each grant date, but are generally 10 years.

On March 27, 2007, the Company adopted the Long Term Incentive Plan ("LTIP"), which provides for grants of (a) incentive stock options qualified as such under U.S. federal income tax laws, (b) stock options that do not qualify as incentive stock options, (c) stock appreciation rights, (d) restricted stock awards, (e) restricted stock units, or (f) any combination of such awards. The LTIP became effective upon the closing of the Transaction and reserved up to 2.0 million shares for issuance to employees and consultants.

Restricted Stock

In 2005, the Company issued 1,035,874 shares of restricted stock under the 2005 Plan. Of these awards, 17,937 shares vested immediately and the remaining shares vest 20% in the first year and at a rate of $^1/_{60}$ of total shares at each month of continuous services thereafter. The effect on the December 31, 2005 balance sheet was to reduce Paid-in Capital by $24 and increase Common Stock by $24. In 2006, the Company exercised its option to repurchase 100,897 shares of restricted stock from individuals whose employment with the Company had terminated.

As part of the Transaction more fully described in Note 15, vesting was accelerated on 213,004 shares of restricted stock which were then sold in the May common stock offering. Vesting was also accelerated on an additional 227,206 shares of restricted stock which had been granted to certain executives as part of the May common stock offering. In May 2007, 26,426 shares of fully vested stock were granted to certain employees of the Company upon completion of the Transaction.

The following table summarizes the restricted stock activity under the 2005 Plan:

Restricted Stock	Number of Shares	Weighted Average Fair Value Per Share	Weighted Average Remaining Vesting (Years)	Aggregate Intrinsic Term Value
Nonvested at December 31, 2005	1,017,937	$ 0.02		
Granted	—	—		
Vested	312,332	0.02		
Forfeited/repurchased shares	(100,897)	0.02		
Nonvested at December 31, 2006	604,708	$ 0.02		
Granted	26,426	$ 13.50		
Vested	499,064	0.74		
Forfeited/repurchased shares	(8,969)	0.02		
Nonvested at June 30, 2007	123,101	$ 0.02	2.7	$ 1,659
Vested at June 30, 2007 and expected to vest	613,665	$ 0.60	2.7	$ 7,915

Stock Options

In 2006, the Company issued 443,946 options under the 2005 Plan. The shares vest 20% in the first year and at a rate of 1/60 of total shares at each month of continuous service thereafter. Under FAS 123(R), the estimated fair value of these options on the date of grant was $0.4 million. As part of the Transaction in May 2007, 89,686 options were forfeited, 22,422 were exercised and vesting was accelerated on 165,078 options, for additional compensation costs of $140. During the six months ended June 30, 2007, the Company recorded $147 in expense related to these options.

The following table summarizes the stock option activity under the 2005 Plan:

Stock Options	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2005	—	$ —		
Granted	443,946	1.96		
Exercised	—			
Forfeited/repurchased shares	—	—		
Outstanding at December 31, 2006	443,946	$ 1.96		
Granted	327,357	$ 13.50		
Exercised	(22,422)	$ 1.96		
Forfeited/repurchased shares	(89,686)	—		
Outstanding at June 30, 2007	659,195	$ 7.69	9.49	$ 3,829
Vested at June 30, 2007 and expected to vest	646,011	$ 1.96	9.49	$ 3,752
Exercisable at June 30, 2007	242,451	$ 1.96	9.49	$ 2,797

The fair value of options granted in 2006 was estimated on the date of grant at $0.85 (as adjusted for the 2.23 reverse split in April 2007) using the Black-Scholes-Merton pricing model and using the following assumptions: a 6.5 year average life, 4.7 percent risk-free interest rate, zero percent expected dividend yield and 32 percent

volatility. The expected term represented the period which the Company's stock based awards were expected to be outstanding and was calculated using the simplified method. The risk free interest rate is based upon the grant-date implied yield on US Treasury zero-coupon issues with equivalent remaining terms. Volatility was calculated using a weighted average of similar public entities within the Company's industry. No dividends were assumed as the Company does not anticipate paying dividends in the future.

The fair value of the options granted in 2007 was estimated on the date of grant at $5.43 using the Black-Scholes-Merton pricing model with the following assumptions: a 6 year average life, 4.62% risk-free interest rate, and 32% volatility.

As of June 30, 2007, there was $1.9 million of unrecognized compensation cost, net of estimated forfeitures, related to the company's non-vested stock options, which is expected to be recognized over a weighted average period of 3.34 years.

14. Stockholders' Equity

Common Stock

Prior to May 2007, the Company had a capital structure consisting of Class A and Class B Common stock. The Class A stock was entitled to receive cumulative dividends at the annual rate of 6 percent of the original issue price. On May 17, 2007, the Company converted all Class A stock into preferred, redeemed all Class A stock and paid all outstanding dividends totaling $5.4 million. Upon redemption the preferred stock was retired. The Class B common stock was converted into common stock and was subject to a 1 for 2.23 exchange of outstanding shares. The Company has authorized 50,000,000 shares for issuance of which 21,565,324 have been issued. Common stockholders are entitled to vote and to receive dividends if declared.

Treasury Stock

During 2006, the Company repurchased 100,897 common shares that had been granted under the 2005 Plan according to the terms of the plan. The Company hired a third party consultant to provide a fair value of the common shares, which the Company used to value the repurchased shares. During the three months ended March 31, 2007, the Company acquired 8,969 restricted shares that were forfeited under the 2005 plan. The 109,866 shares in treasury were issued as part of the Transaction completed in May 2007. The Company's board of directors resolved in July 2007 to retire the 16,053,816 shares redeemed in the May Transaction.

15. Private Placement Offering — the "Transaction"

On May 17, 2007, the Company completed the sale of 17,500,000 shares of its common stock and an additional 138,999 shares in an Over-Allotment offering. Immediately prior to the sale of the common stock, the Company's certificate of incorporation was amended whereby all Class A common stock was converted into preferred stock and the Class B common stock was converted into common stock and each 2.23 outstanding shares of common stock was combined into one outstanding share of common stock. In connection with the Transaction, the Company entered into employment agreements and transaction bonus agreements with its executive officers and certain key employees. Under the agreements, the Company granted 26,426 shares of common stock, granted options to acquire 327,357 shares of common stock, and made cash payments totaling up to $2.2 million. On May 31, 2007, the Company sold an additional 3,310,197 shares of common stock. From the sale of its common stock in these transactions, the Company received net proceeds of approximately $261.5 million and used approximately $242.0 million to purchase and retire all of the outstanding preferred stock and 16,053,816 shares of common stock from our former principal stockholders.

Pursuant to an agreement entered into at the end of March 2007, a related party who participated in the Transaction agreed to accelerate the vesting of his restricted stock and forfeit unvested stock options. The agreement also provided that these shares would be redeemed in the Transaction but that the Company would hold the proceeds

until the end of the term of his employment agreement (July 31, 2007). The restricted cash on the balance sheet represents the funds due this related party at the end of July.

16. Subsequent Event

On July 10, 2007, the Company restated its credit agreement with its existing lenders. Debt under the new credit facility includes the balance of the old credit facility of $3.1 million, which will be repaid in three installments through March 2008. In addition, the Company may borrow up to $25 million under an acquisition term loan facility and up to $8.5 million under a revolving line of credit. At the discretion of the Company's lenders, either the acquisition term loan facility or the revolving line of credit may be increased by $25 million. The revolving line of credit is subject to a borrowing base and availability on the revolving line of credit is reduced by any outstanding letters of credit. As of August 1, 2007, no amounts had been drawn under the acquisition term loan facility or the revolving line of credit. All provisions under the credit facility mature on September 30, 2010.

For each prime rate loan drawn under the credit facility, interest is due quarterly at the then prime rate minus a margin that is adjusted quarterly based on total leverage ratios, as applicable. For each LIBOR loan, interest is due at the end of each interest period at a rate of the then LIBOR rate for such period plus the LIBOR margin based on total leverage ratios, as applicable.

The credit facility requires the Company to maintain certain financial ratios and places other restrictions on the Company as to its ability to incur additional debt, pay dividends, advance loans and other actions. The credit facility is secured by the accounts, accounts receivable, inventory, equipment and other assets of the Company and its subsidiaries.


(IMAGE)

Until , 2007, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition, to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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20,949,196 Shares
of
Common Stock

PROSPECTUS

, 2007

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by the registrant, other than estimated underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the SEC registration fee, the NASD filing fee and the NASDAQ Global Market listing fee.

		Amount to be Paid
SEC Registration Fee	$	8,683
NASDAQ Global Market Listing Fee	$	*
NASD Filing Fee	$	*
Printing and Engraving Expenses	$	*
Legal Fees and Expenses	$	*
Accounting Fees and Expenses	$	*
Blue Sky Fees and Expenses	$	*
Transfer Agent and Registrar Fees	$	*
Miscellaneous	$	*
TOTAL	$	

* To be provided by subsequent amendment.

Item 14. Indemnification of Directors and Officers.

Our certificate of incorporation contains certain provisions permitted under the Delaware General Corporation Law relating to the liability of directors. These provisions eliminate a director's personal liability for monetary damages resulting from a breach of fiduciary duty, except that a director will be personally liable under the Delaware General Corporation Law:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- under Section 174 of the Delaware General Corporation Law relating to unlawful stock repurchases, redemptions or dividends; or
- for any transaction from which the director derives an improper personal benefit.

If the Delaware General Corporation Law is amended to authorize the further elimination or limitation of director's liability, then the liability of our directors will automatically be limited to the fullest extent provided by law. These provisions do not limit or eliminate our rights or those of any stockholder to seek non-monetary relief, such as an injunction or rescission, in the event of a breach of a director's fiduciary duty. These provisions will not alter a director's liability under federal securities laws.

Our certificate of incorporation and bylaws also provide that we must indemnify our directors and officers to the fullest extent permitted by Delaware law and also provide that we must advance expenses, as incurred, to our directors and officers in connection with a legal proceeding to the fullest extent permitted by Delaware law, subject to very limited exceptions. We may also indemnify employees and others and advance expenses to them in connection with legal proceedings.

We have entered into separate indemnification agreements with our directors that provide our directors and any partnership, corporation, trust or other entity of which such director is or was a partner, stockholder, trustee, director, officer, employee or agent ("Indemnitees"), with additional indemnification and related rights, particularly

with respect to indemnification procedures and directors' and officers' insurance coverage. The indemnification agreements require us, among other things, to indemnify the Indemnitees against liabilities that may arise by reason of the directors' acts or omissions while providing service to us, other than liabilities arising from acts or omissions (a) regarding enforcement of the indemnification agreement, if not taken in good faith, (b) relating to the purchase and sale by an Indemnitee of securities in violation of Section 16(b) of the Exchange Act, (c) subject to certain exceptions, in the event of claims initiated or brought voluntarily by an Indemnitee, not by way of defense, counterclaim or cross claim or (d) for which applicable law or the indemnification agreements prohibit indemnification; provided, however, that an Indemnitee shall be entitled to receive advance amounts for expenses they incur in connection with claims or actions against them unless and until a court having jurisdiction over the claim shall have made a final judicial determination that such Indemnitee is prohibited from receiving indemnification. Furthermore, we are not responsible for indemnifying an Indemnitee if an independent reviewing party (a party not involved in the pending claim) determines that such Indemnitee is not entitled to indemnification under applicable law, unless a court of competent jurisdiction determines that such Indemnitee is entitled to indemnification. We believe that these indemnification arrangements are important to our ability to attract and retain qualified individuals to serve as directors.

We obtained directors' and officers' liability insurance to provide our directors and officers with insurance coverage for losses arising from claims based on any breaches of duty, negligence, or other wrongful acts, including violations of securities laws, unless such a violation is based on any deliberate fraudulent act or omission or any willful violation of any statute or regulation.

These provisions may have the practical effect in certain cases of eliminating the ability of our stockholders to collect monetary damages from our directors and officers. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and officers.

Item 15. Recent Sales of Unregistered Securities.

In the last three years, we have sold and issued the following unregistered securities:

1. On May 31, 2007, we consummated the 2007 Private Placement in which we issued and sold 20,949,196 shares of our common stock for an aggregate price of $282,814,146 with Friedman, Billings, Ramsey & Co., Inc. acting as initial purchaser and placement agent. A portion of the 2007 Private Placement shares were sold directly by us to "accredited investors" (as defined by Rule 501(a) under the Securities Act) pursuant to an exemption from registration provided under Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder. The remainder of the shares were sold to the initial purchaser who resold the shares to persons it reasonably believed were "qualified institutional buyers" (as defined by Rule 144A under the Securities Act) or to non-U.S. persons (as defined under Regulation S of the Securities Act). Detailed questionnaires were obtained from our investors in which each investor was required to provide certain information, and representations and warranties, that they met the requirements of being an exempt investor. The initial purchaser represented to us in the Purchase/Placement Agreement that it conducted the offering in compliance with particular requirements of Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder. We also relied on their controls and procedures to ensure that only the appropriate exempt classes of investors were involved in the 2007 Private Placement. For its role as initial purchaser and placement agent, Friedman, Billings, Ramsey & Co., Inc. received a discount equal to seven percent (7%) of the aggregate consideration, or $0.945 per share.

Pursuant to the 2007 Private Placement, we received net proceeds of approximately $261.5 million (after the initial purchaser's discount and placement fees). We used approximately $242.0 million of the net proceeds to purchase and retire all of our outstanding preferred stock and 16,053,816 shares of our common stock from our former principal stockholders. The remaining net proceeds of approximately $19.5 million are being used for working capital and general corporate purposes. As a result of our sale of 20,949,196 shares, and our repurchase of 16,053,816 shares, the 2007 Private Placement increased the number of our outstanding shares by 4,895,380.

2. On May 17, 2007, we granted 26,426 shares of common stock and options to purchase 327,357 shares of common stock to certain employees pursuant to our 2007 Long Term Incentive Plan. The issuance of these options was exempt from the registration requirements of the Securities Act pursuant to Rule 701.

3. On May 22, 2007, we granted options to purchase 26,904 shares of common stock to certain directors pursuant to our 2007 Long Term Incentive Plan. The issuance of these options was exempt from the registration requirements of the Securities Act pursuant to Rule 701.

Item 16. Exhibits and Financial Statement Schedules

(a) The following exhibits are filed as part of this Registration Statement:

Exhibit Number	
3.1	Amended and Restated Certificate of Incorporation of Orion Marine Group, Inc.
3.2	Amended and Restated Bylaws of Orion Marine Group, Inc.
4.1	Registration Rights Agreement between Friedman, Billings, Ramsey & Co., Inc. and Orion Marine Group, Inc. dated May 17, 2007
5.1	Opinion of Vinson & Elkins LLP*
10.1	Loan Agreement, dated as of July 10, 2007, between Orion Marine Group, Inc. and Amegy Bank National Association
10.2	Purchase/Placement Agreement dated May 9, 2007 between Orion Marine Group, Inc. and Friedman, Billings, Ramsey & Co., Inc.
10.3	Amended & Restated Redemption Agreement dated May 7, 2007
10.4	Lease dated September 13, 2006, by and between F. Miller Construction, LLC and Joe T. Miller Sr.
10.5	Lease dated September 28, 2006, by and between Southpoint Square I, Ltd. and Misener Marine Construction, Inc.
10.6	Lease dated June 23, 1997, by and between the City of Port Lavaca, Texas and King Fisher Marine Service, Inc.
10.7	Land Sublease Agreement dated May 1, 2007, by and between Signet Maritime Corporation and Orion Construction, L.P.
10.8	2005 Stock Incentive Plan
10.9	Form of Stock Option Agreement Under the 2005 Stock Incentive Plan & Notice of Grant of Stock Option
10.10	Form of Restricted Stock Agreement Under the 2005 Stock Incentive Plan & Notice of Grant of Restricted Stock
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10.12	Form of Stock Option Agreement Under the 2007 Long Term Incentive Plan
10.13	Form of Restricted Stock Agreement and Notice of Grant of Restricted Stock
10.14	Executive Incentive Plan Document Fiscal Year 2007
10.15	Subsidiary Incentive Plan
10.16	Employment Agreement, dated as of April 2, 2007, by and between Orion Marine Group, Inc. and J. Michael Pearson
10.17	Employment Agreement, dated as of April 2, 2007, by and between Orion Marine Group, Inc. and Mark Stauffer
10.18	Employment Agreement , dated as of April 2, 2007, by and between Orion Marine Group, Inc. and Elliott Kennedy
10.19	Employment Agreement, dated as of April 2, 2007, by and between Orion Marine Group, Inc. and Jim Rose
10.20	Employment Agreement, dated as of August 13, 2007, by and between Orion Marine Group, Inc. and J. Cabell Acree, III
21.1	List of Subsidiaries
23.1	Consent of Grant Thornton
24.1	Power of Attorney (included on signature page of this filing)

* To be filed by amendment.

(b) Financial Statement Schedules

Schedule II — Valuation and Qualifying Accounts

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

(A) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933.

(ii) To reflect in the prospectus any fact or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement; notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of the Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of securities the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(B) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referenced in Item 14 of this registration statement, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant is the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, on this 20th day of August, 2007.

ORION MARINE GROUP, INC.
(Registrant)

By: /s/ J. Michael Pearson
Name: J. Michael Pearson
Title: *President and Chief Executive Officer*

POWER OF ATTORNEY

The undersigned officers and directors of Orion Marine Group, Inc. hereby severally constitute and appoint J. Michael Pearson and Mark R. Stauffer, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any and all additional registration statements pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agents full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following person on behalf of the Registrant and in the capacities indicated on this 20th day of August, 2007.

Signature		Date
/s/ J. Michael Pearson *J. Michael Pearson*	President and Chief Executive Officer	August 20, 2007
/s/ Mark Stauffer *Mark Stauffer*	Secretary and Chief Financial Officer	August 20, 2007
/s/ Richard L. Daerr, Jr. *Richard L. Daerr, Jr.*	Chairman of the Board	August 20, 2007
/s/ Thomas N. Amonett *Thomas N. Amonett*	Director	August 20, 2007
/s/ Austin J. Shanfelter *Austin J. Shanfelter*	Director	August 20, 2007
/s/ Gene Stoever *Gene Stoever*	Director	August 20, 2007

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
Orion Marine Group, Inc.

We have audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) the consolidated financial statements of Orion Marine Group, Inc. and subsidiaries referred to in our report dated August 20, 2007, which is included in the Prospectus constituting Part I of this Registration Statement. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule II is presented for purposes of additional analysis and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ GRANT THORNTON LLP

Houston, Texas
August 20, 2007

ORION MARINE GROUP, INC.

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at the Beginning of the Period	Charged to Revenue, Cost, or Expenses	Deductions	Balance at the End of the Period
		(In thousands)		
Year ended December 31, 2004:				
Provision for Doubtful Accounts	$—	$—	$—	$—
Year ended December 31, 2005:				
Provision for Doubtful Accounts	$—	$—	$—	$—
Year ended December 31, 2006:				
Provision for Doubtful Accounts	$—	$500	$—	$500
Six Months ended June 30, 2007:				
Provision for Doubtful Accounts	$500	$—	$—	$500

EXHIBIT INDEX

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* To be filed by amendment

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION

OF

ORION MARINE GROUP, INC.
(a Delaware corporation)

(Pursuant to Sections 228, 242 and 245 of the
General Corporation Law of the State of Delaware)

Orion Marine Group, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "**DGCL**"), hereby certifies as follows:

1. That the name of the corporation is Orion Marine Group, Inc. and that the corporation was originally incorporated pursuant to the DGCL on October 12, 2004 under the name Hunter Acquisition Corp. A Certificate of Amendment was filed on March 22, 2005, and a Certificate of Ownership and Merger was filed on April 5, 2007 changing the name of the corporation from Hunter Acquisition Corp. to Orion Marine Group, Inc.

2. Pursuant to Sections 228, 242 and 245 of the DGCL, this Amended and Restated Certificate of Incorporation restates and integrates and further amends the provisions of the Certificate of Incorporation of the corporation.

3. The text of the Certificate of Incorporation of the corporation is hereby restated in its entirety to read as follows:

ARTICLE 1

The name of the corporation is Orion Marine Group, Inc. (the "**Corporation**").

ARTICLE 2

The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE 3

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may now or hereafter be organized under the DGCL.

ARTICLE 4

A. Authorized Capital Stock. The total number of shares of capital stock that the Corporation shall have authority to issue is 60,000,000, consisting of 50,000,000 shares of common stock, par value $0.01 per share ("**Common Stock**"), and 10,000,000 shares of

preferred stock, par value $0.01 per share (" **Preferred Stock**"). Subject to paragraph B of this ARTICLE 4, 35,000 shares of Preferred Stock are designated as the Corporation's Series A Preferred Stock (the "**Series A Preferred Stock**"), having the voting powers, preferences and relative participation, optional or other rights and privileges and qualifications, limitations or restrictions set forth on Exhibit A attached hereto. Effective immediately upon filing this Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware (the " **Effective Time**"), each 2.23 shares of class B stock issued and outstanding immediately prior to the Effective Time shall, without any action on the part of the holder thereof, be converted, reclassified and combined into, and immediately represent one share of Common Stock. All shares held by any holder after such conversion shall be aggregated for purposes of determining whether a fractional interest shall result from such conversion, and any such fractional interest shall be rounded up to the nearest whole share. In addition, effective immediately upon the Effective Time, each share of class A stock issued and outstanding immediately prior to the Effective Time shall, without any action on the part of the holder thereof, be converted and reclassified into, and immediately represent one share of Series A Preferred Stock. Each certificate representing shares of class A stock or class B stock shall thereafter represent that number of shares of Series A Preferred Stock or Common Stock, as applicable, determined in the previous sentences; provided, that each person holding of record a stock certificate or certificates representing such shares of class A stock or class B stock shall receive, upon surrender of such certificate or certificates to the Corporation or its transfer agent, a new certificate or certificates evidencing the number of shares of Series A Preferred Stock or Common Stock, as applicable, to which such person is entitled. The provisions of this paragraph shall not change the par value of the capital stock set forth above.

The Corporation may purchase, directly or indirectly, its own shares to the extent that may be allowed by law.

B. Rights and Preferences of the Preferred Stock . Subject to the rights of the holders of any outstanding series of Preferred Stock, authority is hereby expressly vested in the board of directors of the Corporation (the " **Board of Directors**") to establish and authorize the issuance of the Preferred Stock from time to time in one or more series and, with respect to each series of the Preferred Stock, to fix and determine by resolution or resolutions, in the manner provided for by law, the number of shares to constitute the series, the designation of the series and, subject to the provisions of the DGCL, the rights and preferences of the shares of any series so established. The Board may decrease the number of shares designated for any existing series of the Preferred Stock; provided, that the Board may not decrease the number of shares within a series below the number of shares within such series that is then issued. Any shares that are so reduced from an existing series of the Preferred Stock shall become authorized but unissued shares of Preferred Stock subject to designation as set forth above. Upon the redemption, repurchase or other retirement of all outstanding shares of Series A Preferred Stock, the designations of the Series A Preferred Stock set forth on Exhibit A attached hereto shall be terminated in full and all shares of Series A Preferred Stock shall become authorized but unissued shares of Preferred Stock subject to designation as set forth above. Each share of the Preferred Stock within an individual series shall be identical in all respects with the other shares of such series, except as to the date, if any, from which dividends on such share shall accumulate and other details which because of the passage of time are required to be made in order for the substantive rights of the holders of the shares of such series to be identical.

C. Description of the Common Stock.

1. General. Except as set forth in paragraph D of this ARTICLE 4, all shares of Common Stock shall be identical and will entitle holders thereof to the same rights and privileges. All shares of Common Stock are expressly made subject and subordinate to the rights, privileges and preferences that may be fixed with respect to any shares of any series of Preferred Stock.

2. Voting Rights. Except as set forth in paragraph D of this ARTICLE 4, each registered holder of Common Stock shall be entitled to one vote for each share of Common Stock held of record by such holder. Except as set forth in paragraph D of this ARTICLE 4 or as otherwise provided by law, and subject to the rights of any outstanding series of Preferred Stock, each registered holder of Common Stock shall be entitled to vote for the election of directors of the Corporation as provided in ARTICLE 5 and shall be entitled to vote on all other matters submitted to a vote of the stockholders of the Corporation.

3. Dividends. Any dividend on Common Stock shall be payable ratably in proportion to the number of shares of Common Stock held by the holders of Common Stock.

4. Liquidation. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after distribution in full of all preferential amounts to be distributed to the holders of any outstanding shares of any series of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares of Common Stock held by them.

D. Foreign Ownership of Stock. Notwithstanding anything to the contrary contained in the Corporation's certificate of incorporation or the designations of any series of Preferred Stock:

1. In General. It is the policy of the Corporation that Non-U.S. Citizens should Own, individually or in the aggregate, no more than the Permitted Percentage of the shares of any class or series of the Corporation's capital stock at any time outstanding. If at any time Non-U.S. Citizens, individually or in the aggregate, become the Owners of more than the Permitted Percentage of the shares of any class or series of the Corporation's capital stock at any time outstanding, then the Corporation shall have the power to take the actions prescribed in subparagraphs 3, 4 and 5 of this paragraph D of this ARTICLE 4. The provisions of this paragraph D are intended to assure that the Corporation remains in continuous compliance with the citizenship requirements of the Foreign Dredge Act of 1906, 46 U.S.C. section 55109, as amended, the Merchant Marine Act of 1920, 46 U.S.C. section 55101, et seq., as amended, the Shipping Act of 1916, 46 U.S.C. section 50501, as amended, and any other U.S. maritime, shipping, and vessel regulations and laws requiring or relating to the ownership or control of the Corporation for purposes of owning and operating vessels in the U.S. coastwise trade (collectively, the " **Maritime Laws**"). Any amendments to the Maritime Laws are deemed to be incorporated herein by reference.

2. Dual Stock Certificate System. To implement the policy set forth in subparagraph 1 hereof, the Corporation may institute a Dual Stock Certificate System such that (a) each certificate representing shares of capital stock that are Owned by a U.S. Citizen shall be marked "U.S. Citizen" and each stock certificate representing shares of capital stock that are Owned by a Non-U.S. Citizen shall be marked "Non-U.S. Citizen," but with all such certificates for the same class or series of capital stock to be identical as to form in all other respects and to comply with all provisions of the DGCL; (b) to the extent necessary to enable the Corporation to submit any proof of citizenship required by law or by contract with the United States government (or any agency thereof), the Corporation may require the record holders and the Owners of such shares of capital stock to confirm their citizenship status from time to time, and voting rights and dividends and other distributions payable with respect to shares of capital stock held by such record holder or Owned by such Owner may, in the discretion of the Board of Directors, be withheld until confirmation of such citizenship status is received; and (c) the share transfer records of the Corporation shall be maintained in such manner as to enable the percentage of each class and series of capital stock that is Owned by Non-U.S. Citizens and by U.S. Citizens to be confirmed. The Board of Directors is authorized to take such other ministerial actions or make such interpretations as it may deem necessary or advisable in order to implement the policy set forth in subparagraph 1 hereof.

3. Restrictions on Issuance and Transfer, Change of Status.

3.1 Any issuance (including by the exercise, conversion or exchange of any securities) or transfer, or attempted transfer, of any capital stock, the effect of which would be to cause one or more Non-U.S. Citizens to Own shares of any class or series capital stock in excess of the Permitted Percentage, shall be ineffective as against the Corporation, and neither the Corporation nor its transfer agent or registrar shall register such issuance or transfer or purported transfer on the share transfer records of the Corporation and neither the Corporation nor its transfer agent or registrar shall be required to recognize the holder, transferee or purported transferee thereof as a stockholder of the Corporation for any purpose whatsoever except to the extent necessary to effect any remedy available to the Corporation under this paragraph D of this ARTICLE 4. A citizenship certificate may be required from all transferees (and from any recipient upon original issuance) of capital stock of the Corporation and, if such transferee (or recipient) is acting as a fiduciary or nominee for an Owner, such Owner, and registration of transfer (or original issuance) shall be denied upon refusal to furnish such certificate.

3.2 Each record holder and Owner shall advise the Corporation in writing of any change in such record holder's or Owner's citizenship status.

4. No Voting Rights; Temporary Withholding of Dividends and Other Distributions. If on any date (including any record date) the number of shares of any class or series of capital stock that is Owned by Non-U.S. Citizens is in excess of the Permitted Percentage for such series or class (such shares of capital stock herein referred to as the "**Excess Shares**"), the Corporation shall determine those shares Owned by Non-U.S. Citizens that constitute such Excess Shares. The determination of those shares of capital stock that constitute Excess Shares shall be made by reference to the date or dates shares were acquired by Non-U.S. Citizens, starting with the most recent acquisition of shares of capital stock by a Non-U.S. Citizen and including, in reverse chronological order of acquisition, all other acquisitions of

shares by Non-U.S. Citizens from and after the acquisition of those shares by a Non-U.S. Citizen that first caused the Permitted Percentage to be exceeded. The determination of the Corporation as to those shares of capital stock that constitute the Excess Shares shall be conclusive. Shares of capital stock deemed to constitute such Excess Shares shall (so long as such excess exists) not be accorded any voting rights and shall not be deemed to be outstanding for purposes of determining the vote required on any matter properly brought before the stockholders of the Corporation for a vote thereon. The Corporation shall (so long as such excess exists) withhold the payment of dividends, if any, and the sharing in any other distribution (upon liquidation or otherwise) in respect of the Excess Shares. At such time as the Permitted Percentage for the applicable class or series of capital stock is no longer exceeded, full voting rights shall be restored to any shares of such class or series of capital stock previously deemed to be Excess Shares and any dividend or other distribution with respect thereto that has been withheld shall be due and paid solely to the record holders of such shares of capital stock at the time the applicable Permitted Percentage is no longer exceeded.

5. Redemption of Excess Shares. The Corporation shall have the power, but not the obligation, to redeem Excess Shares subject to the following terms and conditions:

5.1 the per share redemption price (the "**Non-U.S. Citizen Redemption Price**") to be paid for the Excess Shares to be redeemed shall be the sum of (a) the Fair Market Value of such shares of capital stock and (b) any dividend or other distribution declared with respect to such shares prior to the date such shares are called for redemption hereunder but which has been withheld by the Corporation pursuant to subparagraph 4;

5.2 the Non-U.S. Citizen Redemption Price shall be paid in cash;

5.3 a notice of redemption shall be given by first class mail, postage prepaid, mailed not less than 10 days prior to the redemption date to each holder of record of the Excess Shares to be redeemed, at such holder's address as the same appears on the share transfer records of the Corporation. Each such notice shall state (a) the redemption date; (b) the number of Excess Shares to be redeemed from such holder; (c) the Non-U.S. Citizen Redemption Price, and the manner of payment thereof; (d) the place where certificates for such shares are to be surrendered for payment of the Non-U.S. Citizen Redemption Price; and (e) that dividends and other distributions, if any, on the Excess Shares to be redeemed will cease to accrue on such redemption date;

5.4 from and after the redemption date, dividends and other distributions, if any, on the shares of capital stock called for redemption shall cease to accrue and such shares shall no longer be deemed to be outstanding and all rights of the holders thereof as stockholders of the Corporation (except the right to receive from the Corporation the Non-U.S. Citizen Redemption Price) shall cease. Upon surrender of the certificates for any shares of capital stock so redeemed in accordance with the requirements of the notice of redemption (properly endorsed or assigned for transfer if the Board of Directors shall so require and the notice shall so state), such shares shall be redeemed by the Corporation at the Non-U.S. Citizen Redemption Price. In case fewer than all the shares of capital stock represented by any such certificate are redeemed, a new certificate shall be issued representing the shares of capital stock not redeemed without cost to the holder thereof; and

5.5 such other terms and conditions as the Board of Directors may reasonably determine.

6. Determination of Citizenship. In determining the citizenship of the Owners or their transferees of shares of capital stock, the Corporation may rely on the share transfer records of the Corporation and the citizenship certificates given by the Owners or their transferees or any recipients (in the case of original issuance) (in each case whether such certificates have been given on their own behalf or on behalf of others) to establish the citizenship of such Owners, transferees or recipients of the shares of capital stock. The determination of the citizenship of Owners and their transferees of the shares of capital stock may also be subject to proof in such other way or ways as the Corporation may deem reasonable. The Corporation may at any time require proof, in addition to the citizenship certificates, of any Owner or proposed transferee of shares of capital stock, and the payment of dividends and other distributions may be withheld, and any application for transfer of ownership on the share transfer records of the Corporation may be refused, until such additional proof is submitted. The determination of the Corporation as to the citizenship of the Owners or their transferees in accordance with this subparagraph 6 shall be conclusive.

7. Severability. Each provision of subparagraphs 1 through 6 of this paragraph D of this ARTICLE 4 is intended to be severable from every other provision. If any one or more of the provisions contained in such subparagraphs is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of any other provision of such subparagraphs shall not be affected, and such subparagraphs shall be construed as if the provisions held to be invalid, illegal or unenforceable had been reformed to the extent required to be valid, legal and enforceable.

8. Definitions. For purposes of this paragraph D of this ARTICLE 4:

"**Fair Market Value**" shall mean the average Market Price of one share of the applicable class or series of capital stock for the 20 consecutive trading days next preceding the date of determination. The "**Market Price**" for a particular day shall mean (a) the last reported sales price, regular way, or, in case no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, in either case as reported on the New York Stock Exchange, Inc. ("**NYSE**") composite tape; and (b) if the capital stock is not then listed or admitted to unlisted trading privileges on the NYSE, as reported on the consolidated reporting system of the principal national securities exchange (then registered as such pursuant to Section 6 of the Securities Exchange Act of 1934, as amended) on which such capital stock is then listed or admitted to unlisted trading privileges; and (c) if such capital stock is not then listed or admitted to unlisted trading privileges on the NYSE or any national securities exchange, as included for quotation through the National Association of Securities Dealers, Inc. Automated Quotation ("**NASDAQ**") National Market System; and (d) if such capital stock is not then listed or admitted to unlisted trading privileges on the NYSE or on any national securities exchanges, and is not then included for quotation through the NASDAQ National Market System, (i) the average of the closing "bid" and "asked" prices on such day in the over-the-counter market as reported by NASDAQ or, (ii) if "bid" and "asked" prices for such capital stock on such day shall not have been reported on NASDAQ, the average of the "bid" and "asked" prices for such day as furnished by any NYSE member firm regularly making a market in and for the capital stock.

If such capital stock is not publicly traded, the Fair Market Value thereof shall mean the fair value of one share of such capital stock as determined in good faith by the Board of Directors, which determination shall be conclusive.

8.1 A Person shall be deemed the "**Owner**" of, or to "**Own**," shares of the Corporation's capital stock or other ownership interests to the extent such shares or other ownership interests (a) are owned beneficially or held of record (with the power to act on behalf of the beneficial owner) by such Person; (b) may be voted by such Person; (c) are entitled to dividends or other distributions in respect of such shares or ownership interests by such Person; or (d) which by any other means whatsoever are controlled by such Person, or in which control is permitted to be exercised by such Person (with the Board of Directors being authorized to determine reasonably the meaning of such control for this purpose under the guidelines set forth in 46 C.F.R. §§ 67.31 (2006), as amended, modified or supplemented).

8.2 "**U.S. Citizen**" shall mean: (a) an individual who is a native-born, naturalized, or derivative citizen of the United States, or otherwise qualifies as a United States citizen; (b) a partnership of which all of its general partners are U.S. Citizens and at least 75% of the equity interest in the partnership is Owned by U.S. Citizens; (c) a trust whereby each of its trustees is a U.S. Citizen citizen, each beneficiary with an enforceable interest in the trust is a U.S. Citizen, and at least 75% of the equity interest in the trust is Owned by U.S. Citizens; (d) an association or joint venture if each of its members is a U.S. Citizen; (e) a corporation if (i) it is incorporated under the laws of the United States or of a State of the United States or a political subdivision thereof, Guam, Puerto Rico, the Virgin Islands, American Samoa, the District of Columbia, the Northern Mariana Islands, or any other territory or possession of the United States, (ii) its chief executive officer, by whatever title, and its chairman of the board of directors are U.S. Citizens, (iii) no more of its directors are Non-U.S. Citizens than a minority of the number necessary to constitute a quorum, and (iv) at least 75% of the stock interest in the corporation is Owned by U.S. Citizens; (v) a governmental entity that is an entity of the federal government of the United States or of the government of a State of the United States or a political subdivision thereof, Guam, Puerto Rico, the Virgin Islands, American Samoa, the District of Columbia, the Northern Mariana Islands, or any other territory or possession of the United States, all as further defined in 46 C.F.R. §§ 67.30-67.47 (2006), as amended, modified or supplemented. With respect to a limited liability company, a "U.S. Citizen" shall mean an entity that meets the requirements of subclause (b) above, and, if the limited liability company has a chief executive officer, by whatever title, or a board of directors, then it shall also meet such relevant requirements of subclause (e) above.

8.3 "**Non-U.S. Citizen**" shall mean any Person other than a U.S. Citizen.

8.4 "**Permitted Percentage**" shall mean, with respect to any class or series of outstanding capital stock of the Corporation, a percentage 2% less than the percentage that would cause the Corporation to be no longer qualified as a U.S. Citizen qualified to engage in coastwise trade under the Maritime Laws.

8.5 "**Person**" shall mean an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

ARTICLE 5

The business and affairs of the Corporation shall be managed by and under the direction of the Board of Directors. The exact number of directors of the Corporation shall be fixed by or in the manner provided in the Bylaws of the Corporation (the " **Bylaws**"); subject, however, to the rights of the holders of any series of Preferred Stock of the Corporation to elect additional directors under specified circumstances, and shall be subject to the following provisions:

A. Classification. The directors shall be divided into three classes as nearly equal in size as is practicable, hereby designated Class I, Class II and Class III. The term of office of the initial Class I director shall expire on the date of the first annual meeting of stockholders following the Effective Time, the term of office of the initial Class II directors shall expire at the second annual meeting of the stockholders after the Effective Time and the term of office of the initial Class III directors shall expire at the third annual meeting of the stockholders after the Effective Time. At each annual stockholders meeting after the Effective Time, directors to replace those of a class whose terms expire at such annual meeting shall be elected to hold office until the third succeeding annual meeting of stockholders and until their respective successors shall have been duly elected and qualified. If the number of directors is hereafter changed, any newly created directorships or decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as is practicable.

B. Election. Holders of capital stock shall elect all directors of the Corporation (other than directors, if any, which holders of any series of Preferred Stock are entitled to elect).

C. Written Ballot. The election of directors need not be by written ballot except as may otherwise be provided in the Bylaws.

D. Cumulative Voting. Cumulative voting for the election of directors is not allowed.

E. Removal. Subject to the rights of the holders of any series of Preferred Stock to remove directors, (a) no director may be removed without cause and (b) the affirmative vote of the holders of at least 75% of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to remove any director or the entire Board of Directors for cause.

F. Vacancies. Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall, unless otherwise required by law or by resolution of the Board of Directors, be filled by the affirmative vote of a majority of the directors then in office, though less than a quorum (and not by stockholders), or by the sole remaining director, and directors so chosen shall hold office for a term expiring at the next annual meeting of stockholders and until such director's successor shall have been duly elected

and qualified. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

ARTICLE 6

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal in any respect any or all of the Bylaws. Any adoption, amendment or repeal of the Bylaws of the Corporation by the Board of Directors shall require the approval of a majority of the total number of authorized directors regardless of whether there exist any vacancies in such authorized directorships. The stockholders shall also have the power to adopt, amend or repeal the Bylaws of the Corporation; provided, that in addition to any vote of the holders of any class or series of capital stock of the Corporation required by law the Corporation's certificate of incorporation, the affirmative vote of the holders of at least 80% of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws of the Corporation.

ARTICLE 7

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

ARTICLE 8

The Corporation expressly elects to be subject to Section 203 of the DGCL.

ARTICLE 9

Meetings of stockholders of the Corporation may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision of applicable law) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws.

ARTICLE 10

A director of this Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders; (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) under Section 174 of the DGCL; or (d) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation, in addition to the limitation on personal liability provided in this Article, shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended. No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged

liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

ARTICLE 11

To the fullest extent permitted by applicable law, the Corporation shall provide indemnification of (and advancement of expenses to) its directors and officers, subject only to limits created by applicable Delaware law (statutory or non-statutory), with respect to actions for breach of duty to this Corporation, its stockholders, and others. To the fullest extent permitted by applicable law, the Corporation is also authorized to provide indemnification of (and advancement of expenses to) its agents (and any other persons to which Delaware law permits this Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors, or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the DGCL, subject only to limits created by applicable Delaware law (statutory or non-statutory), with respect to actions for breach of duty to this Corporation, its stockholders, and others. Any repeal or modification of any of the foregoing provisions of this Article shall not adversely affect any right or protection of a director, officer, agent, or other person existing at the time of, or increase the liability of any director of this Corporation with respect to any acts or omissions of such director, officer, or agent occurring prior to, such repeal or modification.

ARTICLE 12

Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of the DGCL or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of the DGCL, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

ARTICLE 13

The Board of Directors is expressly authorized to cause the Corporation to issue rights pursuant to Section 157 of the DGCL and, in that connection, to enter into any agreements necessary or convenient for such issuance, and to enter into other agreements necessary and convenient to the conduct of the business of the Corporation. Any such agreement may include provisions limiting, in certain circumstances, the ability of the Board of Directors to redeem the

securities issued pursuant thereto or to take other action thereunder or in connection therewith unless there is a specified number or percentage of Continuing Directors then in office. Pursuant to Section 141(a) of the DGCL, Continuing Directors shall have the power and authority to make all decisions and determinations, and exercise or perform such other acts, that any such agreement provides that such Continuing Directors shall make, exercise or perform. For purposes of this ARTICLE 13 and any such agreement, the term, "**Continuing Directors**" shall mean (a) those directors who were members of the Board of Directors at the time the Corporation entered into such agreement and any director who subsequently becomes a member of the Board of Directors, if such director's nomination for election or appointment to the Board of Directors is recommended or approved by the majority vote of the Continuing Directors then in office and (b) such other members of the Board of Directors, if any, designated in, or in the manner provided in, such agreement as Continuing Directors.

ARTICLE 14

The Corporation reserves the right to amend, alter, change or repeal in any respect any provision contained in this certificate of incorporation in the manner now or hereafter prescribed by applicable laws, and all rights conferred upon stockholders in this certificate of incorporation are granted subject to this reservation; provided, that the affirmative vote of the holders of at least 80% of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal ARTICLE 5, 6, 7, 8, 10, 11, 13 and 14 of this certificate of incorporation.

The undersigned, being the duly elected President of the Corporation, for the purpose of amending and restating the certificate of incorporation of the Corporation, does make this Certificate, hereby declaring and certifying that this is its act and deed and the facts stated in this certificate of incorporation are true, and accordingly has hereunto executed this Amended and Restated Certificate of Incorporation as a duly authorized officer of the Corporation this 17th day of May, 2007.

/s/ J. Michael Pearson
J. Michael Pearson, President

EXHIBIT A

DESIGNATIONS OF SERIES A PREFERRED STOCK

The voting powers, preferences, and privileges and qualifications, limitations, or restrictions of the Series A Preferred Stock are as set forth below:

1. Dividends.

1.1 Class A Stock. The holders of the outstanding shares of Series A Preferred Stock shall be entitled to receive cumulative dividends at the annual rate of 6% of the Original Issue Price (as defined herein) per annum per share, prior and in preference to any declaration or payment of any dividend (payable other than solely in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive solely shares of Common Stock of the Corporation) on Common Stock or any other Equity Securities. Dividends on each share of Series A Preferred Stock shall be cumulative and shall accrue on each share from day to day until paid, whether or not earned or declared, and whether or not there are profits, surplus, or other funds legally available for the payment of dividends. All accrued but unpaid dividends on each share of Series A Preferred Stock shall be payable out of any assets legally available therefor in cash upon the liquidation, dissolution, or winding up of the Corporation as provided in part 2 of this Exhibit A, upon the repurchase of Series A Preferred Stock as provided in part 3 of this Exhibit A or, subject to any contractual obligations of the Corporation limiting its ability to declare or pay dividends, from time to time when, as, and if declared by the board of directors of the Corporation (the " **Board**").

1.2 Priority on Dividends. Unless the full amount of any accrued and unpaid dividends on the Series A Preferred Stock shall have been paid or declared in full and a sum sufficient for the payment thereof reserved and set apart, (a) no dividend or distribution (other than a dividend payable solely in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive solely shares of Common Stock of the Corporation) shall be declared or paid on Common Stock or any other Equity Securities and (b) no shares of Common Stock or any other Equity Securities shall be purchased, redeemed, or acquired by the Corporation and no monies shall be paid into or set aside or made available for a sinking fund for the purchase, redemption, or acquisition thereof; provided, that this restriction shall not apply to (i) the repurchase of capital stock pursuant to the Stockholders' Agreement or the repurchase of Series A Preferred Stock pursuant to the terms hereof or (ii) the repurchase of shares of Common Stock from directors, employees, or consultants of the Corporation or a Subsidiary pursuant to agreements approved by the Board of Directors under which the Corporation has the obligation or option to repurchase such shares upon the occurrence of certain events, such as the termination of service to the Corporation or a Subsidiary.

1.3 Non-Cash Dividends. Whenever a dividend provided for in this part 1 of Exhibit A shall be payable in property other than cash, the value of such dividend shall be deemed to be the Fair Market Value of such property.

2. Liquidation Preference.

2.1 Series A Preferred Stock. In the event of any liquidation, dissolution, or winding up of the Corporation, either voluntary or involuntary, the holders of the Series A Preferred Stock shall be entitled to receive, prior and in preference to any payment or distribution and setting apart for payment or distribution of any of the assets or surplus funds of the Corporation to the holders of the Common Stock and to the holders of any other Equity Securities, an amount (the "**Liquidation Preference**") for each share of Series A Preferred Stock then held by them equal to $1,000 (as adjusted for any stock splits, stock dividends, recapitalizations, combinations, or similar transactions with respect to such shares after the filing date hereof, the " **Original Issue Price**") plus all accrued or declared but unpaid dividends on the Series A Preferred Stock to and including the date of payment of such Liquidation Preference. If, upon the occurrence of such event, the assets and funds legally available for distribution among the holders of the Series A Preferred Stock shall be insufficient to permit the payment to such holders of the full Liquidation Preference for each share of Series A Preferred Stock held by such holders, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of Series A Preferred Stock based upon the aggregate Liquidation Preferences of the shares of Series A Preferred Stock held by each such holder.

2.2 Participation Rights. If the assets and funds of the Corporation legally available for distribution to the Corporation's stockholders exceed the aggregate Liquidation Preferences payable to the holders of Series A Preferred Stock pursuant to paragraph 2.1 of this Exhibit A, then, after the payments required by paragraph 2.1 of this Exhibit A shall have been made or irrevocably set apart for payment, the remaining assets and funds of the Corporation available for distribution to the Corporation's stockholders shall be distributed among the holders of the then outstanding shares of Common Stock or other Equity Securities in accordance with the terms thereof.

2.3 Merger or Sale of Assets. For purposes of this part 2 of this Exhibit A, at the election of the holders of a majority of the Series A Preferred Stock then outstanding, a liquidation, dissolution, or winding up of the Corporation shall be deemed to be occasioned by, and the holders of Series A Preferred Stock shall be entitled to receive in cash, securities, or other property (valued at Fair Market Value) in the amounts as specified in paragraphs 2.1 and 2.2 above at the closing of, (a) the consolidation or merger of the Corporation with or into one or more other corporations or other business organizations pursuant to which the Corporation's stockholders of record immediately prior to such event (by virtue of the securities issued as part of such event) shall hold less than 50% of the voting power of the surviving or acquiring entity immediately following such event (a " **Change of Control**"); (b) the sale, lease, or transfer of all or substantially all of the assets of the Corporation and/or its material Subsidiaries or of any material business unit of the Corporation; or (c) any other form of corporate reorganization resulting in a Change of Control in which outstanding shares of the Corporation are exchanged for or converted into cash or the securities of another corporation or business organization, or other property.

2.4 Liquidation Notice. The Corporation shall give written notice of any liquidation, dissolution, or winding up (or any transaction which might reasonably be

deemed to be a liquidation, dissolution, or winding up pursuant to paragraph 2.3 of this Exhibit A) to each holder of Series A Preferred Stock not less than 10 days prior to the date stated in such notice for the distribution and payment of the amounts provided in this part 2 of this Exhibit A.

3. Repurchase.

3.1 Repurchase Date. Upon the consummation of a firm commitment underwritten offering by the Corporation of shares of Common Stock or other Equity Securities to the public pursuant to an effective registration statement under the Securities Act of 1933, then in effect, or any comparable statement under any similar federal statute then in force, the Corporation shall repurchase from each holder of outstanding Series A Preferred Stock the number of shares of Series A Preferred Stock held of record by such holder on the date of the consummation of such offering (a " **Repurchase Date**"), at a price per share equal to the Original Issue Price plus all declared or accrued but unpaid dividends, if any (the " **Repurchase Price**").

3.2 Repurchase Notice. Not less than 15 nor more than 30 days prior to a Repurchase Date, the Corporation shall give written notice by first class mail, postage prepaid, to each holder of record (as of the close of business on the business day next preceding the day on which notice is given) of the Series A Preferred Stock, at the address of such holder last shown on the records of the Corporation, notifying such holder of the repurchase to be effected, specifying the number of shares to be repurchased from such holder on such Repurchase Date, the Repurchase Date, the Repurchase Price, and the place at which payment may be obtained and calling upon such holder to surrender to the Corporation in the manner and at the place designated, its certificate or certificates representing the shares of Series A Preferred Stock to be repurchased on such Repurchase Date (the " **Repurchase Notice**"). On or after the Repurchase Date, each holder of Series A Preferred Stock to be repurchased on such Repurchase Date shall surrender to the Corporation the certificate or certificates representing such shares, in the manner and at the place designated in the Repurchase Notice, and thereupon the Repurchase Price of such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof and each surrendered certificate shall be canceled.

3.3 Available Funds, etc. If the funds of the Corporation legally available for repurchase of Series A Preferred Stock on any Repurchase Date are insufficient to repurchase the total number of shares of Series A Preferred Stock to be repurchased on such date, those funds that are legally available will be used to repurchase the maximum possible number of shares of Series A Preferred Stock, ratably among the holders of the shares of Series A Preferred Stock to be repurchased based upon the aggregate Repurchase Price of such shares held by each such holder. The shares of Series A Preferred Stock not repurchased shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the repurchase of shares of Series A Preferred Stock, such funds will immediately be used to repurchase the balance of the Series A Preferred Stock, ratably among the holders of such shares of Series A Preferred Stock, as set forth in the preceding sentence, and such funds will not be used for any other purpose.

3.4 Deposit of Repurchase Price. On or prior to the Repurchase Date, the Corporation shall deposit the Repurchase Price of all shares of the Series A Preferred Stock to be repurchased with a bank or trust corporation having aggregate capital and surplus in excess of One Hundred Million Dollars ($100,000,000.00) as a trust fund for the benefit of the respective holders of the shares designated for repurchase, with irrevocable instructions and authority to the bank or trust corporation to pay the Repurchase Price for such shares to their respective holders on or after the Repurchase Date upon receipt of notification from the Corporation that such holder has surrendered his share certificate to the Corporation. As of the Repurchase Date, the deposit shall constitute full payment of the shares to their holders, and from and after the Repurchase Date the shares so called for repurchase shall be repurchased and shall be deemed to be no longer outstanding, and the holders thereof shall cease to be stockholders with respect to such shares and shall have no rights with respect thereto except the rights to receive from the bank or trust corporation payment of the Repurchase Price of the shares upon surrender of their certificates therefor. The balance of any moneys deposited by the Corporation pursuant to this paragraph 3.4 of this Exhibit A remaining unclaimed at the expiration of two years following the Repurchase Date shall thereafter be returned to the Corporation upon its request expressed in a resolution of the Board.

3.5 Certificates, etc. If fewer than the total number of shares of Series A Preferred Stock represented by any certificate are repurchased, a new certificate representing the number of shares of Series A Preferred Stock not repurchased will be issued to the holder thereof without cost to such holder within a reasonable time after surrender of the certificate representing the repurchased shares.

3.6 Pro rata Repurchases. Neither the Corporation nor any Subsidiary will repurchase, purchase, or otherwise acquire any shares of Series A Preferred Stock except as expressly authorized herein, in the Stockholders' Agreement or pursuant to a purchase offer made pro rata to all holders of shares of Series A Preferred Stock on the basis of the aggregate Repurchase Price of such shares of Series A Preferred Stock owned by each such holder.

4. Voting Rights. Without the affirmative vote of the holders of a majority of the outstanding Series A Preferred Stock, voting as a separate class, the Corporation shall not:

(a) effect any sale, lease, assignment, transfer, exchange, or other conveyance of all or substantially all of the assets of the Corporation or any Subsidiary, or any consolidation, conversion, or merger involving the Corporation or any Subsidiary or any share exchange, reclassification, or other change of any stock, or any recapitalization, or any dissolution, liquidation, or winding up of the Corporation or any Subsidiary or, unless the obligations of the Corporation or such Subsidiary under an agreement are expressly conditional upon the requisite approval of the holders of the Series A Preferred Stock as provided for herein, make any agreement or become obligated to do so;

(b) authorize, issue, or obligate itself to issue any additional shares of Series A Preferred Stock, or increase or decrease the total number of authorized shares of Series A Preferred Stock;

(c) authorize, issue, or obligate itself to issue any Equity Securities of the Corporation (other than pursuant to an Approved Plan) or any Subsidiary, or reclassify or convert any shares of Common Stock or other Equity Securities of the Corporation or any Subsidiary;

(d) authorize, issue, or obligate itself to issue any Debt Securities of the Corporation or any Subsidiary;

(e) amend or alter its Certificate of Incorporation or Bylaws or the charter documents of any Subsidiary or otherwise alter or change the right, preferences or privileges of the Series A Preferred Stock, whether by merger, consolidation or otherwise;

(f) authorize or issue, or obligate itself to issue, any shares of Common Stock or other Equity Security of the Corporation or any Subsidiary to any employee, director, or consultant of the Corporation or any Subsidiary, or authorize or create, or reserve shares of Common Stock or other Equity Securities of the Corporation or any Subsidiary (including increasing the number of Equity Securities reserved) with respect to any stock option plan, stock incentive plan, stock appreciation right, or other plan or arrangement, other than under an Approved Plan;

(g) pay or declare any dividend on the Corporation's Common Stock or any other Equity Securities of the Corporation;

(h) enter into or be a party to, or allow any Subsidiary to enter into or be a party to, any related or affiliated party transaction or arrangement including, but not limited to, employee benefit plans or arrangements, but other than for payment of customary salary for service rendered;

(i) incur, create, assume, become or be liable in any manner with respect to, permit to exist or modify the terms of any indebtedness for borrowed money (including, without limitation, capitalized leases) of the Corporation or any Subsidiary or for the deferred purchase price for the acquisition of property by the Corporation or any Subsidiary;

(j) loan money from the Corporation or any Subsidiary to any person or guarantee the indebtedness of any person by the Corporation or any Subsidiary, except for expense reimbursement for reasonable expenses incurred in connection with employment or service to the Company in the ordinary course of business;

(k) except to the extent specifically reflected in the annual budget of the Corporation approved by the Board, enter into any single contract or series of related contracts with respect to a single transaction or any set of related transactions contemplating the payment (at any single time or in the aggregate) by the Corporation or a Subsidiary of amounts in excess of $1.00;

(l) acquire or enter into any agreement to acquire (irrespective of the form of transaction) by the Corporation or any Subsidiary any capital stock of any person, or any substantial portion of the assets of any person;

(m) change the primary line of business of the Corporation or any Subsidiary;

(n) voluntarily dissolve, liquidate, or wind up the affairs of the Corporation or any Subsidiary;

(o) increase or decrease the size of the Board of the Corporation or of any Subsidiary;

(p) increase or decrease the size of one or more committees of the Board designated in the manner provided in the Bylaws of the Corporation (the "**Bylaws**");

(q) appoint or approve the appointment of any senior executive officer of the Corporation or any Subsidiary, including without limitation, the Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, and General Counsel;

(r) terminate or approve the termination of any senior executive officer of the Corporation or any Subsidiary, including without limitation, the Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, and General Counsel;

(s) create any Subsidiary or transfer any assets of the Company to any Subsidiary of the Company; or

(t) adopt, approve or modify the annual budget of the Corporation or that of any Subsidiary.

5. Registration of Transfer. The Corporation will keep at its principal office a register for the registration of shares of Series A Preferred Stock. Upon the surrender of any certificate representing shares of Series A Preferred Stock at such place, the Corporation will, at the request of the record holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares of Series A Preferred Stock represented by the surrendered certificate. Each such new certificate will be registered in such name and will represent such number of shares of Series A Preferred Stock as is requested by the holder of the surrendered certificate and will be substantially identical in form to the surrendered certificate, and dividends will accrue on the shares of Series A Preferred Stock represented by such new certificate from the date to which dividends have been fully paid on such shares of Series A Preferred Stock represented by the surrendered certificate.

6. Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit without bond of the registered holder will be satisfactory) of the ownership and the loss, theft, destruction, or mutilation of any certificate evidencing shares of Series A Preferred Stock and, in the case of any such loss, theft, or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation or, in the case of any mutilation, upon surrender of such certificate the Corporation will (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of Series A Preferred Stock represented by such lost, stolen, destroyed, or mutilated certificate, and dividends will accrue on the shares of Series A Preferred Stock represented by such new

certificate from the date to which dividends have been fully paid on such lost, stolen, destroyed, or mutilated certificate.

7. Definitions. As used in this Exhibit A:

"**Approved Plan**" means any written stock option, stock purchase, stock incentive, or stock appreciation plan or arrangement and any increase in the number of shares of Common Stock or other Equity Securities reserved for issuance pursuant to any of the foregoing; provided, that such plan or arrangement is approved by a majority of the Board and by the holders of Series A Preferred Stock pursuant to paragraph 4 of this Exhibit A.

"**Debt Security**" means any security representing funds borrowed by the Corporation from the holder of the debt obligation or similar security, including, without limitation, securities containing debt features such as bonds, notes or debentures.

"**Equity Security**" means any capital stock or similar security, including, without limitation, securities containing equity features and securities containing profit participation features, or any security convertible or exchangeable, with or without consideration, into or for any stock or similar security, or any security carrying any warrant or right to subscribe for or purchase any stock or similar security, or any such warrant or right, other than the Series A Preferred Stock or Common Stock.

"**Fair Market Value**" means the fair market value as determined in good faith by a majority of the entire Board.

"**Person**" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or other entity or a governmental entity or any department, agency, or political subdivision thereof.

"**Stockholders' Agreement**" means the Stockholders' Agreement, to be entered into in connection with the Corporation's initial issuance of Series A Preferred Stock and Common Stock by and among the Corporation and certain stockholders of the Corporation, as such agreement may from time to time be amended in accordance with its terms.

"**Subsidiary**" means any corporation any of the outstanding voting securities of which are owned by the Corporation or any Subsidiary, directly or indirectly, or a partnership or limited liability company in which the Corporation or any Subsidiary is a general partner or manager or holds interests entitling it to receive any of the profits or losses of the partnership or limited liability company.

8. Amendment and Waiver. Except as expressly provided herein, no amendment, modification, or waiver will be binding or effective with respect to any provision of this Exhibit A without the affirmative vote of the holders of a majority of the shares of Series A Preferred Stock then outstanding, voting separately as a class; provided, that if any such amendment, modification, or waiver is to a provision herein that requires a specific vote (such as requiring the vote of a specified percentage of a particular class of voting securities) to take an action thereunder or to take an action with respect to the matters described therein, such amendment, modification, or waiver will not be binding or effective unless such specific vote is

obtained to approve such amendment, modification, or waiver; and provided, further, that no change in the terms hereof may be accomplished by merger or consolidation of the Corporation with another corporation or entity unless the Corporation has obtained the prior written consent of the holders of the applicable percentage of the applicable class(es) of securities that would be necessary to approve such change in terms other than in connection with such merger or consolidation.

9. Notices. Except as otherwise expressly provided, all notices referred to herein shall be in writing and shall be delivered personally or mailed, certified mail, return receipt requested, or delivered by overnight courier service to (a) the Corporation, at its principal executive offices and (b) any shareholder, at such holder's address as it appears in the stock records of the Corporation (unless otherwise indicated in writing by any such holder), and shall be deemed to have been given upon delivery, if delivered personally, three business days after mailing, if mailed, or one business day after delivery to the courier, if delivered by overnight courier service.

Exhibit 3.2

ORION MARINE GROUP, INC.
(formerly Hunter Acquisition Corp.),
a Delaware corporation

AMENDED AND RESTATED BYLAWS

Adopted April 9, 2007

ARTICLE 1

OFFICES

Section 1.1. Registered Office. The registered office or Orion Marine Group, Inc., a Delaware corporation (the " **Corporation**"), shall be the registered office named in the certificate of incorporation.

Section 1.2. Other Offices. The Corporation may also have offices at such other places, either within or without the State of Delaware, as the board of directors may from time to time to determine or as the business of the Corporation may require.

ARTICLE 2

MEETINGS OF STOCKHOLDERS

Section 2.1. Place of Meetings. All meetings of the stockholders shall be held at the principal office of the Corporation or at such other places as may be fixed from time to time by the board of directors, either within or without the State of Delaware, and stated in the notice of the meeting or in a duly executed waiver of notice of the meeting, or the board of directors, may in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication.

Section 2.2. Annual Meetings. Annual meetings of stockholders, commencing with the year 2008, shall be held at the time and place, if any, to be selected by the board of directors, which date shall be within 13 months subsequent to the last annual meeting of stockholders. If the day is a legal holiday, then the meeting shall be held on the next following business day. At the meeting, the stockholders shall elect directors to succeed those whose terms expire and transact such other business as may properly be brought before the meeting. Each election of directors shall be by written ballot, unless otherwise provided in the Certificate of Incorporation. If authorized by the board of directors, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, provided, that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder or proxyholder.

Section 2.3. Notice of Annual Meeting . Notice of the annual meeting stating the place, if any, date, and hour of the meeting shall be given in accordance with Section 2.4 of this Article

to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting.

Section 2.4. Manner of Giving Notice; Affidavit of Notice. If mailed, notice to stockholders shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation. Without limiting the manner by which notice may otherwise be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law. An affidavit of the secretary or an assistant secretary or of the transfer agent of the Corporation that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated in such affidavit.

Section 2.5. Voting List. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, both (a) for a period of at least 10 days prior to the meeting either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or at the place where the meeting is held and (b) during the whole time of the meeting as in the manner provided by law.

Section 2.6. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called by the board of directors acting pursuant to a resolution adopted by a majority of the total number of authorized directors (regardless of whether there exist any vacancies in such authorized directorships), and not by stockholders.

Section 2.7. Notice of Special Meetings. Notice of a special meeting stating the place, if any, date, and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given in accordance with Section 2.4 of this ARTICLE 2 not less than 10 nor more than 60 days before the date of the meeting, to each stockholder entitled to vote at such meeting. Business transacted at any special meeting of the stockholders shall be limited to the purposes stated in the notice.

Section 2.8. Business to be Brought Before a Meeting of Stockholders. To be properly brought before a meeting of stockholders, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors; (b) otherwise brought before the meeting by or at the direction of the Board of Directors; or (c) otherwise properly brought before an annual meeting by a stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this Section, who shall be entitled to vote at such annual meeting and who complies with the notice procedures set forth in this Section. In addition to any other applicable requirements, for business to be brought before an annual meeting by a stockholder of the Corporation, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 120 days prior to the anniversary date of the proxy

statement for the preceding annual meeting of stockholders of the Corporation. A stockholder's notice to the Secretary shall set forth as to each matter (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business; (c) the acquisition date, the class and the number of shares of voting stock of the Corporation which are owned beneficially by the stockholder; (d) any material interest of the stockholder in such business; and (e) a representation that the stockholder intends to appear in person or by proxy at the annual meeting to bring the proposed business before the meeting.

Section 2.9. Quorum. The holders of a majority of the stock issued and outstanding and entitled to vote at meetings of the stockholders, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by statute or by the Certificate of Incorporation. The stockholders present at a duly organized meeting may continue to transaction business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote at such meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 2.10. Order of Business. At each meeting of the stockholders, one of the following persons, in the order in which they are listed (and in the absence of the first, the next, and so on), shall serve as chairperson of the meeting: chairperson of the board, chief executive officer, president, vice presidents (in the order of their seniority if more than one), and secretary. The order of business at each such meeting shall be as determined by the chairperson of the meeting. The chairperson of the meeting shall have the right and authority to prescribe such rules, regulations, and procedures and to do all such acts and things as are necessary or desirable for the proper conduct of the meeting, including, without limitation, the establishment of procedures for the maintenance of order and safety, limitations on the time allotted to questions or comments on the affairs of the Corporation, restrictions on entry to such meeting after the time prescribed for the commencement thereof, and the opening and closing of the voting polls.

Section 2.11. Required Vote. When a quorum is present at any meeting, in all matters other than the election of directors, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes or of the Certificate of Incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question. Directors shall be elected by a plurality of the stock having voting power present in person or represented by proxy.

Section 2.12. Method of Voting. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote

in person or by proxy for each share of the capital stock having voting power held by such stockholder. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy. Proxies for use at any meeting of stockholders shall be filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, before or at the time of the meeting. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting, who shall decide all questions touching upon the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the chairman of the meeting, in which event such inspector or inspectors shall decide all such questions.

No proxy shall be valid after three years from its date, unless the proxy provides for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and coupled with an interest sufficient in law to support an irrevocable power.

Should a proxy designate two or more persons to act as proxies, unless such instrument shall provide the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of such portion of the shares as is equal to the reciprocal of the fraction equal to the number of proxies representing such shares divided by the total number of shares represented by such proxies.

Section 2.13. Presence at Meetings. If authorized by the board of directors in its sole discretion, and subject to such guidelines and procedures as the board of directors may adopt, stockholders and proxyholders not physically present at the meeting of stockholders may by means of remote communication (a) participate in a meeting of stockholders and (b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided, that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder; (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

Section 2.14. Treasury Stock. The Corporation shall not vote, directly or indirectly, shares of its own stock owned by it and such shares shall not be counted for quorum purposes. Nothing in this Section 2.14 shall be construed as limiting the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

ARTICLE 3

DIRECTORS

Section 3.1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the board of directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation of the Corporation or by these Bylaws directed or required to be exercised or done by the stockholders.

Section 3.2. Number of Directors. The number of directors constituting the board shall be such number as shall be from time to time specified by resolution of the board of directors; provided, that no director's term shall be shortened by reason of a resolution reducing the number of directors. If the board of directors makes no such specification, the number of directors shall be three.

Section 3.3. Qualification, and Term of Office of Directors. Each director must be a citizen of the United States. Directors need not be stockholders or residents of the State of Delaware unless so required by the Certificate of Incorporation or these Bylaws, which may prescribe other qualifications for directors. Each director, including a director elected to fill a vacancy, shall hold office until his successor is elected and qualified or until his earlier resignation or removal.

Section 3.4. Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors, except otherwise provided in the Certificate of Incorporation. Nominations of persons for election to the board of directors of the Corporation at a meeting of stockholders may be made (a) by or at the direction of the board of directors or (b) by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this Section, who shall be entitled to vote for the election of directors at the meeting and who complies with the notice procedures set forth in this Section. Such nominations, other than those made by or at the direction of the board of directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation (a) with respect to an election of directors to be held at the annual meeting of the stockholders of the Corporation, not later than 120 days prior to the anniversary date of the proxy statement for the immediately preceding annual meeting of stockholders of the Corporation and (b) with respect to an election of directors to be held at a special meeting of stockholders of the Corporation, not later than the close of business on the 10th day following the day on which such notice of the date of the special meeting was first mailed to the Corporation's stockholders or public disclosure of the date of the special meeting was first made, whichever first occurs. Such stockholder's notice to the Secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, all information relating to the person that is required to be disclosed in solicitations for proxies for election of directors, or is otherwise required, pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including the written consent of such person to be named in the proxy statement as a nominee and to serve as a director if elected); and (b) as to the stockholder giving the notice (i) the name and address, as they appear on the Corporation's

books, of such stockholder and (ii) the class and number of shares of capital stock of the Corporation that are beneficially owned by the stockholder. At the request of any officer of the Corporation, any person nominated by the board of directors for election as a director shall furnish to the Secretary of the Corporation the information required to be set forth in a stockholder's notice of nomination that pertains to the nominee.

In the event that a person is validly designated as nominee to the Board and shall thereafter become unable or unwilling to stand for election to the board of directors, the board of directors or the stockholder who proposed such nominee, as the case may be, may designate a substitute nominee.

Except as otherwise provided in the Certificate of Incorporation, no person shall be eligible to serve as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section. The chairman of the meeting of stockholders shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the Bylaws, and if the chairman should so determine, the chairman shall so declare to meeting and the defective nomination shall be disregarded.

Notwithstanding the foregoing provisions of this Section, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder with respect to the matters set forth above.

Section 3.5. Regular Meetings; First Meeting . Regular meetings of the board of directors may be held without notice at such times and at such places as shall from time to time be determined by the board. The board of directors may hold its first meeting of any new term, if a quorum is present, without notice immediately after and at the same place as the annual meeting of the stockholders.

Section 3.6. Special Meetings. Special meetings of the board may be called by the chairperson of the board, the chief executive officer or the president, and shall be called by the chief executive officer, the president or the secretary on the written request of two directors unless the board of directors consists of only one director, in which case special meetings shall be called by the chief executive officer, the president or the secretary on the written request of the sole director.

Section 3.7. Quorum, Majority Vote. At all meetings of the board, a majority of the entire board of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the board of directors, the directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.8. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the board of directors or of any committee of the board of directors may be taken without a meeting,

if all members of the board or committee, as the case may be, consent to such action in writing, or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State of Delaware.

Section 3.9. Telephone and Other Meetings. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 3.10. Notice of Meetings. Notice of regular meetings of the board of directors or of any adjourned meeting of the board of directors need not be given. Notice of each special meeting of the board shall be mailed to each director, addressed to such director at such director's residence or usual place of business, at least two days before the day on which the meeting is to be held or shall be sent to such director at such place by telegraph or be given personally or by telephone, not later than the day before the meeting is to be held, but notice need not be given to any director who shall, either before or after the meeting, submit a signed waiver of such notice or who shall attend such meeting without protesting, prior to or at its commencement, the lack of notice to such director. Every such notice shall state the time and place but need not state the purpose of the meeting.

Section 3.11. Rules and Regulations. The board of directors may adopt such rules and regulations not inconsistent with the provisions of law, the Certificate of Incorporation of the Corporation, or these Bylaws for the conduct of its meetings and management of the affairs of the Corporation as the board may deem proper.

Section 3.12. Resignations. Any director of the Corporation may at any time resign by giving notice in writing or by electronic transmission to the board of directors, the chairperson of the board, the chief executive officer, the president, or the secretary of the Corporation. Such resignation shall take effect at the time specified in such notice or, if the time be not specified, upon receipt of such notice; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.13. Compensation of Directors. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation for such service. Members of special or standing committees may be allowed like compensation for attending committee meetings.

ARTICLE 4

EXECUTIVE AND OTHER COMMITTEES

Section 4.1. Executive Committee. The board of directors may, by resolution adopted by a majority of the entire board, designate annually one or more of its members to constitute members or alternate members of an executive committee, which committee shall have and may exercise, between meetings of the board, all the powers and authority of the board in the management of the business and affairs of the Corporation, including, if such committee is so empowered and authorized by resolution adopted by a majority of the entire board, the power and authority to declare a dividend and to authorize the issuance of stock, and may authorize the seal of the Corporation to be affixed to all papers which may require it, except that the executive committee shall not have such power or authority with reference to:

(a) amending the Certificate of Incorporation of the Corporation;

(b) adopting an agreement of merger or consolidation involving the Corporation;

(c) recommending to the stockholders the sale, lease or exchange of all or substantially all of the property and assets of the Corporation;

(d) recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution;

(e) adopting, amending, or repealing any Bylaw;

(f) filling vacancies on the board or on any committee of the board, including the executive committee;

(g) fixing the compensation of directors for serving on the board or on any committee of the board, including the executive committee; or

(h) amending or repealing any resolution of the board which by its terms may be amended or repealed only by the board.

Section 4.2. Other Committees. The board of directors may, by resolution adopted by a majority of the entire board, designate from among its members one or more other committees, each of which shall, except as otherwise prescribed by law, have such authority of the board as may be specified in the resolution of the board designating such committee. A majority of all the members of such committee may determine its action and fix the time and place of its meetings, unless the board shall otherwise provide. The board shall have the power at any time to change the membership of, to increase or decrease the membership of, to fill all vacancies in, and to discharge any such committee, or any member of any such committee, either with or without cause.

Section 4.3. Procedure; Meetings; Quorum. Regular meetings of the executive committee or any other committee of the board of directors, of which no notice shall be

necessary, may be held at such times and places as shall be fixed by resolution adopted by a majority of the members of such committee. Special meetings of the executive committee or any other committee of the board shall be called at the request of any member of such committee. Notice of each special meeting of the executive committee or any other committee of the board shall be sent by mail, telegraph, or telephone, or be delivered personally to each member of such committee not later than the day before the day on which the meeting is to be held, but notice need not be given to any member who shall, either before or after the meeting, submit a signed waiver of such notice or who shall attend such meeting without protesting, prior to or at its commencement, the lack of such notice to such member. Any special meeting of the executive committee or any other committee of the board shall be a legal meeting without any notice of such meeting having been given, if all the members of such committee shall be present at such meeting. Notice of any adjourned meeting of any committee of the board need not be given. The executive committee or any other committee of the board may adopt such rules and regulations not inconsistent with the provisions of law, the Certificate of Incorporation of the Corporation, or these Bylaws for the conduct of its meetings as the executive committee or any other committee of the board may deem proper. A majority of the executive committee or any other committee of the board shall constitute a quorum for the transaction of business at any meeting, and the vote of a majority of the members of such committee present at any meeting at which a quorum is present shall be the act of such committee. In the absence or disqualification of a member, the remaining members, whether or not a quorum, may fill a vacancy. The executive committee or any other committee of the board of directors shall keep written minutes of its proceedings, a copy of which is to be filed with the secretary of the Corporation, and shall report on such proceedings to the board.

ARTICLE 5

NOTICES

Section 5.1. Method. Whenever, under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, electronic mail, overnight delivery, facsimile or any other manner provided in Section 232 of the Delaware General Corporation Law, addressed to such director or stockholder, at his mailing address, electronic mail address, or facsimile number as it appears on the records of the Corporation, with postage on such notice prepaid (as applicable), and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail if sent by mail or when received if sent by electronic mail, overnight delivery, or facsimile. Notice to directors may also be given by telegram.

Section 5.2. Waiver. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, a written waiver of such notice, signed by the person or persons entitled to said notice or waiver by electronic transmission by such person, whether before or after the time stated in such waiver, shall be deemed equivalent to notice.

ARTICLE 6

OFFICERS

Section 6.1. Election, Qualification. The officers of the Corporation shall be chosen by the board of directors and shall be a president and a secretary. The board of directors may also choose a chief executive officer, a chief operating officer, a chief financial officer, one or more vice presidents, a treasurer, one or more assistant secretaries and assistant treasurers and such other officers and agents as it shall deem necessary. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these Bylaws otherwise provide. The chief executive officer or, if there is no chief executive officer, the president or, if there is no chief executive officer or present, the highest ranking officer must be a citizen of the United States.

Section 6.2. Salary. The salaries of all officers and agents of the Corporation shall be fixed by the board of directors.

Section 6.3. Term, Removal. Each officer shall hold office until such officer's successor is elected and qualified or until such officer's earlier resignation or removal. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the Corporation shall be filled by the board of directors.

Section 6.4. Resignation. Subject at all times to the right of removal as provided in Section 6.3 of this ARTICLE 6 and to the provisions of any employment agreement, any officer may resign at any time by giving notice to the board of directors, the chief executive officer, the president, or the secretary of the Corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified provided, that the chief executive officer or president or, in the event of the resignation of the chief executive officer or the president, the board of directors may designate an effective date for such resignation which is earlier than the date specified in such notice but which is not earlier than the date of receipt of such notice; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.5. Vacancies. A vacancy in any office because of death, resignation, removal, or any other cause may be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for election to such office.

Section 6.6. Chief Executive Officer. The chief executive officer, if there be such an officer, shall, subject to the provisions of these Bylaws and to the direction and supervision of the board of directors, (a) have general and active management of the affairs of the Corporation and have general supervision of its officers, agents and employees; (b) in the absence of the chairperson of the board, preside at all meetings of the stockholders and the board of directors; (c) have primary responsibility for the implementation of the policies adopted from time to time by the board of directors; and (d) perform those other duties incident to the office of chief executive officer and as from time to time may be assigned to him or her by the board of directors.

Section 6.7. President. The president shall, subject to the provisions of these bylaws and to the direction and supervision of the board of directors, perform all duties incident to the office of president and as from time to time may be assigned to him or her by the board of directors. At the request of the chief executive officer or in the absence of the chief executive officer, in the event of their inability or refusal to act, the president shall perform the duties of the chief executive officer, and when so acting shall have all the powers and be subject to all restrictions of the chief executive officer.

Section 6.8. Chief Operating Officer. The chief operating officer, if there be such an officer, shall, subject to the provisions of these Bylaws and to the direction and supervision of the board of directors and the chief executive officer, supervise the day to day operations of the Corporation and perform those other duties incident to the office of chief operating officer and as from time to time may be assigned to him or her by the board of directors or the chief executive officer.

Section 6.9. Chief Financial Officer. The chief financial officer, if there be such an officer, shall, subject to the provisions of these Bylaws and to the direction and supervision of the board of directors and the chief executive officer, manage the financial affairs of the Corporation and perform those other duties incident to the office of chief financial officer and as from time to time may be assigned to him or her by the board of directors or the chief executive officer. If there is no chief financial officer, these duties shall be performed by the treasurer or such other person designated by the board of directors to perform such duties.

Section 6.10. Vice Presidents. The vice president, if there be such an officer (or if there is more than one, then each vice president), shall perform such duties as from time to time may be assigned to him or her by the board of directors, the chief executive officer or the president. In the absence of the chief executive officer, the president and the chairman of the board or, in the event of their inability or refusal to act, the vice president, if there be such an officer (or in the event there be more than one vice president, the vice presidents in the order designated by the directors, or, in the absence of any designation, then in the order of their election), shall perform the duties of the president and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice presidents shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

Section 6.11. Secretary. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the Corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

Section 6.12. Assistant Secretary. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

Section 6.13. Treasurer. The treasurer, if there be such an officer, shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the board of directors. He shall disburse the funds of the Corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the Corporation. If required by the board of directors, he shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in his possession or under his control belonging to the Corporation. If there is not a treasurer of the Corporation, then the duties set forth above shall be discharged by the President or such other officer as shall be designated by the board of directors.

Section 6.14. Assistant Treasurer. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE 7

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS

Section 7.1. Third-Party Actions. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, against all expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The

termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, that such person had reasonable cause to believe that his or her conduct was unlawful.

The Corporation may indemnify any employee or agent of the Corporation, or any employee or agent serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust, or other enterprise, in the manner and to the extent that it shall indemnify any director or officer under this Section.

Section 7.2. Derivative Actions. The Corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against all expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of such person's duty to the Corporation unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of Delaware or such other court shall deem proper.

Section 7.3. Determination of Indemnification. Any indemnification under Section 7.1 or Section 7.2 of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 7.1 or Section 7.2 of this Article. Such determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit, or proceeding; or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or (c) by the stockholders.

Section 7.4. Right to Indemnification. Notwithstanding the other provisions of this Article, to the extent that a director, officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 7.1 or Section 7.2 of this Article, or in defense of any claim, issue, or matter in any such claim or issue, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with such defense.

Section 7.5. Advance of Expenses. Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Corporation on behalf of a director, officer, employee, or agent in advance of the final disposition of such action, suit, or proceeding as authorized by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation as authorized in this Article.

Section 7.6. Indemnification Not Exclusive. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any law, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 7.7. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against liability under the provisions of this Article.

Section 7.8. Definitions of Certain Terms. For purposes of this Article, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees, or agents, so that any person who is or was a director, officer, employee, or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; references to "serving at the request of the Corporation" shall include any service as a director, officer, employee, or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article.

ARTICLE 8

CERTIFICATES OF STOCK

Section 8.1. Certificates. The board of directors may provide, by resolution or resolutions, that some or all of any or all classes or series of its capital stock shall be uncertificated shares. Every holder of stock in the Corporation represented by certificates shall be entitled to have a certificate, signed by, or in the name of the Corporation by, the chairman or vice chairman of the board of directors, or the president or a vice president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the Corporation, certifying the number of shares owned by him in the Corporation.

Section 8.2. Facsimile Signatures. Any of or all the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 8.3. Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance of such new certificate or certificates, require the owner of such lost, stolen, or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 8.4. Transfers of Stock. In respect of certificated shares of capital stock, such shares of capital stock of the Corporation shall be transferable only on the books of the Corporation by the holders thereof in person of by their duly authorized attorneys or legal representatives upon surrender and cancellation of certificates for a like number of shares. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment, or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled to such certificate, cancel the old certificate and record the transaction upon its books. In respect of uncertificated shares of capital stock, such shares of capital stock of the Corporation shall be transferable only on the books of the Corporation by the holders thereof in person or by their duly authorized attorneys or legal representatives upon the compliance with such rules and procedures as may be prescribed by the board of directors, the chairperson of the board, the chief executive officer, the president or such other officer as designated by the board of directors.

Section 8.5. Fixing Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment of any meeting of stockholders, or to receive payment of any dividend or other distribution or

allotment of any rights, or to exercise any rights in respect of any change, conversion, or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action to which such record date relates. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, that the board of directors may fix a new record date for the adjourned meeting.

Section 8.6. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice of such claim or interest, except as otherwise provided by the laws of Delaware.

ARTICLE 9

GENERAL PROVISIONS

Section 9.1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Section 9.2. Reserves. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 9.3. Annual Statement. The board of directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

Section 9.4. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

Section 9.5. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the board of directors.

Section 9.6. Seal. The board of directors may adopt a corporate seal having inscribed on such seal the name of the Corporation, the year of its organization, and the words “Corporate Seal, Delaware.” The seal may be used by causing it or a facsimile of it to be impressed or affixed or reproduced or otherwise.

ARTICLE 10

AMENDMENTS

Section 10.1. Amendments. These Bylaws may be altered, amended, or repealed or new Bylaws may be adopted by a majority of the entire board of directors, at any meeting of the board of directors if notice of such alteration, amendment, repeal, or adoption of new Bylaws be contained in the notice of such meeting.

Exhibit 4.1

Execution Copy

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "*Agreement*") is made and entered into as of May 17, 2007, by and between Orion Marine Group, Inc., a Delaware corporation (together with any successor entity thereto, the " *Company*"), and Friedman, Billings, Ramsey & Co., Inc., a Delaware corporation ("*FBR*"), for the benefit of FBR, the purchasers of the Company's common stock, $0.01 par value per share, as participants (" *Participants*") in the private placement by the Company of shares of its common stock, and the direct and indirect transferees of FBR, and each of the Participants.

This Agreement is made pursuant to the Purchase/Placement Agreement (the " *Purchase/Placement Agreement*"), dated as of May 9, 2007, by and between the Company and FBR in connection with the purchase and sale or placement of an aggregate of 17,500,000 shares of the Company's common stock (plus an additional 3,449,196 shares to cover additional allotments, if any). In order to induce FBR to enter into the Purchase/Placement Agreement, the Company has agreed to provide the registration rights provided for in this Agreement to FBR, the Participants, and their respective direct and indirect transferees. The execution of this Agreement is a condition to the closing of the transactions contemplated by the Purchase/Placement Agreement.

The parties hereby agree as follows:

1. *Definitions*

As used in this Agreement, the following terms shall have the following meanings:

Accredited Investor Shares: Shares initially sold by the Company to "accredited investors" (within the meaning of Rule 501(a) promulgated under the Securities Act) as Participants.

Affiliate: As to any specified Person, (i) any Person directly or indirectly owning, controlling or holding, with power to vote, ten percent or more of the outstanding voting securities of such other Person, (ii) any Person, ten percent or more of whose outstanding voting securities are directly or indirectly owned, controlled or held, with power to vote, by such other Person, (iii) any Person directly or indirectly controlling, controlled by or under common control with such other Person, (iv) any executive officer, director, trustee or general partner of such Person and (v) any legal entity for which such Person acts as an executive officer, director, trustee or general partner. An indirect relationship shall include circumstances in which a Person's spouse, children, parents, siblings or mother, father, sister- or brother-in-law is or has been associated with a Person.

Agreement: As defined in the preamble.

Board of Directors: As defined in Section 5(a) hereof.

Business Day: With respect to any act to be performed hereunder, each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York, New York or other applicable places where such act is to occur are authorized or obligated by applicable law, regulation or executive order to close.

Closing Date: May 17, 2007 or such other time or such other date as FBR and the Company may agree.

Commission: The Securities and Exchange Commission.

Common Stock: The common stock, $0.01 par value per share, of the Company.

Company: As defined in the preamble.

Controlling Person: As defined in Section 6(a) hereof.

End of Suspension Notice: As defined in Section 5(b) hereof.

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission pursuant thereto.

FBR: As defined in the preamble.

Holder: Each record owner of any Registrable Shares from time to time, including FBR and its Affiliates.

Indemnified Party: As defined in Section 6(c) hereof.

Indemnifying Party: As defined in Section 6(c) hereof.

IPO Registration Statement: As defined in Section 2(b) hereof.

Issuer Free Writing Prospectus: As defined in Section 2(c) hereof.

Liabilities: As defined in Section 6(a) hereof.

NASD: The National Association of Securities Dealers, Inc.

No Objections Letter: As defined in Section 4(t) hereof.

Participants: As defined in the preamble.

Person: An individual, partnership, corporation, trust, unincorporated organization, government or agency or political subdivision thereof, or any other legal entity.

Proceeding: An action, claim, suit or proceeding (including without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or, to the knowledge of the Person subject thereto, threatened.

Prospectus: The prospectus included in any Registration Statement, including any preliminary prospectus at the "time of sale" within the meaning of Rule 159 under the Securities Act and all other amendments and supplements to any such prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference, if any, in such prospectus.

Purchase/Placement Agreement: As defined in the preamble.

Purchaser Indemnitee: As defined in Section 6(a) hereof.

Registrable Shares: The Rule 144A Shares, the Accredited Investor Shares and the Regulation S Shares, upon original issuance thereof, and at all times subsequent thereto, including upon the transfer thereof by the original holder or any subsequent holder (*provided*, in each case that the transferee has duly completed, executed and delivered a Transferee Letter in the form specified in the offering memorandum for the initial issuance of such shares) and any shares or other securities issued in respect of such Registrable Shares by reason of or in connection with any stock dividend, stock distribution, stock split, purchase in any rights offering or in connection with any exchange for or replacement of such Registrable Shares or any combination of shares, recapitalization, merger or consolidation, or any other equity securities issued pursuant to any other pro rata distribution with respect to the Common Stock, until, in the case of any such Rule 144A Share, Accredited Investor Share or Regulation S Share, the earliest to occur of (i) the date on which the resale of such share has been registered pursuant to the Securities Act and it has been disposed of in accordance with the Registration Statement relating to it, (ii) the date on which either it has been transferred pursuant to Rule 144 (or any similar provision then in effect) or is saleable pursuant to Rule 144(k) promulgated by the Commission pursuant to the Securities Act or (iii) the date on which it is sold to the Company.

Registration Default: As defined in Section 2(f) hereof.

Registration Expenses: Any and all expenses incident to the Company's performance of or compliance with this Agreement and certain expenses incident to FBR's performance of or compliance with this Agreement, including, and, with respect to the expenses incident to the Company's performance, without limitation: (i) all Commission, securities exchange, NASD registration, listing, inclusion and filing fees; (ii) all fees and expenses incurred in connection with compliance with international, federal or state securities or blue sky laws (including, without limitation, any registration, listing and filing fees and reasonable fees and disbursements of counsel in connection with blue sky qualification of any of the Registrable Shares and the preparation of a blue sky memorandum and compliance with the rules of the NASD); (iii) all expenses in preparing or assisting in preparing, word processing, duplicating, printing, delivering and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements, certificates and any other documents relating to the performance under and compliance with this Agreement; (iv) all fees and expenses incurred in

connection with the listing or inclusion of any of the Registrable Shares on any securities exchange or The Nasdaq Stock Market, Inc. ® pursuant to Section 4(n) of this Agreement; (v) the fees and disbursements of counsel for the Company and of the independent registered public accounting firm of the Company (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to the performance of this Agreement); (vi) reasonable fees and disbursements of Nelson Mullins Riley & Scarborough, LLP, or one such other counsel, reasonably acceptable to the Company, for the Holders, selected by the Holders holding a majority of the Registrable Shares (such counsel, " *Selling Holders' Counsel*"); and (vii) any fees and disbursements customarily paid in issues and sales of securities (including the fees and expenses of any experts retained by the Company in connection with any Registration Statement); *provided, however*, that Registration Expenses shall exclude brokers' or underwriters' discounts and commissions, if any, relating to the sale or disposition of Registrable Shares by a Holder.

Registration Statement: Any registration statement of the Company that covers the resale of Registrable Shares pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto and all material incorporated by reference or deemed to be incorporated by reference, if any, in such registration statement.

Regulation S: Regulation S (Rules 901-905) promulgated by the Commission under the Securities Act, as such rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such regulation.

Regulation S Shares: Shares initially resold by FBR pursuant to the Purchase/Placement Agreement to "non-U.S. persons" (in accordance with Regulation S) in an "offshore transaction" (in accordance with Regulation S).

Rule 144: Rule 144 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 144A: Rule 144A promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 144A Shares: Shares initially resold by FBR pursuant to the Purchase/Placement Agreement to "qualified institutional buyers" (as such term is defined in Rule 144A).

Rule 158: Rule 158 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 159: Rule 159 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 405: Rule 405 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 415: Rule 415 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 424: Rule 424 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 429: Rule 429 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 433: Rule 433 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Securities Act: The Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder.

Shares: The shares of Common Stock being offered and sold pursuant to the terms and conditions of the Purchase/Placement Agreement.

Shelf Registration Statement: As defined in Section 2(a) hereof.

Suspension Event: As defined in Section 5(b) hereof.

Suspension Notice: As defined in Section 5(b) hereof.

Underwritten Offering: A sale of securities of the Company to an underwriter or underwriters for re-offering to the public.

2. *Registration Rights*

(a) *Mandatory Shelf Registration.* As set forth in Section 4 hereof, the Company agrees to file with the Commission as soon as reasonably practicable following the date of this Agreement (but in no event later than the date that is 120 days after the date of this Agreement) a shelf Registration Statement on Form S-1 or such other form under the Securities Act then available to the Company providing for the resale of any Registrable Shares pursuant to Rule 415 from time to time by the Holders (a "*Shelf Registration Statement*"). The Company shall use its commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective

by the Commission as soon as reasonably practicable. Any Shelf Registration Statement shall provide for the resale from time to time, and pursuant to any method or combination of methods legally available (including, without limitation, an Underwritten Offering, a direct sale to purchasers or a sale through brokers or agents, which may include sales over the internet) by the Holders of any and all Registrable Shares.

(b) *IPO Registration.* If the Company proposes to file a registration statement on Form S-1 or such other form under the Securities Act providing for the initial public offering of shares of Common Stock (the "*IPO Registration Statement*"), the Company will notify in writing each Holder of the filing, within the ten (10) Business Days after the filing thereof, and afford each Holder an opportunity by the time designated in the notice to include in the IPO Registration Statement all or any part of the Registrable Shares then held by such Holder. Each Holder desiring to include in the IPO Registration Statement all or part of the Registrable Shares held by such Holder shall, within twenty (20) days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Shares such Holder wishes to include in the IPO Registration Statement. Any election by any Holder to include any Registrable Shares in the IPO Registration Statement will not affect the inclusion of such Registrable Shares in the Shelf Registration Statement until such Registrable Shares have been sold under the IPO Registration Statement.

(i) *Right to Terminate IPO Registration*. The Company shall have the right to terminate or withdraw the IPO Registration Statement initiated by it referred to in this Section 2(b) prior to the effectiveness of such registration whether or not any Holder has elected to include Registrable Shares in such registration.

(ii) *Selection of Underwriter*. The Company shall have the sole right to select the managing underwriter(s) for its initial public offering, regardless of whether any Registrable Securities are included in the IPO Registration Statement or otherwise.

(iii) *Shelf Registration not Impacted by IPO Registration Statement.* The Company's obligation to file the Shelf Registration Statement pursuant to Section 2(a) hereof shall not be affected by the filing or effectiveness of the IPO Registration Statement.

(c) *Issuer Free Writing Prospectus*. The Company represents and agrees that, unless it obtains the prior consent of Holders of a majority of the Registrable Shares that are registered under a Registration Statement at such time or the consent of the managing underwriter in connection with any Underwritten Offering of Registrable Shares, and each Holder represents and agrees that, unless it obtains the prior consent of the Company and any such underwriter, it will not make any offer relating to the Shares that would constitute an "issuer free writing prospectus," as defined in Rule 433 (an " *Issuer Free Writing Prospectus*"), or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission. The Company represents that any Issuer Free Writing Prospectus prepared by it will not include any information that conflicts with the information contained in any Registration Statement or the related Prospectus and, any Issuer Free Writing Prospectus, when taken together with the information in such Registration Statement and the related Prospectus, will not include any untrue

statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) *Underwriting*. The Company shall advise all Holders of the underwriter for the Underwritten Offering proposed under the IPO Registration Statement. The right of any such Holder's Registrable Shares to be included in the IPO Registration Statement pursuant to Section 2(b) shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Shares in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Shares through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter(s) selected for such underwriting and complete and execute any questionnaires, powers of attorney, indemnities, custody agreements, securities escrow agreements and other documents reasonably required under the terms of such underwriting, and furnish to the Company such information as the Company may reasonably request in writing for inclusion in the Registration Statement; *provided*, *however*, that no Holder shall be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder and such Holder's intended method of distribution and any other representation required by law or reasonably requested by the underwriters. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation on the number of shares to be included, then the managing underwriter(s) may exclude shares (including Registrable Shares) from the IPO Registration Statement and Underwritten Offering, and any shares included in such IPO Registration Statement and Underwritten Offering shall be allocated *first*, to the Company, and *second*, to each of the Holders requesting inclusion of their Registrable Shares in such IPO Registration Statement (on a *pro rata* basis based on the total number of Registrable Shares then held by each such Holder who is requesting inclusion); *provided*, *however*, that the number of Registrable Shares to be included in the IPO Registration Statement shall not be reduced unless all other securities of the Company held by (i) officers, directors, other employees of the Company and consultants; and (ii) other holders of the Company's capital stock with registration rights that are inferior (with respect to such reduction) to the registration rights of the Holders set forth herein, are first entirely excluded from the underwriting and registration; *provided*, *further*, *however*, that Holders of Registrable Shares shall be permitted to include Registrable Shares comprising at least 25% of the total securities included in the Underwritten Offering proposed under the IPO Registration Statement.

By electing to include the Registrable Shares in the IPO Registration Statement, the Holder of such Registrable Shares shall be deemed to have agreed not to effect any public sale or distribution of securities of the Company of the same or similar class or classes of the securities included in the IPO Registration Statement or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to Rule 144 or Rule 144A under the Securities Act, during such periods as reasonably requested (but in no event for a period longer than thirty (30) days prior to and one hundred eighty (180) days following the effective date of the IPO Registration Statement) by the representatives of the underwriters, if an Underwritten Offering, or by the Company in any other registration.

If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the managing underwriter(s),

delivered at least ten (10) Business Days prior to the effective date of the IPO Registration Statement. Any Registrable Shares excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(e) *Expenses*. The Company shall pay all Registration Expenses in connection with the registration of the Registrable Shares pursuant to this Agreement. Each Holder participating in a registration pursuant to this Section 2 shall bear such Holder's proportionate share (based on the total number of Registrable Shares sold in such registration) of all discounts and commissions payable to underwriters or brokers in connection with a registration of Registrable Shares pursuant to this Agreement.

(f) *Executive Bonuses*. If the Company does not file a Registration Statement registering the resale of the Accredited Investor Shares, the Rule 144A Shares, and the Regulation S Shares within 120 days after the Closing Date, other than as a result of the Commission being unable to accept such filings (a "*Registration Default*"), then, for each day the Registration Default continues, each of J. Michael Pearson, President, Chief Executive Officer and Chief Operating Officer and Mark R. Stauffer, Chief Financial Officer and Secretary, shall forfeit 1.0% of any bonus that would otherwise become payable to him in the 2007 fiscal year after the date of this Agreement (or to which he became entitled as a result of performance during the 2007 fiscal year) but excluding any amounts payable under the Transaction Bonus Agreements dated April 2, 2007, whether under an employment agreement with the Company, a bonus plan or any other bonus arrangement, including any bonus compensation for which payment would otherwise be deferred until after 2007. No bonuses, compensation, awards, equity compensation or other amounts shall be payable or granted in lieu of or to make such President, Chief Executive Officer and Chief Operating Officer or Chief Financial Officer and Secretary whole for any such forfeited bonuses.

3. Rules 144 and 144A Reporting

With a view to making available the benefits of certain rules and regulations of the Commission that may at any time permit the sale of the Registrable Shares to the public without registration, the Company agrees to:

(a) use commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date of the first registration statement under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) use commercially reasonable efforts to file with the Commission in a timely manner all reports and other documents required to be filed by the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements);

(c) so long as a Holder owns any Registrable Shares, if the Company is not required to file reports and other documents under the Securities Act and the Exchange Act, it will make available other information as required by, and so long as necessary to permit sales of Registrable

Shares pursuant to, Rule 144A and, commencing at such time as sales are permitted under Rule 144, Rule 144, and in any event shall make available (either by mailing a copy thereof, by posting on the Company's website, or by press release) to each Holder a copy of:

(i) the Company's annual consolidated financial statements (including at least balance sheets, statements of profit and loss, statements of stockholders' equity and statements of cash flows) prepared in accordance with generally accepted accounting principles in the U.S., accompanied by an audit report of the Company's independent accountants, no later than ninety (90) days after the end of each fiscal year of the Company; and

(ii) the Company's unaudited quarterly financial statements (including at least balance sheets, statements of profit and loss, statements of stockholders' equity and statements of cash flows) prepared in a manner substantially consistent with the preparation of the Company's annual financial statements, no later than forty-five (45) days after the end of each fiscal quarter of the Company;

The Company shall hold, a reasonable time after the availability of such financial statements and upon reasonable notice to the Holders and FBR (either by mail, by posting on the Company's website, or by press release), a quarterly investor conference call to discuss such financial statements, which call will also include an opportunity for the Holders to ask questions of management with regard to such financial statements, and will also cooperate with, and make management reasonably available to, FBR personnel in connection with making Company information available to investors; and

(d) at any time after it has become subject to the reporting requirements of the Exchange Act, so long as a Holder owns any Registrable Shares, to furnish to the Holder promptly upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act, (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company, and take such further actions, as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such Registrable Shares without registration.

4. ***Registration Procedures***

In connection with the obligations of the Company with respect to any registration pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect or cause to be effected the registration of the Registrable Shares under the Securities Act to permit the sale of such Registrable Shares by the Holder or Holders in accordance with the Holder's or Holders' intended method or methods of distribution, and the Company shall:

(a) notify FBR and Selling Holders' Counsel, in writing, at least ten (10) Business Days prior to filing a Registration Statement, of its intention to file a Registration Statement with

the Commission and, at least five (5) Business Days prior to filing, provide a copy of the Registration Statement to FBR, its counsel and Selling Holders' Counsel for review and comment; prepare and file with the Commission, as specified in this Agreement, a Registration Statement(s), which Registration Statement(s) shall (x) comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the Commission to be filed therewith and (y) be reasonably acceptable to FBR, its counsel and Selling Holders' Counsel; notify FBR and Selling Holders' Counsel in writing, at least five (5) Business Days prior to filing of any amendment or supplement to such Registration Statement and, at least three (3) Business Days prior to filing, provide a copy of such amendment or supplement to FBR, its counsel and Selling Holders' Counsel for review and comment; promptly following receipt from the Commission, provide to FBR, its counsel and Selling Holders' Counsel copies of any comments made by the staff of the Commission relating to such Registration Statement and of the Company's responses thereto for review and comment; and use its commercially reasonable efforts to cause such Registration Statement to become effective as soon as practicable after filing and to remain effective, subject to Section 5 hereof, until the earlier of (i) such time as all Registrable Shares covered thereby have been sold in accordance with the intended distribution of such Registrable Shares, (ii) there are no Registrable Shares outstanding or (iii) the second anniversary of the initial effective date of such Registration Statement (subject to extension as provided in Section 5(c) hereof); *provided, however,* that the Company shall not be required to cause the IPO Registration Statement to remain effective for any period longer than ninety (90) days following the effective date of the IPO Registration Statement (subject to extension as provided in Section 5(c) hereof); *provided*, *further*, that if the Company has an effective Shelf Registration Statement on Form S-1 under the Securities Act and becomes eligible to use Form S-3 or such other short-form registration statement form under the Securities Act, the Company may, upon twenty (20) Business Days prior written notice to all Holders, register any Registrable Shares registered but not yet distributed under the effective Shelf Registration Statement on such a short-form Shelf Registration Statement and, once the short-form Shelf Registration Statement is declared effective, de-register such shares under the previous Registration Statement or transfer the filing fees from the previous Registration Statement (such transfer pursuant to Rule 429, if applicable) unless any Holder registered under the initial Shelf Registration Statement notifies the Company within fifteen (15) Business Days of receipt of the Company notice that such a registration under a new Registration Statement and de-registration of the initial Shelf Registration Statement would interfere with its distribution of Registrable Shares already in progress;

(b) subject to Section 4(i) hereof, (i) prepare and file with the Commission such amendments and post-effective amendments to each such Registration Statement as may be necessary to keep such Registration Statement effective for the period described in Section 4(a) hereof; (ii) cause each Prospectus contained therein to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 or any similar rule that may be adopted under the Securities Act; and (iii) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the selling Holders thereof;

(c) furnish to the Holders, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other

documents as such Holder may reasonably request, in order to facilitate the public sale or other disposition of the Registrable Shares; the Company consents to the use of such Prospectus, including each preliminary Prospectus, by the Holders, if any, in connection with the offering and sale of the Registrable Shares covered by any such Prospectus;

(d) use its commercially reasonable efforts to register or qualify, or obtain exemption from registration or qualification for, all Registrable Shares by the time the applicable Registration Statement is declared effective by the Commission under all applicable state securities or "blue sky" laws of such jurisdictions as FBR or any Holder of Registrable Shares covered by a Registration Statement shall reasonably request in writing, keep each such registration or qualification or exemption effective during the period such Registration Statement is required to be kept effective pursuant to Section 4(a) and do any and all other acts and things that may be reasonably necessary to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Shares owned by such Holder; *provided, however,* that the Company shall not be required to (i) qualify generally to do business in any jurisdiction or to register as a broker or dealer in such jurisdiction where it would not otherwise be required to qualify but for this Section 4(d) and except as may be required by the Securities Act, (ii) subject itself to taxation in any such jurisdiction, or (iii) submit to the general service of process in any such jurisdiction;

(e) use its commercially reasonable efforts to cause all Registrable Shares covered by such Registration Statement to be registered and approved by such other governmental agencies or authorities as may be necessary to enable the Holders thereof to consummate the disposition of such Registrable Shares;

(f) (i) notify FBR and each Holder promptly and, if requested by FBR or any Holder, confirm such advice in writing (1) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (2) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (3) of any request by the Commission or any other federal, state or foreign governmental authority for (A) amendments or supplements to a Registration Statement or related Prospectus or (B) additional information and (4) of the happening of any event during the period a Registration Statement is effective as a result of which such Registration Statement or the related Prospectus or any document incorporated by reference therein contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (which information shall be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) and (ii) at the request of any such Holder, promptly to furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the purchaser of such securities, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(g) except as provided in Section 5, make every reasonable effort to avoid the issuance of, or if issued, to obtain the withdrawal of, any order enjoining or suspending the use or effectiveness of a Registration Statement or suspending of the qualification (or exemption from

qualification) of any of the Registrable Shares for sale in any jurisdiction, as promptly as practicable;

(h) upon written request, furnish to each requesting Holder of Registrable Shares, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment or supplement thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

(i) except as provided in Section 5, upon the occurrence of any event contemplated by Section 4(f)(i)(4) hereof, use its commercially reasonable efforts to promptly prepare a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Shares, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) if requested by the representative of the underwriters, if any, or any Holders of Registrable Shares being sold in connection with such offering, (i) promptly incorporate in a Prospectus supplement or post-effective amendment such information as the representative of the underwriters, if any, or such Holders indicate relates to them or that they reasonably request be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment; *provided, however,* that the Company shall not be required to prepare or file a Prospectus supplement or post effective amendment to name additional selling stockholders therein more than once in any thirty (30) day period;

(k) in the case of an Underwritten Offering, use its commercially reasonable efforts to furnish to the underwriters a signed counterpart, addressed to the underwriters, of: (i) an opinion of counsel for the Company, dated the date of each closing under the underwriting agreement, reasonably satisfactory to the underwriters; and (ii) a "comfort" letter, dated the effective date of such Registration Statement and the date of each closing under the underwriting agreement, signed by the independent public accountants who have certified the Company's financial statements included in such Registration Statement, covering substantially the same matters with respect to such Registration Statement (and the Prospectus included therein) and with respect to events subsequent to the date of such financial statements, as are customarily covered in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other financial matters as the underwriters may reasonably request;

(l) enter into customary agreements (including in the case of an Underwritten Offering, an underwriting agreement in customary form) and take all other action in connection therewith in order to expedite or facilitate the distribution of the Registrable Shares included in such Registration Statement and, in the case of an Underwritten Offering, make representations and warranties to the underwriters in such form and scope as are customarily made by issuers to

underwriters in underwritten offerings and confirm the same to the extent customary if and when requested;

(m) make available for inspection by representatives of the Holders and the representative of any underwriters participating in any disposition pursuant to a Registration Statement and any special counsel or accountants retained by such Holders or underwriters, all financial and other records, pertinent corporate documents and properties of the Company and cause the respective officers, directors and employees of the Company to supply all information reasonably requested by any such representatives, the representative of the underwriters, counsel thereto or accountants in connection with a Registration Statement; *provided, however,* that such records, documents or information that the Company determines, in good faith, to be confidential and notifies such representatives, representative of the underwriters, counsel thereto or accountants are confidential shall not be disclosed by the representatives, representative of the underwriters, counsel thereto or accountants unless (i) the disclosure of such records, documents or information is necessary to avoid or correct a misstatement or omission in a Registration Statement or Prospectus, (ii) the release of such records, documents or information is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, or (iii) such records, documents or information have been generally made available to the public;

(n) use its commercially reasonable efforts (including, without limitation, seeking to cure any deficiencies cited by the exchange or market in the Company's listing or inclusion application) to list or include all Registrable Shares on the New York Stock Exchange or the Nasdaq Global Market;

(o) prepare and file in a timely manner all documents and reports required by the Exchange Act and, to the extent the Company's obligation to file such reports pursuant to Section 15(d) of the Exchange Act expires prior to the expiration of the effectiveness period of the Registration Statement as required by Section 4(a) hereof, the Company shall register the Registrable Shares under the Exchange Act and shall maintain such registration through the effectiveness period required by Section 4(a) hereof;

(p) provide a CUSIP number for all Registrable Shares, not later than the effective date of the Registration Statement;

(q) (i) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, (ii) make generally available to its stockholders, as soon as reasonably practicable, earnings statements covering at least 12 months that satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 (or any similar rule promulgated under the Securities Act) thereunder, but in no event later than ninety (90) days after the end of each fiscal year of the Company and (iii) not file any Registration Statement or Prospectus or amendment or supplement to such Registration Statement or Prospectus to which any Holder of Registrable Shares covered by any Registration Statement shall have reasonably objected on the grounds that such Registration Statement or Prospectus or amendment or supplement does not comply in all material respects with the requirements of the Securities Act, such Holder having been furnished with a copy thereof at least two (2) Business Days prior to the filing thereof;

(r) provide and cause to be maintained a registrar and transfer agent for all Registrable Shares covered by any Registration Statement from and after a date not later than the effective date of such Registration Statement;

(s) in connection with any sale or transfer of the Registrable Shares (whether or not pursuant to a Registration Statement) that will result in the securities being delivered no longer being Registrable Shares, cooperate with the Holders and the representative of the underwriters, if any, to facilitate the timely preparation and delivery of certificates representing the Registrable Shares to be sold, which certificates shall not bear any restrictive transfer legends and to enable such Registrable Shares to be in such denominations and registered in such names as the representative of the underwriters, if any, or the Holders may request at least two (2) Business Days prior to any sale of the Registrable Shares;

(t) in connection with the initial filing of a Shelf Registration Statement and each amendment thereto with the Commission pursuant to Section 2(a) hereof, cooperate with FBR in connection with the filing with the NASD of all forms and information required or requested by the NASD in order to obtain written confirmation from the NASD that the NASD does not object to the fairness and reasonableness of the underwriting terms and arrangements (or any deemed underwriting terms and arrangements) (each such written confirmation, a " *No Objections Letter*") relating to the resale of Registrable Shares pursuant to the Shelf Registration Statement, including, without limitation, information provided to the NASD through its COBRADesk system, and pay all reasonable costs, fees and expenses incident to the NASD's review of the Shelf Registration Statement and the related underwriting terms and arrangements, including, without limitation, all filing fees associated with any filings or submissions to the NASD and the legal expenses, filing fees and other disbursements of FBR and any other NASD member that is the holder of, or is affiliated or associated with an owner of, Registrable Shares included in the Shelf Registration Statement (including in connection with any initial or subsequent member filing);

(u) in connection with the initial filing of a Shelf Registration Statement and each amendment thereto with the Commission pursuant to Section 2(a) hereof, provide to FBR and its representatives, the opportunity to conduct due diligence, including, without limitation, an inquiry of the Company's financial and other records, and make available members of its management for questions regarding information which FBR may request in order to fulfill any due diligence obligation on its part; and

(v) upon effectiveness of the first Registration Statement filed under this Agreement, take such actions and make such filings as are necessary to effect the registration of the Common Stock under the Exchange Act simultaneously with or immediately following the effectiveness of the Registration Statement.

The Company may require the Holders to furnish to the Company such information regarding the proposed distribution by such Holder of such Registrable Shares as the Company may from time to time reasonably request in writing or as shall be required to effect the registration of the Registrable Shares, and no Holder shall be entitled to be named as a selling stockholder in any Registration Statement and no Holder shall be entitled to use the Prospectus forming a part thereof if such Holder does not provide such information to the Company. Each Holder further

agrees to furnish promptly to the Company in writing all information required from time to time to make the information previously furnished by such Holder not misleading.

Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(f)(i)(3)(A) or 4(f)(i)(4) hereof, such Holder will immediately discontinue disposition of Registrable Shares pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus. If so directed by the Company, such Holder will deliver to the Company (at the expense of the Company) all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Shares current at the time of receipt of such notice.

5. ***Black-Out Period***

(a) Subject to the provisions of this Section 5 and a good faith determination by a majority of the independent members of the board of directors of the Company (the "*Board of Directors*") that it is in the best interests of the Company to suspend the use of the Registration Statement, following the effectiveness of a Registration Statement (and the filings with any international, federal or state securities commissions), the Company, by written notice to FBR and the Holders, may direct the Holders to suspend sales of the Registrable Shares pursuant to a Registration Statement for such times as the Company reasonably may determine is necessary and advisable (but in no event for more than an aggregate of ninety (90) days in any rolling twelve (12) month period commencing on the Closing Date or more than sixty (60) days in any rolling ninety (90) day period, except as a result of a review of any post effective amendment by the Commission prior to declaring any post effective amendment to the Registration Statement effective; *provided* the Company has used all commercially reasonable efforts to cause such post effective amendment to be declared effective), if any of the following events shall occur: (i) the representative of the underwriters of an Underwritten Offering of primary shares by the Company has advised the Company that the sale of Registrable Shares pursuant to the Registration Statement would have a material adverse effect on the Company's primary offering; (ii) the majority of the independent members of the Board of Directors of the Company shall have determined in good faith that (A) the offer or sale of any Registrable Shares would materially impede, delay or interfere with any proposed financing, offer or sale of securities, acquisition, merger, tender offer, business combination, corporate reorganization or other significant transaction involving the Company, (B) after the advice of counsel, the sale of Registrable Shares pursuant to the Registration Statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law, and (C) (x) the Company has a bona fide business purpose for preserving the confidentiality of such transaction or information, (y) disclosure would have a material adverse effect on the Company or the Company's ability to consummate such transaction, or (z) renders the Company unable to comply with Commission requirements, in each case under circumstances that would make it impractical or inadvisable to cause the Registration Statement (or such filings) to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis, as applicable; or (iii) the majority of the independent members of the Board of Directors of the Company shall have determined in good faith, after the advice of counsel, that it is required by law, rule or regulation or that it is in the best interests of the

Company to supplement the Registration Statement or file a post-effective amendment to the Registration Statement in order to incorporate information into the Registration Statement for the purpose of (1) including in the Registration Statement any prospectus required under Section 10(a)(3) of the Securities Act; (2) reflecting in the prospectus included in the Registration Statement any facts or events arising after the effective date of the Registration Statement (or of the most recent post-effective amendment) that, individually or in the aggregate, represents a fundamental change in the information set forth therein; or (3) including in the prospectus included in the Registration Statement any material information with respect to the plan of distribution not disclosed in the Registration Statement or any material change to such information. Upon the occurrence of any such suspension, the Company shall use commercially reasonable efforts to cause the Registration Statement to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis or to take such action as is necessary to make resumed use of the Registration Statement compatible with the Company's best interests, as applicable, so as to permit the Holders to resume sales of the Registrable Shares as soon as possible.

(b) In the case of an event that causes the Company to suspend the use of a Registration Statement (a " *Suspension Event*"), the Company shall give written notice (a "*Suspension Notice*") to FBR and the Holders to suspend sales of the Registrable Shares and such notice shall state generally the basis for the notice and that such suspension shall continue only for so long as the Suspension Event or its effect is continuing and the Company is using commercially reasonable efforts and taking all reasonable steps to terminate suspension of the use of the Registration Statement as promptly as possible. The Holders shall not effect any sales of the Registrable Shares pursuant to such Registration Statement (or such filings) at any time after it has received a Suspension Notice from the Company and prior to receipt of an End of Suspension Notice (as defined below). If so directed by the Company, each Holder will deliver to the Company (at the expense of the Company) all copies other than permanent file copies then in such Holder's possession of the Prospectus covering the Registrable Shares at the time of receipt of the Suspension Notice. The Holders may recommence effecting sales of the Registrable Shares pursuant to the Registration Statement (or such filings) following further notice to such effect (an " *End of Suspension Notice*") from the Company, which End of Suspension Notice shall be given by the Company to the Holders and FBR in the manner described above promptly following the conclusion of any Suspension Event and its effect.

(c) Notwithstanding any provision herein to the contrary, if the Company shall give a Suspension Notice pursuant to this Section 5, the Company agrees that it shall extend the period of time during which the applicable Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from the date of receipt by the Holders of the Suspension Notice to and including the date of receipt by the Holders of the End of Suspension Notice and copies of the supplemented or amended Prospectus necessary to resume sales.

6. ***Indemnification and Contribution***

(a) The Company agrees to indemnify and hold harmless (i) each Holder of Registrable Shares and any underwriter (as determined in the Securities Act) for such Holder (including, if

applicable, FBR), (ii) each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) any such Person described in clause (i) (any of the Persons referred to in this clause (ii) being hereinafter referred to as a " *Controlling Person*"), and (iii) the respective officers, directors, partners, employees, representatives and agents of any such Person or any Controlling Person (any Person referred to in clause (i), (ii) or (iii) above may hereinafter be referred to as a "*Purchaser Indemnitee*"), to the fullest extent lawful, from and against any and all losses, claims, damages, judgments, actions, out-of-pocket expenses, and other liabilities (the " *Liabilities*"), including without limitation and as incurred, reimbursement of all reasonable costs of investigating, preparing, pursuing or defending any claim or action, or any investigation or proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to any Purchaser Indemnitee, joint or several, directly or indirectly related to, based upon, arising out of or in connection with any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto), any Prospectus (or any amendment or supplement thereto) or any Issuer Free Writing Prospectus prepared by the Company (or any amendment or supplement thereto), or any preliminary Prospectus or any other document used to sell the Shares, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Liabilities arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to any Purchaser Indemnitee furnished to the Company or any underwriter in writing by such Purchaser Indemnitee expressly for use therein. The Company shall notify the Holders promptly of the institution, threat or assertion of any claim, proceeding (including any governmental investigation), or litigation of which it shall have become aware in connection with the matters addressed by this Agreement which involves the Company or a Purchaser Indemnitee. The indemnity provided for herein shall remain in full force and effect regardless of any investigation made by or on behalf of any Purchaser Indemnitee.

(b) In connection with any Registration Statement in which a Holder of Registrable Shares is participating, such Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, each Person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act and the respective partners, directors, officers, members, representatives, employees and agents of such Person or Controlling Person to the same extent as the foregoing indemnity from the Company to each Purchaser Indemnitee, but only with reference to untrue statements or omissions or alleged untrue statements or omissions made in reliance upon and in strict conformity with information relating to such Holder furnished to the Company in writing by such Holder expressly for use in such Registration Statement (or any amendment thereto), Prospectus (or any amendment or supplement thereto), Issuer Free Writing Prospectus (or any amendment or supplement thereto) or any preliminary Prospectus. Absent gross negligence or willful misconduct, the liability of any Holder pursuant to this paragraph shall in no event exceed the net proceeds received by such Holder from sales of Registrable Shares pursuant to such Registration Statement (or any amendment thereto), Prospectus (or any amendment or supplement thereto), Issuer Free Writing Prospectus (or any amendment or supplement thereto) or any preliminary Prospectus.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnity may be sought pursuant to paragraph (a) or (b) above, such Person (the " *Indemnified Party*") shall promptly notify the Person against whom such indemnity may be sought (the " *Indemnifying Party*") in writing of the commencement thereof (but the failure to so notify an Indemnifying Party shall not relieve it from any liability which it may have under this Section 6, except to the extent the Indemnifying Party is materially prejudiced by the failure to give notice), and the Indemnifying Party, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnifying Party may reasonably designate in such proceeding and shall pay the reasonable fees and expenses actually incurred by such counsel related to such proceeding. Notwithstanding the foregoing, in any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed in writing to the contrary, (ii) the Indemnifying Party failed within a reasonable time after notice of commencement of the action to assume the defense and employ counsel reasonably satisfactory to the Indemnified Party, (iii) the Indemnifying Party and its counsel do not actively and vigorously pursue the defense of such action or (iv) the named parties to any such action (including any impleaded parties) include both such Indemnified Party and Indemnifying Party, or any Affiliate of the Indemnifying Party, and such Indemnified Party shall have been reasonably advised by counsel that, either (x) there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party or such Affiliate of the Indemnifying Party or (y) a conflict may exist between such Indemnified Party and the Indemnifying Party or such Affiliate of the Indemnifying Party (in which case the Indemnifying Party shall not have the right to assume nor direct the defense of such action on behalf of such Indemnified Party; it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all such Indemnified Parties, which firm shall be designated in writing by those Indemnified Parties who sold a majority of the Registrable Shares sold by all such Indemnified Parties and any such separate firm for the Company, the directors, the officers and such control Persons of the Company as shall be designated in writing by the Company). The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent or if there is a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify any Indemnified Party from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in paragraphs (a) and (b) of this Section 6 is for any reason held to be unavailable to an Indemnified Party in respect of any Liabilities referred to therein (other than by reason of the exceptions provided therein) or is insufficient to hold harmless

a party indemnified thereunder, then each Indemnifying Party under such paragraphs, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities (i) in such proportion as is appropriate to reflect the relative benefits of the Indemnified Party on the one hand and the Indemnifying Party(ies) on the other in connection with the statements or omissions that resulted in such Liabilities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Indemnifying Party(ies) and the Indemnified Party, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and any Purchaser Indemnitees on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by such Purchaser Indemnitees and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The parties agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by *pro rata* allocation (even if such Indemnified Parties were treated as one entity for such purpose), or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph 6(d) above. The amount paid or payable by an Indemnified Party as a result of any Liabilities referred to paragraph 6(d) shall be deemed to include, subject to the limitations set forth above, any reasonable legal or other expenses actually incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6, in no event shall a Purchaser Indemnitee be required to contribute any amount in excess of the amount by which the net proceeds received by such Purchaser Indemnitee from sales of Registrable Shares exceeds the amount of any damages that such Purchaser Indemnitee has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. For purposes of this Section 6, each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) FBR or a Holder of Registrable Shares shall have the same rights to contribution as FBR or such Holder, as the case may be, and each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) the Company, and each officer, director, partner, employee, representative, agent or manager of the Company shall have the same rights to contribution as the Company. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties, notify each party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 6 or otherwise, except to the extent that any party is materially prejudiced by the failure to give notice. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(f) The indemnity and contribution agreements contained in this Section 6 will be in addition to any liability which the Indemnifying Parties may otherwise have to the Indemnified Parties referred to above. The Purchaser Indemnitee's obligations to contribute pursuant to this

Section 6 are several in proportion to the respective number of Shares sold by each of the Purchaser Indemnitees hereunder and not joint.

7. ***Market Stand-off Agreement***

Each Holder hereby agrees that it shall not, to the extent requested by the Company or an underwriter of securities of the Company, directly or indirectly sell, offer to sell (including without limitation any short sale), grant any option or otherwise transfer or dispose of any Registrable Shares or other shares of Common Stock of the Company or any securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company then owned by such Holder (other than to donees or partners of the Holder who agree to be similarly bound) for a period of sixty (60) days following the effective date of an IPO Registration Statement of the Company filed under the Securities Act; *provided*, *however*, that:

(a) the restrictions above shall not apply to Registrable Shares sold pursuant to the IPO Registration Statement;

(b) all executive officers and directors of the Company then holding shares of Common Stock of the Company or securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company enter into agreements that are no less restrictive;

(c) the Holders shall be allowed any concession or proportionate release allowed to any officer or director that entered into agreements that are no less restrictive (with such proportion being determined by dividing the number of shares being released with respect to such officer or director by the total number of issued and outstanding shares held by such officer or director); *provided*, that nothing in this Section 7(c) shall be construed as a right to proportionate release for the executive officers and directors of the Company upon the expiration of the sixty (60) day period applicable to all Holders other than the executive officers and directors of the Company; and

(d) this Section 7 shall not be applicable if a Shelf Registration Statement of the Company filed under the Securities Act has been declared effective prior to the filing of an IPO Registration Statement.

In order to enforce the foregoing covenant, the Company shall have the right to place restrictive legends on the certificates representing the securities subject to this Section 7 and to impose stop transfer instructions with respect to the Registrable Shares and such other securities of each Holder (and the securities of every other Person subject to the foregoing restriction) until the end of such period.

8. ***Termination of the Company's Obligation***

The Company shall have no obligation pursuant to this Agreement with respect to any Registrable Shares proposed to be sold by a Holder in a registration pursuant to this Agreement if,

in the opinion of counsel to the Company, all such Registrable Shares proposed to be sold by a Holder may be sold in a three month period without registration under the Securities Act pursuant to Rule 144 under the Securities Act.

9. ***Limitations on Subsequent Registration Rights***

From and after the date of this Agreement, the Company shall not, without the prior written consent of Holders beneficially owning not less than a majority of the then outstanding Registrable Shares (*provided, however*, that for purposes of this Section 9, Registrable Shares that are owned, directly or indirectly, by an Affiliate of the Company shall not be deemed to be outstanding), enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include such securities in any Registration Statement filed pursuant to the terms hereof, unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of its securities will not reduce the amount of Registrable Shares of the Holders that is included, or (b) to have its securities registered on a registration statement that could be declared effective prior to, or within one hundred eighty (180) days of, the effective date of any Registration Statement filed pursuant to this Agreement.

10. ***Miscellaneous***

(a) *Remedies*. In the event of a breach by the Company of any of its obligations under this Agreement, each Holder, in addition to being entitled to exercise all rights provided herein or, in the case of FBR, in the Purchase/Placement Agreement, or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. Subject to Section 6, the Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) *Amendments and Waivers*. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given, without the written consent of the Company and Holders beneficially owning not less than a majority of the then outstanding Registrable Shares; *provided, however,* that for purposes of this Section 10(b), Registrable Shares that are owned, directly or indirectly, by an Affiliate of the Company shall not be deemed to be outstanding. No amendment shall be deemed effective unless it applies uniformly to all Holders. Notwithstanding the foregoing, a waiver or consent to or departure from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders may be given by such Holder; *provided* that the provisions of this sentence may not be amended, modified or supplemented except in accordance with the provisions of the immediately preceding sentence.

(c) *Notices*. All notices and other communications, provided for or permitted hereunder, shall be made in writing and delivered by facsimile (with receipt confirmed), overnight courier or registered or certified mail, return receipt requested, or by telegram:

(i) if to a Holder, at the most current address given by the transfer agent and registrar of the Shares to the Company; and

(ii) if to the Company, at the offices of the Company at 12550 Fuqua Street, Houston, Texas 77034, Attention: Chief Financial Officer **;** (facsimile: 713-852-6350); with a copy to Vinson & Elkins L.L.P., The Terrace 7, 2801 Via Fortuna, Suite 100, Austin, Texas 78746, Attention Kyle K. Fox (facsimile: 512-236-3340).

(iii) if to FBR, at the offices of FBR at 1001 Nineteenth Street North, Arlington, Virginia 22209, Attention: William Ginivan, Esq. (facsimile 703-469-1140); with a copy (which shall not constitute notice) to Nelson Mullins Riley & Scarborough LLP, 101 Constitution Avenue, N.W., Suite 900, Washington, D.C. 20001, Attention: Jonathan H. Talcott, Esq. (facsimile 202-712-2856).

(d) *Successors and Assigns*. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, including, without limitation and without the need for an express assignment or assumption, subsequent Holders. The Company agrees that the Holders shall be third party beneficiaries to the agreements made hereunder by FBR and the Company, and each Holder shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights hereunder; *provided, however*, that such Holder fulfills all of its obligations hereunder.

(e) *Counterparts*. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) *Headings*. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) ***Governing Law*. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE COURT IN THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING IN NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH SUIT, ACTION OR**

PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(h) *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties hereto that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(i) *Entire Agreement.* This Agreement, together with the Purchase/Placement Agreement, is intended by the parties hereto as a final expression of their agreement, and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein.

(j) *Registrable Shares Held by the Company or its Affiliates*. Whenever the consent or approval of Holders of a specified percentage of Registrable Shares is required hereunder, Registrable Shares held by the Company or its Affiliates shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(k) *Adjustment for Stock Splits, etc.* Wherever in this Agreement there is a reference to a specific number of shares, then upon the occurrence of any subdivision, combination, or stock dividend of such shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of stock by such subdivision, combination, or stock dividend.

(l) *Survival*. This Agreement is intended to survive the consummation of the transactions contemplated by the Purchase/Placement Agreement. The indemnification and contribution obligations under Section 6 of this Agreement shall survive the termination of the Company's obligations under Section 2 of this Agreement.

(m) *Attorneys' Fees*. In any action or proceeding brought to enforce any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the prevailing party, as determined by the court, shall be entitled to recover its reasonable attorneys' fees in addition to any other available remedy.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ORION MARINE GROUP, INC.

By: /s/ J. Michael Pearson
Name: J. Michael Pearson
Title: President and CEO

FRIEDMAN, BILLINGS, RAMSEY & CO., INC.

By: /s/ James R. Kleeblatt
Name: James R. Kleeblatt
Title: Senior Managing Director

Exhibit 10.1

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of July 10, 2007 (this "Agreement"), is between ORION MARINE GROUP, INC., a Delaware corporation ("Borrower"), each of the financial institutions which is or may from time to time become a party hereto (collectively, "Lenders", and each a "Lender"), and AMEGY BANK NATIONAL ASSOCIATION, a national banking association, as agent (the "Agent").

R E C I T A L S :

Orion Marine Group Holdings, Inc., a Nevada corporation ("Prior Borrower"), certain Lenders and the Agent entered into that certain Loan Agreement dated as of October 14, 2004, as amended by First Amendment to Loan Agreement dated as of December 3, 2004, Second Amendment to Loan Agreement dated as of November 17, 2005 and Third Amendment to Loan Agreement dated as of March 23, 2007 (collectively, the "Prior Loan Agreement"). On April 5, 2007, (a) Prior Borrower merged with and into Hunter Acquisition Corp., a Delaware corporation ("Parent"), and (b) Parent changed its name from Hunter Acquisition Corp. to the name of Borrower, and Borrower assumed all the liabilities of Prior Borrower. This Agreement is in restatement and replacement of the Prior Loan Agreement, and the liens and security interests created by the Loan Documents (as defined below) are in renewal and extension of the liens and security interests created by the documents executed in connection with the Prior Loan Agreement.

Borrower has requested that Lenders extend credit to Borrower. Lenders are willing to make such extensions of credit to Borrower upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I.

Definitions

Section 1.1. Definitions. As used in this Agreement, the following terms have the following meanings:

"Acquisition" shall have the meaning given to such term in Section 10.3.

"Acquisition Advance" means an advance of funds pursuant to Article IV.

"Acquisition Advance Request Form" means a certificate, in substantially the form of Exhibit "P", properly completed and signed by Borrower requesting an Acquisition Advance

"Acquisition Term Loan" means the term loan made by Lenders to Borrower pursuant to Article IV.

"Acquisition Term Notes" means the promissory notes executed by Borrower payable to the order of each Lender who has a Commitment-Acquisition Term Loan, respectively, in substantially the form of Exhibit "C", properly completed, as the same may be renewed, extended or modified and all promissory notes executed in renewal, extension, modification or substitution thereof.

"Adjusted Cash Balance" means, at any time (a) all cash of Borrower and its Subsidiaries as of such time, but excluding cash which is subject to a Lien (including Liens created in connection with Cash Secured Letters of Credit), minus (b) $3,000,000.00.

"Adjusted Net Income" means, for any period, (a) Net Income for such period minus (b) the sum of (i) amounts by which Net Income is reduced as a result of extraordinary or non-recurring charges for such period plus (ii) Income Tax Expense for such period.

"Affiliate" means, with respect to any Person, any other Person which, directly or indirectly, controls or is controlled by or is under common control with such Person, including, (a) any Person which beneficially owns or holds ten percent (10%) or more of any class of voting stock of such Person or ten percent (10%) or more of the equity interest in such Person, (b) any Person of which such Person beneficially owns or holds ten percent (10%) or more of any class of voting shares or in which such Person beneficially owns or holds ten percent (10%) or more of the equity interests in such Person, and (c) any officer or director of such Person.

"Amegy Bank" means Amegy Bank National Association, and its successors and assigns.

"Applicable Margin" means, for the loan facilities and the Levels described below, the percentage amounts set forth below.

	Level I	Level II	Level III	Level IV	Level V
LIBOR Margin	1.50%	1.75%	2.00%	2.25%	2.50%
Prime Rate Margin	-1.00%	-0.75%	-0.50%	-0.25%	0.00%

Level I applies when the Total Leverage Ratio is less than 1.00 to 1.00.

Level II applies when the Total Leverage Ratio is equal to or greater than 1.00 to 1.00 but less than 1.50 to 1.00.

Level III applies when the Total Leverage Ratio is equal to or greater than 1.50 to 1.00 but less than 2.00 to 1.00.

Level IV applies when the Total Leverage Ratio is equal to or greater than 2.00 to 1.00 but less than 2.50 to 1.00.

Level V applies when the Total Leverage Ratio is equal to or greater than 2.50 to 1.00.

The applicable Level shall be adjusted, to the extent applicable, forty-five (45) days after the end of each quarter (or, in the case of any change reflected by the audited financial statements delivered pursuant to Section 9.1(a), on the first Business Day occurring at least one hundred twenty (120) days after the end of any fiscal year) based on the Total Leverage Ratio tested for the period ending on the last day of such fiscal quarter or fiscal year, as applicable; provided that if the Borrower fails to deliver the financial statements required by Section 9.1(a) or (b), as applicable, and the related No Default Certificate required by Section 9.1(c) by the forty-fifth (45 th) (or, if applicable, the one hundred twentieth (120 th) after the end of any fiscal quarter or any fiscal year), Level V shall apply until the first Business Day immediately following the date such financial statements are delivered.

"Applicable Rate" means, (a) during the period that a Loan is a Prime Rate Loan, the Prime Rate plus the Prime Rate Margin from time to time in effect, and (b) during the period that a Loan is a LIBOR Loan, the sum of the LIBOR Rate plus the LIBOR Margin from time to time in effect.

"Assignment and Acceptance" means a document in substantially the form of Exhibit "S".

"Authorized Representative" means any officer or employee of Borrower who has been designated in writing by Borrower to Agent to be an Authorized Representative.

"Autopay Agreement" means that certain Amegy Autopay Agreement between Borrower and Agent, and all modifications, amendments and supplements thereto and all restatements and replacements thereof.

"Beneficial Owner" has the meaning specified for such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act.

"Board" means the board of directors of Borrower.

"Bond Obligations" means obligations and indebtedness of Borrower and its Subsidiaries arising in connection with (a) bid or payment and performance bonds or (b) insurance policies or other instruments insuring the performance by Borrower and its Subsidiaries of obligations under contracts to which such Persons are parties.

"Bonded Receivables" means accounts receivable of Borrower and its Subsidiaries which arise from contracts in connection with which Borrower or such Subsidiary has obtained a bond or insurance policy insuring performance of such contract.

"Bonding Default" means that (a) either (i) Borrower or any of its Subsidiaries shall fail to have adequate bonding capacity to operate their respective businesses in the ordinary course of business as reasonably determined by Agent in good faith or (ii) Borrower or any of its Subsidiaries shall have received notice that its bonding capacity is to be or has been denied, terminated or withdrawn and (b) such failure or receipt does not yet constitute an Event of Default under Section 12.1(k) because (A) it has not been cured and (B) the thirty (30) day grace period provided therein has not been completed.

"Borrowing Base" means, at any particular time, an amount equal to the sum of (a) eighty percent (80%) of Eligible Accounts plus (b) ninety percent (90%) of Adjusted Cash Balances.

"Borrowing Base Certificate" means a certificate in the form of Exhibit "Q", fully completed and executed by all the Borrowing Base Parties.

"Borrowing Base Parties" means Construction, King Fisher and Misener.

"Business Day" means (a) any day on which commercial banks are not authorized or required to close in Houston, Texas and (b) with respect to all borrowings, payments, Conversions, Continuations, Interest Periods and notices in connection with LIBOR Loans, any day which is a Business Day described in clause (a) above and which is also a day on which dealings in Dollar deposits are carried out in the London interbank market.

"Capital Expenditures" means for Borrower and its Subsidiaries, all expenditures for assets which, in accordance with GAAP, are required to be capitalized and so shown on the consolidated balance sheet of Borrower and its Subsidiaries.

"Capital Lease Obligations" means, for Borrower and its Subsidiaries, on a consolidated basis, the obligations of Borrower and its Subsidiaries to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property, which obligations, in accordance with GAAP, are required to be classified and accounted for as a capital lease on a balance sheet of any such Person.

"Cash Secured Letter of Credit" means any letter of credit, the indebtedness with respect to which is fully secured by cash or cash equivalents.

"Cash Taxes" means for Borrower and its Subsidiaries, on a consolidated basis, for any period, the sum of all income and franchise taxes paid in cash during such period.

"Change of Control" means the occurrence of any of the following:

(a) any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) acquires beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of stock in Borrower that, together with stock held by such individual, entity or group, constitutes more than fifty percent (50%) of the total voting power of the stock of Borrower; provided, however, if any individual, entity or group, is considered to own more than fifty percent (50%) of the total voting power of the stock of Borrower, the acquisition of additional stock by the same individual, entity or group will not be considered a "Change in Control"; provided, further, however, that for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (i) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Borrower or any entity controlled by Borrower, (ii) any acquisition by investors in Borrower for financing purposes, or (iii) any holding, grant or exercise of equity based compensation awards or otherwise pursuant to any employee benefit plan; or

(b) the replacement of a majority of the members of the Board during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election.

"Claims" has the meaning set forth in Section 14.2.

"Closing Date" means the date on which this Agreement has been executed and delivered by the parties hereto and the conditions set forth in Section 7.1 have been satisfied.

"Collateral" has the meaning specified in Section 6.1.

"Combined Commitments-Acquisition Term Loan" means, as to all Lenders who have Commitments-Acquisition Term Loan, the obligations of such Lenders to make Acquisition Advances in an aggregate principal amount at any time outstanding up to but not exceeding $25,000,000.00.

"Combined Commitments-Acquisition Term Loan Increase" shall have the meaning given to such term in Section 4.8.

"Combined Commitments-Real Estate Term Loan" means, as to all Lenders who have Commitments-Real Estate Term Loan, the obligations of such Lenders to fund the Real Estate Term Loan in an original aggregate principal amount equal to $3,095,000.00.

"Combined Commitments-Revolving Advances" means, as to all Lenders who have Commitments-Revolving Advances, the obligations of such Lenders to make Revolving Advances and issue Letters of Credit in an aggregate principal amount at any time outstanding up to but not exceeding $8,500,000.00.

"Combined Commitments-Total" means, as to all Lenders, the sum of (a) the Combined Commitments-Acquisition Term Loan, plus (b) the Combined Commitments-Revolving Advances, plus (c) the Combined Commitments-Real Estate Term Loan.

"Commitment-Acquisition Term Loan" means, as to any Lender, its obligation to make Acquisition Advances in the amount set forth opposite the name of such Lender on Annex "II" hereto under the heading "Commitment-Acquisition Advances", as the same may be modified (a) as provided in an amendment to this Agreement or (b) as the result of an assignment of all or part of such Lender's Acquisition Term Note pursuant to Section 14.16.

"Commitment Percentage-Revolving Advances" means for each Lender who has a Commitment-Revolving Advances the percentage derived by dividing its Commitment-Revolving Advances by the Combined Commitments-Revolving Advances at the time in question.

"Commitment Percentage-Total" means for each Lender the percentage derived by dividing its Commitment-Total by the Combined Commitments-Total at the time in question.

"Commitment-Real Estate Term Loan" means, as to any Lender, its obligation to fund the Real Estate Term Loan in the amount set forth opposite the name of such Lender on the original signature pages of the Loan Agreement under the heading "Real Estate Term Note", as the same may be modified (a) as provided in an amendment to this Agreement or (b) as the result of an assignment of all or part of such Lender's Real Estate Term Note pursuant to Section 14.16.

"Commitment-Revolving Advances" means, as to any Lender, its obligation to make Revolving Advances and issue Letters of Credit hereunder in the amount set forth opposite the name of such Lender on Annex "I" hereto under the heading "Commitment-Revolving Advances", as the same may be (a) reduced pursuant to Section 2.8 or otherwise, (b) modified as provided in an amendment to this Agreement or (c) modified as the result of an assignment of all or part of such Lender's Revolving Credit Note pursuant to Section 14.16.

"Commitment-Total" means, as to any Lender, the sum of (a) its Commitment-Acquisition Term Loan, plus (b) its Commitment-Revolving Advances, plus (c) its Commitment-Real Estate Term Loan.

"Construction" means Orion Construction, L.P., a Texas limited partnership, and its successors and assigns.

"Continue", "Continuation" and "Continued" shall refer to the continuation pursuant to Section 5.7 of a Loan as a Loan of the same Type from one Interest Period to the next Interest Period.

"Convert", "Conversion", and "Converted" shall refer to a conversion pursuant to Section 5.7 of or 5.8 of one Type of Loan into another Type of Loan.

"Debt" means for any Person (without duplication) (a) all indebtedness, whether or not represented by bonds, debentures, notes, securities, or other evidences of indebtedness, for the repayment of money borrowed, (b) Rate Management Transaction Obligations, (c) all indebtedness representing deferred payment of the purchase price of property or assets, (d) Capital Lease Obligations and obligations with respect to

synthetic leases, (e) all indebtedness under guaranties, endorsements, assumptions, or other contingent obligations, in respect of, or to purchase or otherwise acquire, indebtedness of others, (f) all indebtedness secured by a Lien existing on property owned, subject to such Lien, whether or not the indebtedness secured thereby shall have been assumed by the owner thereof (in which event the amount thereof shall not be deemed to exceed the fair value of such property), and (g) any obligation to redeem or repurchase any of such Person's capital stock or other ownership interests, but excluding in any event, all obligations and indebtedness related to Cash Secured Letters of Credit.

"Deed of Trust-Market Street-First Lien" means the Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement executed by Construction in favor of Agent, dated as of October 14, 2004, and recorded in the Official Public Records of Real Property of Harris County, Texas under Clerk's File No. Y059593, Film Code No. 595-61-1363, a copy of which is attached as Exhibit "I", as modified by Modification to Deed of Trust-Market Street-First Lien, and as the same may be further amended, supplemented or modified from time to time.

"Deed of Trust-Market Street-Second Lien" means the Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement executed by Construction in favor of Agent, in substantially the form of Exhibit "J", as the same may be amended, supplemented or modified.

"Deed of Trust-Port Lavaca-First Lien" means the Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement executed by King Fisher in favor of Agent, dated as of October 14, 2004, and recorded in the Official Public Records of Real Property of Calhoun County, Texas under Clerk's File No. 00089332, Volume 387, Page 220, a copy of which is attached as Exhibit "K", as modified by Modification to Deed of Trust-Port Lavaca-First Lien, and as the same may be further amended, supplemented or modified from time to time.

"Deed of Trust-Port Lavaca-Second Lien" means the Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement executed by King Fisher in favor of Agent, in substantially the form of Exhibit "L", as the same may be amended, supplemented or modified.

"Deeds of Trust-Market Street" means the Deed of Trust-Market Street-First Lien and the Deed of Trust-Market Street-Second Lien.

"Deeds of Trust-Port Lavaca" means the Deed of Trust-Port Lavaca-First Lien and the Deed of Trust-Port Lavaca-Second Lien.

"Default Rate" means the lesser of (a) the sum of the Applicable Rate in effect from day to day plus two percent (2.0%) or (b) the Maximum Rate.

"Defaulting Lender" has the meaning specified in Section 5.1.

"Dollar," "Dollars" and "$" means currency of the United States of America which is at the time of payment legal tender for the payment of public and private debts in the United States of America.

"EBITDA" means for Borrower and its Subsidiaries, on a consolidated basis for any period, the sum of (a) Net Income for such period, plus (b) without duplication and to the extent deducted in determining such Net Income (i) depreciation and amortization for such period, plus (ii) Interest Expense for such period, plus (iii) Income Tax Expense for such period, plus (iv) (A) other non-recurring or extraordinary charges for such period reasonably approved by (i) Agent in good faith if during any period commencing on October 1 and continuing through the next September 30 (a "Test Period") the aggregate amount of all such charges for such Test Period does not exceed ten percent (10%) of EBITDA for the twelve month period ending on the September 30 immediately preceding such Test Period, and (ii) Majority Lenders if during any Test Period the aggregate amount of all such charges for such Test Period is equal to or greater than ten percent (10%) of EBITDA for the twelve month period ending on the September 30 immediately preceding such Test Period, minus (B) non-recurring or extraordinary gains for such period.

"Eligible Accounts" means the aggregate of all accounts receivable of Borrowing Base Parties that satisfy the following conditions: (a) are due and payable within (i) sixty (60) days if the account debtor is an Investment Grade Person and (ii) forty-five (45) days if the account debtor is not an Investment Grade Person; (b) have been outstanding less than (i) one hundred twenty (120) days past the original date of invoice if the account debtor is an Investment Grade Person, and (ii) ninety (90) days past the original date of invoice if the account debtor is not an Investment Grade Person; (c) have arisen in the ordinary course of business from services performed by a Borrowing Base Party to or for the account debtor or the sale by a Borrowing Base Party of goods in which such Borrowing Base Party had sole ownership where such goods have been shipped or delivered to the account debtor; (d) represent complete bona fide transactions which require no further act under any circumstances on the part of any Borrowing Base Party to make such accounts receivable payable by the account debtor; (e) the goods the sale of which gave rise to such accounts receivable were shipped or delivered to the account debtor on an absolute sale basis and not on consignment, a sale or return basis, a guaranteed sale basis, a bill and hold basis, or on the basis of any similar understanding; (f) do not constitute pre-billings or other unearned income; (g) do not constitute Bonded Receivables; (h) the goods the sale of which gave rise to such accounts receivable were not, at the time of sale thereof, subject to any Lien, except

the security interest in favor of Agent created by the Loan Documents and Liens permitted by Sections 10.2(h) and 10.2(k); (i) are not subject to any provisions prohibiting assignment or requiring notice of or consent to such assignment, to the extent notice is not given or consent is not obtained; (j) are subject to a perfected, first priority security interest in favor of Agent and are not subject to any other Lien other than Liens permitted by Sections 10.2(h) and 10.2(k); (k) are not the subject of a right of setoff, counterclaim, defense, allowance, dispute, or adjustment affirmatively asserted by the account debtor, the existence of which the Borrower has actual knowledge (but only with respect to the amount subject to dispute or adjustment and excluding normal discounts for prompt payment), and the goods of sale which gave rise to such accounts receivable have not been returned, rejected, repossessed, lost, or damaged; (l) the account debtor is not insolvent or the subject of any bankruptcy or insolvency proceeding and has not made an assignment for the benefit of creditors, suspended normal business operations, dissolved, liquidated, terminated its existence, ceased to pay its debts as they become due, or suffered a receiver or trustee to be appointed for any of its assets or affairs; (m) are not evidenced by chattel paper or any instrument of any kind; (n) are owed by a Person or Persons that are citizens of or organized under the laws of the United States or any State and are not owed by any Person organized under the laws of a jurisdiction located outside of the United States of America ("Foreign Persons"), provided, that accounts receivable owed by Foreign Persons may constitute Eligible Accounts if (i) payment of such accounts receivable is insured by a foreign risk insurance policy acceptable to Majority Lenders and the proceeds of such policy have been assigned to Agent by an instrument satisfactory to Majority Lenders, (ii) payment of such accounts receivable is covered by a letter of credit in form and substance satisfactory to Majority Lenders, issued by a financial institution satisfactory to Majority Lenders, and the proceeds of such letter of credit have been assigned to Agent by an instrument satisfactory to Majority Lenders, or (iii) Majority Lenders specifically approve such accounts receivable as Eligible Accounts; (o) if any accounts receivable are owed by the United States of America or any department, agency, or instrumentality thereof, the Federal Assignment of Claims Act shall have been complied with; (p) are not owed by an Affiliate of any Borrowing Base Party; and (q) do not include any amount which constitutes retainage. No account receivable owed by an account debtor to any Borrowing Base Party shall be included as an Eligible Account if more than twenty percent (20%) of the balances then outstanding on accounts receivable owed by such account debtor and its Affiliates to Borrowing Base Parties have remained unpaid for more than eighty-nine (89) days from the dates of their original invoices. The amount of any Eligible Accounts owed by an account debtor to any Borrowing Base Party shall be reduced by the amount of all "contra accounts" and other obligations owed by any Borrowing Base Party to such account debtor. In the event that at any time the accounts receivable from any account debtor and its Affiliates to Borrowing Base Parties exceed thirty-five percent (35%) of the accounts receivable of Borrowing Base Parties, the accounts receivable from such account debtor and its Affiliates shall not constitute Eligible Accounts to the extent to

which such accounts receivable exceed thirty-five percent (35%) of the accounts receivable of Borrowing Base Parties.

"Eligible Assignee" means any of (a) a Lender or any Affiliate of a Lender, (b) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least $100,000,000.00, (c) a commercial bank organized under the laws of a country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and having a combined capital and surplus of at least $100,000,000.00, provided that such bank is acting through a branch or agency located in the United States, and (d) any other Person approved by Agent, and so long as no Event of Default has occurred and is continuing, who is reasonably acceptable to Borrower.

"ENSR Memo" means that Environmental Review Memorandum dated October 11, 2004 prepared by Herb Fry and John Rutkousis of ENSR Corporation addressing certain environmental issues at one or more of the Florida Property and the Market Street Property.

"Environmental Laws" means any and all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, or the management, release or threatened release of Hazardous Substance or to health and safety matters relating to the same.

"Environmental Report-Florida Property" means the Interim Remedial Action Plan (Revised) dated May 27, 2003 prepared by URS Corporation.

"Environmental Report-Market Street Property" means the Phase I Environmental Site Assessment, Orion Construction, LP, 17300 Market Street, Channelview, Texas 77530, Enercon Project No. ENMISC0195, dated September 15, 2004, and prepared by Enercon Services, Inc.

"Environmental Report-Port Lavaca Property" means the Phase I Environmental Site Assessment, King Fisher Marine Service, LP, 159 Highway 316, Port Lavaca, Texas 77979, Enercon Project No. ENMISC0195, dated September 15, 2004, and prepared by Enercon Services, Inc.

"Environmental Reports" means (a) the Environmental Report-Florida Property, (b) the Environmental Report-Market Street Property, (c) the Environmental Report-Port Lavaca Property, and (d) the ENSR Memo.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations and published interpretations thereof.

"Event of Default" has the meaning specified in Section 12.1.

"Excess Cash Flow" means, for Borrower and its Subsidiaries, on a consolidated basis, for any period, (a) EBITDA for such period, minus (b) the sum of (i) Capital Expenditures for such period, plus (ii) Cash Taxes for such period, plus (iii)(A) Scheduled Principal, (B) all unscheduled voluntary prepayments of principal on the Real Estate Term Loan and the Acquisition Term Loan for such period, and (C) mandatory prepayments of principal on the Real Estate Term Loan and the Acquisition Term Loan pursuant to Section 3.5(b), (c) or (d) and Section 4.5(b), (c) or (d), plus (iv) Interest Expense for such period.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Existing Letters of Credit" means (a) that certain Letter of Credit No. SC1346 in the amount of $498,688.00 issued by Amegy Bank for the benefit of Signal Mutual Indemnity Association Ltd. c/o Signal Administration Inc. for the account of Construction, and (b) that certain Letter of Credit No. SC2015 in the amount of $106,447.00 issued by Amegy Bank for the benefit of Signal Mutual Indemnity Association Ltd. c/o Signal Administration Inc. for the account of King Fisher.

"F. Miller" means F. Miller Construction, LLC, a Louisiana limited liability company, and its successors and assigns.

"Field Audits" means audits, verifications and inspections of the accounts receivable, inventory and assets of Borrower and its Subsidiaries, conducted by an independent third Person selected by Agent.

"Fixed Charge Coverage Ratio" means for Borrower and its Subsidiaries, on a consolidated basis, as of any date, (a) EBITDA for the period ended as of such date, minus (b) the greater of (i) Maintenance Capital Expenditures for the period ended as of such date or (ii) $3,000,000.00, divided by the sum of (c) Scheduled Principal for the period ended as of such date, plus (d) Interest Expense for the period ended as of such date, plus (e) Cash Taxes for the period ended as of such date.

"Florida Property" means the real property and improvements owned by Misener, located at 5600 W. Commerce, Tampa, Florida 33616-1930 and further described in and covered by the Mortgage-Florida.

"Florida Remediation" means the environmental remediation conducted at the Florida Property pursuant to the Environmental Report-Florida Property.

"Funded Debt" means, at any time, for Borrower and its Subsidiaries, on a consolidated basis, the sum of (a) all indebtedness for borrowed money, whether or not evidenced by bonds, debentures, notes or similar instruments, including the Notes, (b) the Senior Subordinated Note and Other Subordinated Debt, (c) Capital Lease Obligations, (d) all obligations (including contingent obligations) incurred in connection with guaranties of the indebtedness for borrowed money of another Person (but excluding Bond Obligations), (e) all obligations to pay the deferred purchase price of property or services (but excluding trade accounts payable or trade notes in the ordinary course of business that are not past due by more than ninety (90) days), (f) all indebtedness secured by a Lien on the property of Borrower or its Subsidiaries (in which event the amount thereof shall not be deemed to exceed the fair market value of such property), and (g) the Letter of Credit Liabilities, but excluding in any event, all obligations and indebtedness related to Cash Secured Letters of Credit.

"GAAP" means generally accepted accounting principles in the United States of America, consistently applied.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing regulatory or administrative powers or functions of or pertaining to government.

"Guarantors" means Construction, King Fisher, Misener and OAS.

"Guaranty Agreement" means a Guaranty Agreement executed by each Guarantor in favor of Agent in substantially the form of Exhibit "N", as the same may be amended, supplemented or modified.

"Hazardous Substance" means any substance, product, waste, pollutant, material, chemical, contaminant, constituent, or other material which is or becomes listed, regulated, or addressed under any Environmental Law, including, without limitation, asbestos, petroleum, and polychlorinated biphenyls.

"Income Tax Expense" means for Borrower and its Subsidiaries, on a consolidated basis for any period, all local, state and federal income and franchise taxes paid or due to be paid during such period and reflected upon Borrower's income statement.

"Interest Expense" means for Borrower and its Subsidiaries, on a consolidated basis, for any period, the sum of all cash interest expense paid or required by its terms to be paid during such period, as determined in accordance with GAAP applied consistently.

"Interest Period" means with respect to LIBOR Loans, each period commencing on the date such Loans are made or Converted from Loans of another Type or, in the case of each subsequent, successive Interest Period applicable to a LIBOR Loan, each period commencing on the last day of the immediately preceding Interest Period with respect to such LIBOR Loan, and in each case ending on the numerically corresponding day in the calendar month that is one, two or three months thereafter, as Borrower may select as provided in Sections 2.6, 3.6, 4.6 or 5.7; provided, however, that (a) each Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day; provided that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day, (b) any Interest Period which begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month in which it would have ended if there were a numerically corresponding day in such calendar month, (c) no Interest Period for any LIBOR Loan which is a Revolving Advance may extend beyond the Termination Date Revolving Advances (and any proposed LIBOR Loan which is a Revolving Advance with an Interest Period which would extend beyond the Termination Date Revolving Advances shall be a Prime Rate Loan maturing on the Termination Date Revolving Advances), (d) no Interest Period for any LIBOR Loan, which is a Real Estate Term Loan Portion, may extend beyond the Maturity Date Real Estate Term Loan (and any proposed LIBOR Loan which is a Real Estate Term Loan Portion with an Interest Period which would extend beyond the Maturity Date Real Estate Term Loan shall be a Prime Rate Loan maturing on the Maturity Date Real Estate Term Loan), (e) no Interest Period for any LIBOR Loan which is an Acquisition Advance may extend beyond the Maturity Date Acquisition Term Loan (and any proposed LIBOR Loan which is an Acquisition Advance with an Interest Period which would extend beyond the Maturity Date Acquisition Term Loan shall be a Prime Rate Loan maturing on the Maturity Date Acquisition Term Loan), (f) for all LIBOR Loans no more than five (5) Interest Periods for each of the Revolving Advances, Real Estate Term Loan Portions or the Acquisition Advances, respectively, shall be in effect at the same time, and (g) no Interest Period shall have a duration of less than thirty (30) days and, if the Interest Period for any LIBOR Loan would otherwise be a shorter period, such Loan shall be a Prime Rate Loan.

"Investment Grade Person" means a Person organized under the laws of the United States of America or a state thereof who has (a) a rating from Standard & Poor's

Corporation of (i) A-1 or better for its commercial paper or (ii) BBB or better for its long term debt, or (b) a rating from Moody's Investor Service of (i) P-1 or better for its commercial paper or (ii) Baa or better for its long term debt.

"Issuing Bank" means Amegy Bank National Association in its capacity of the issuer of Letters of Credit.

"KFMSGP" means KFMSGP, LLC, a Texas limited liability company and the general partner of King Fisher, and its successors and assigns

"KFMSLP" means KFMSLP, LLC, a Nevada limited liability company, and its successors and assigns.

"King Fisher" means King Fisher Marine Service, L.P., a Texas limited partnership, and its successors and assigns.

"Letter of Credit" means any letter of credit issued by Issuing Bank for the account of Borrower pursuant to Article II and the Existing Letters of Credit. For clarification, Cash Secured Letters of Credit shall not be deemed to be Letters of Credit for purposes of this Agreement.

"Letter of Credit Application" means Issuing Bank's standard form of letter of credit application and agreement, as the same may be amended, modified, renewed, extended, or supplemented.

"Letter of Credit Liabilities" means, at any time, the aggregate undrawn face amounts of all outstanding Letters of Credit (including the Existing Letters of Credit).

"LIBOR Loans" means Loans the interest rates on which are determined on the basis of the rates referred to in the definition of "LIBOR Rate".

"LIBOR Margin" has the meaning given to such term in the definition of the term "Applicable Rate".

"LIBOR Rate" means, for any LIBOR Loan, for any Interest Period therefor, the rate per annum offered for Dollar deposits in an amount comparable to the principal amount of such LIBOR Loan for a period of time equal to such Interest Period as of 11:00 A.M. City of London, England time two (2) London Business Days prior to the first date of such Interest Period as shown on the display designated as "British Bankers Association Interest Settlement Rates" on the Bloomberg system ("Bloomberg"); provided, however, that if such rate is not available on Bloomberg then such offered rate shall be otherwise independently determined by Agent from an alternate,

substantially similar independent source available to Agent and recognized in the banking industry.

"Lien" means any lien, mortgage, security interest, tax lien, pledge, charge, hypothecation, assignment, preference, priority, or other encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale or title retention agreement), whether arising by contract, operation of law, or otherwise.

"Loan Documents" means this Agreement and all promissory notes, security agreements, deeds of trust, assignments, letters of credit, guaranties, and other instruments, documents, and agreements executed and delivered pursuant to or in connection with this Agreement, as such instruments, documents, and agreements may be amended, modified, renewed, extended, or supplemented.

"Loans" means Revolving Advances, Real Estate Term Loan Portions and Acquisition Advances.

"London Business Day" means any day other than a Saturday, Sunday or a day on which banking institutions are generally authorized or obligated by laws or executive order to close in the City of London, England.

"Maintenance Capital Expenditures" means, for Borrower and its Subsidiaries, all Capital Expenditures related to extending the life of, or maintaining the working condition of, existing assets. Maintenance Capital Expenditures does not include capital spending for new assets (so- called "growth capital expenditures").

"Majority Lenders" means Lenders holding sixty-six and two-thirds percent (66b%) or more of the Combined Commitments.

"Market Street-New Property" means the 11.59 acre tract constituting part of the Market Street Property.

"Market Street Property" means the real property and improvements owned by Construction, located at 17300 Market Street and 17140 Market Street, Channelview, Texas 77530 and further described in and covered by the Deeds of Trust-Market Street.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, property or condition (financial or otherwise) of Borrower and its Subsidiaries, taken as a whole, or any Obligated Party (other than OAS) and its Subsidiaries, taken as a whole, (b) the ability of Borrower to pay the Obligations or the ability of Borrower or any Obligated Party to perform its respective material obligations under this Agreement or any of the other Loan Documents, or (c) the validity or

enforceability of this Agreement or any of the other Loan Documents, or the rights or remedies of Lender hereunder or thereunder.

"Maturity Date Acquisition Term Loan" means September 30, 2010.

"Maturity Date Real Estate Term Loan" means September 30, 2010.

"Maximum Rate" means the maximum rate of nonusurious interest permitted from day to day by applicable law, including Chapter 303 of the Texas Finance Code (the "Code") (and as the same may be incorporated by reference in other Texas statutes). To the extent that Chapter 303 of the Code is relevant to Lenders for the purposes of determining the Maximum Rate, Lenders elect to determine such applicable legal rate pursuant to the "weekly ceiling," from time to time in effect, as referred to and defined in Chapter 303 of the Code; subject, however, to the limitations on such applicable ceiling referred to and defined in the Code, and further subject to any right any Lender may have subsequently, under applicable law, to change the method of determining the Maximum Rate.

"Merger" shall have the meaning given to such term in Section 10.3.

"Misener" means Misener Marine Construction, Inc., a Florida corporation, and its successors and assigns.

"Modification to Deed of Trust-Market Street-First Lien" means the First Modification to Deed of Trust-Market Street-First Lien, executed by Construction in favor of Agent, in substantially the form of Exhibit "U".

"Modification to Deed of Trust-Port Lavaca-First Lien" means the First Modification to Deed of Trust-Port Lavaca-First Lien, executed by King Fisher in favor of Agent, in substantially the form of Exhibit "V".

"Modifications to Real Estate Term Notes" means the First Modifications to Real Estate Term Notes executed by Borrower in favor of each Lender who has a Commitment-Real Estate Term Loan, respectively, in substantially the form of Exhibit "T", properly completed.

"Mortgage-Florida" means the Mortgage executed by Misener in favor of Agent, in substantially the form of Exhibit "M", as the same may be amended, supplemented or modified.

"Net Income" means, for Borrower and its Subsidiaries for any period, the consolidated net income (or loss) of Borrower and its Subsidiaries for such period, calculated in accordance with GAAP.

"Net Worth" means, at any particular time, all amounts which, in conformity with GAAP, would be included as stockholders' capital on a consolidated balance sheet of Borrower and its Subsidiaries.

"No Default Certificate" means a certificate in the form of Exhibit "R" hereto, fully completed and executed by Borrower.

"Notes" means the Revolving Credit Notes, the Real Estate Term Notes and the Acquisition Term Notes.

"OAS" means Orion Administrative Services, Inc., a Texas corporation, and its successors and assigns.

"Obligated Party" means each Guarantor and any other Person who is or becomes a party to any agreement pursuant to which such Person guarantees or secures payment and performance of the Obligations or any part thereof.

"Obligations" means all obligations, indebtedness, and liabilities of Borrower to Agent, Issuing Bank, and Lenders, or any of them, arising pursuant to this Agreement or any of the Loan Documents, under any treasury management arrangements with any Lender or under any Rate Management Transactions to which a Lender or its Affiliate is a party, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising, including, without limitation, all of Borrower's contingent reimbursement obligations in respect of Letters of Credit, and all interest accruing thereon and all reasonable and documented attorneys' fees and other expenses incurred in the enforcement or collection thereof.

"OCGP" means OCGP, LLC, a Texas limited liability company and the general partner of Construction, and its successors and assigns.

"OCLP" means OCLP, LLC, a Nevada limited liability company, and its successors and assigns.

"Organizational Documents" means, for any Person, (a) the articles of incorporation and bylaws of such Person if such Person is a corporation, (b) the articles of organization and regulations of such Person if such Person is a limited liability company, (c) the limited partnership agreement of such Person if such Person is a limited partnership, or (d) the documents under which such Person was created and is governed if such person is not a corporation, limited liability company or limited partnership.

"Other Subordinated Debt" means Debt of Borrower to any Person, the payment of which has been subordinated to the payment of the Obligations in a manner satisfactory to Agent and by a document satisfactory to Agent, but excluding the Senior Subordinated Note Debt.

"Permitted Liens" shall have the meaning set forth in Section 10.2 of this Agreement.

"Person" means any individual, corporation, limited liability company, business trust, association, company, partnership, joint venture, governmental authority, or other entity.

"Pledge Agreement-Borrower-Ownership Interests" means the Security Agreement and Collateral Assignment executed by Borrower in favor of Agent in substantially the form of Exhibit "E", as the same may be amended, supplemented or modified.

"Pledge Agreement-Borrower-Stock" means the Security Agreement-Pledge executed by Borrower in favor of Agent in substantially the form of Exhibit "F", as the same may be amended, supplemented or modified.

"Pledge Agreement-Subsidiary-Ownership Interests" means a Security Agreement and Collateral Assignment executed by each of Construction, KFMSGP, KFMSLP, OCGP and OCLP in favor of Agent in substantially the form of Exhibit "G", as the same may be amended, supplemented or modified.

"Pledge Agreement-Subsidiary-Stock" means a Security Agreement-Pledge executed by Construction in favor of Agent in substantially the form of Exhibit "H", as the same may be amended, supplemented or modified.

"Port Lavaca Property" means the real property and improvements owned by King Fisher, located at 159 Highway 316, Port Lavaca, Texas 77979 and further described in and covered by the Deeds of Trust-Port Lavaca.

"Prime Rate" means that variable rate of interest per annum established by Agent from time to time as its prime rate which shall vary from time to time. Such rate is set by Agent as a general reference rate of interest, taking into account such factors as Agent may deem appropriate, it being understood that many of Agent's commercial or other loans are priced in relation to such rate, that it is not necessarily the lowest or best rate charged to any customer and that Lenders may make various commercial or other loans at rates of interest having no relationship to such rate.

"Prime Rate Loans" means Loans that bear interest at rates based upon the Prime Rate.

"Prime Rate Margin" has the meaning given to such term in the definition of the term "Applicable Margin".

"Pro Rata", "Pro Rata Share" or "Pro Rata Part" means for each Lender (a) with respect to the Revolving Advances, when no Revolving Advance is outstanding, such Lender's Commitment Percentage-Revolving Advances, (b) otherwise, the proportion which the portion of outstanding Revolving Advances, the Real Estate Term Loan and the Acquisition Advances, respectively, owed to such Lender bears to the aggregate outstanding Revolving Advances, the Real Estate Term Loan and the Acquisition Advances, respectively, owed to all Lenders at the time in question.

"Pro Rata Share-Total" means for each Lender the proportion which the portion of the sum of the outstanding Revolving Advances plus the Real Estate Term Loan plus the Acquisition Advances owed to such Lender bears to the sum of the aggregate outstanding Revolving Advances, the Real Estate Term Loan and the Acquisition Advances owed to all Lenders at the time in question.

"Rate Management Transaction" means any transaction (including an agreement with respect thereto) now existing or hereafter entered into between Borrower and any Lender or any Lender's Affiliates which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"Rate Management Transaction Obligations" means any and all obligations, contingent or otherwise, whether now existing or hereafter arising, of Borrower to any Lender or any Lender's Affiliates arising under or in connection with any Rate Management Transaction.

"Real Estate Term Loan" means the loan made by Lenders to Borrower pursuant to Article III.

"Real Estate Term Loan Portions" means amounts of the outstanding principal amount of the Real Estate Term Loan which have been so designated by Borrower pursuant to Section 3.6.

"Real Estate Term Notes" means the promissory notes in the original aggregate principal amount of $41,500,000.00 dated October 14, 2004, executed by Prior Borrower and payable to the order of the Lenders who have Commitments-Real Estate Term Loan, respectively, and in the aggregate principal amount of $23,547,500.00 as of the date of this Agreement, copies of which are attached as Exhibit "B", which have been modified by Modifications to Real Estate Term Notes, and as the same may be further amended, supplemented or modified from time to time and all promissory notes executed in renewal, extension, modification or substitution therefor.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as the same may be amended or supplemented.

"Regulatory Change" means, with respect to any Lender, any change after the date of this Agreement in United States federal, state, or foreign laws or regulations (including Regulation D) or the adoption or making after such date any interpretations, directives, or requests applying to a class of banks (including any Lender) of or under any United States federal or state, or any foreign, laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

"Reserve Requirement" means the aggregate maximum reserve percentages (including any marginal, special, supplemental or emergency reserves, and expressed as a decimal) established by the Federal Reserve Board or any other United States banking authority to which Lender is subject for "Eurocurrency Liabilities" (as defined in Regulation D). Such reserve percentages shall include, without limitation, those imposed under Regulation D of the Board of Governors of the Federal Reserve System.

"Revolving Advance" means a loan or loans pursuant to Article II.

"Revolving Advance Request Form" means a certificate, in substantially the form of Exhibit "O", properly completed and signed by Borrower requesting a Revolving Advance.

"Revolving Credit Notes" means the promissory notes executed by Borrower payable to the order of each Lender, respectively, in substantially the form of Exhibit "A", properly completed, as the same may be renewed, extended or modified and all promissory notes executed in renewal, extension, modification or substitution thereof.

"Revolving Line of Credit" means the credit facility extended by Lenders to Borrower pursuant to Article II.

"Scheduled Principal" means for Borrower and is Subsidiaries, on a consolidated basis, for any period, all principal payments required to be made during such period

under Section 3.4(c) and Section 4.4(c) hereof. Scheduled principal payments on the Revolving Credit Notes and any mandatory payments made pursuant to Section 3.5 and Section 4.5 hereof shall not constitute Scheduled Principal.

"Security Agreement-Subsidiary-General" means a Security Agreement executed by each Guarantor in favor of Agent in substantially the form of Exhibit "D", as the same may be amended, supplemented or modified.

"Subsidiary" means each Guarantor and any other Person of which or in which Borrower, any Guarantor or their other Subsidiaries own or control, directly or indirectly, fifty percent (50%) or more of (a) the combined voting power of all classes having general voting power under ordinary circumstances to elect a majority of the directors or equivalent body of such Person, if it is a corporation, (b) the capital interest or profits interest of such Person, if it is a partnership, limited liability company, joint venture or similar entity, or (c) the beneficial interest of such Person, if it is a trust, association or other unincorporated association or organization.

"TCEQ" means the Texas Commission on Environmental Quality.

"Termination Date Acquisition Advances" means 11:00 a.m., Houston, Texas time on September 30, 2008.

"Termination Date Revolving Advances" means 11:00 a.m., Houston, Texas time on September 30, 2010, or such earlier date on which the Commitments-Revolving Advances terminate as provided in this Agreement.

"Total Leverage Ratio" means, as of any date, (a) Funded Debt as of such date divided by (b) EBITDA for the period ended as of such date.

"Type" means the type of Loan (i.e. Prime Rate Loan or LIBOR Loan).

"Unmatured Event of Default" means the occurrence of an event or the existence of a condition which, with the giving of notice or the passage of time would constitute an Event of Default.

Section 1.2. Other Definitional Provisions. All definitions contained in this Agreement are equally applicable to the singular and plural forms of the terms defined. The words "hereof", "herein", and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all Article and Section references pertain to this Agreement. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. Terms used herein that are defined in the Uniform Commercial Code as adopted by the State of Texas, unless otherwise defined herein, shall have the meanings

specified in the Uniform Commercial Code as adopted by the State of Texas. In the event that, at any time, Borrower has no Subsidiaries, all references to the Subsidiaries of Borrower and the consolidation of certain financial information shall be deemed to be inapplicable until such time as Borrower has a Subsidiary.

ARTICLE II.

Revolving Line of Credit and Letters of Credit

Section 2.1. Revolving Line of Credit. Subject to the terms and conditions of this Agreement, each Lender agrees severally to extend a portion of the Revolving Line of Credit to Borrower by making one or more Revolving Advances to Borrower from time to time from the date hereof to and including the Termination Date Revolving Advances in an aggregate principal amount at any time outstanding up to but not exceeding such Lender's Commitment-Revolving Advances; provided that the aggregate amount of all Revolving Advances at any time outstanding shall not exceed the lesser of (a) the Combined Commitments-Revolving Advances minus the Letter of Credit Liabilities or (b) the Borrowing Base minus the Letter of Credit Liabilities. Lenders shall have no obligation to make any Revolving Advance (other than a Revolving Advance to reimburse Issuing Bank for any draw on a Letter of Credit issued pursuant to the terms hereof) if an Event of Default or a Bonding Default has occurred and is continuing. The obligations of Lenders under the Commitments-Revolving Advances are several and not joint. The failure of any Lender to make a Revolving Advance required to be made by it shall not relieve any other Lender of its obligation to make its Revolving Advance, and no Lender shall be responsible for the failure of any other Lender to make the Revolving Advance to be made by such other Lender. No Lender shall ever be required to lend hereunder in excess of its legal lending limit. Subject to the foregoing limitations, and the other terms and provisions of this Agreement, Borrower may borrow, repay, and reborrow hereunder.

Section 2.2. Revolving Credit Notes. The obligation of Borrower to repay the Revolving Advances shall be evidenced by a Revolving Credit Note executed by Borrower, payable to the order of each Lender, respectively, in the principal amount of such Lender's Commitment-Revolving Advances. From time to time a new Revolving Credit Note may be issued to another Lender hereunder as such Person becomes a party to this Agreement. From time to time the Agent may require a Revolving Credit Note to be exchanged for a newly issued Revolving Credit Note to accurately reflect the amount of each Lender's Commitment-Revolving Advances hereunder. Upon the request of Agent, Borrower shall execute and deliver to Agent such new Revolving Credit Notes as requested by Agent; provided, however, that in no event will Borrower be required to issue Revolving Credit Notes in an aggregate amount which exceeds the amount of the Combined Commitment-Revolving Advances.

Section 2.3. Interest. The unpaid principal amount of the Revolving Advances (and, therefore, the Revolving Credit Notes) shall bear interest prior to maturity at a varying rate per annum equal from day to day to the lesser of (a) the Maximum Rate or (b) the Applicable Rate in effect from day to day, and each change in the rate of interest charged on the Revolving Advances shall become effective, without notice to Borrower, on the effective date of each change in the Applicable Rate or the Maximum Rate, as the case may be; provided, however, if at any time the rate of interest specified in clause (b) preceding shall exceed the Maximum Rate, thereby causing the interest on the Revolving Advances to be limited to the Maximum Rate, then any subsequent reduction in the Applicable Rate shall not reduce the rate of interest on the Revolving Advances below the Maximum Rate until the aggregate amount of interest actually accrued on the Revolving Advances equals the amount of interest which would have accrued on the Revolving Advances if the interest rate specified in clause (b) preceding had at all times been in effect. Notwithstanding the foregoing, if any Event of Default has occurred and is continuing, the outstanding principal of the Revolving Advances shall, upon the determination of the Majority Lenders (notice of which is provided by Agent to Borrower), bear interest at the Default Rate.

Section 2.4. Repayment of Principal and Interest. (a) Accrued and unpaid interest on the Revolving Advances (and, therefore, the Revolving Credit Notes) shall be payable as follows:

(i) in the case of each Revolving Advance which is a Prime Rate Loan, on each March 31, June 30, September 30 and December 31, commencing September 30, 2007;

(ii) in the case of each Revolving Advance which is a LIBOR Loan, on the last day of each Interest Period therefor;

(iii) upon the payment or prepayment (mandatory or optional) of any Revolving Advance or the Conversion of any Revolving Advance (but only on the principal amount so paid, prepaid, or Converted); and

(iv) for all Revolving Advances, on the Termination Date Revolving Advances.

(b) The principal amount of the Revolving Advances (and, therefore, the Revolving Credit Notes) shall be due and payable on the earlier of (i) the Termination Date Revolving Advances or (ii) such other dates on which the Revolving Advances are or may be required to be paid pursuant to this Agreement.

(c) Notwithstanding the foregoing, interest payable at the Default Rate shall be payable from time to time on demand.

Section 2.5. Requests for Revolving Advances. (a) As long as the Autopay Agreement is in effect, Revolving Advances which are to be Prime Rate Loans may be made as provided in the Autopay Agreement, and Borrower shall not be required to request a Revolving Advance directly from Agent by means of a Revolving Advance Request Form.

(b) The provisions of this paragraph shall apply (i) to all requests for Revolving Advances which are to be LIBOR Loans, (ii) if Borrower so chooses, (iii) if the Autopay Agreement is not in effect, or (iv) if the Available Amount (as defined in the Autopay Agreement) is, or has been declared to be, equal to zero. Borrower shall request each Revolving Advance by delivering to Agent a Revolving Advance Request Form (i) stating the amount of the Revolving Advance, (ii) stating the date on which Borrower desires that the Revolving Advance be funded, (iii) stating the Type of the Revolving Advance, and (iv) if such Revolving Advance is a LIBOR Loan, designating the Interest Period thereof. Each Revolving Advance Request Form shall be delivered to Agent at least (i) one (1) Business Day before the date on which Borrower desires that the Revolving Advance be funded in the case of each Revolving Advance which is to be a Prime Rate Loan and (ii) at least three (3) Business Days before the date on which Borrower desires that the Revolving Advance be funded in the case of each Revolving Advance which is to be a LIBOR Loan; provided that (x) no Revolving Advance which is a LIBOR Loan may be in an amount which is less than $1,000,000.00, and (y) at any time there can be no more than five (5) Interest Periods in effect for the Revolving Advances. Borrower at any time may redesignate the amounts of, and Convert and Continue the Revolving Advances, but only to be effective from and after the end of the Interest Period therefor if a Revolving Advance is a LIBOR Loan, and subject to the terms and provisions of this Agreement, including Sections 5.7, 5.8 and 5.9 hereof. Prior to making any Revolving Advance, Lender may require that Borrower deliver a Borrowing Base Certificate dated a recent date acceptable to Lender evidencing that the amount of the outstanding Revolving Advances plus the requested Revolving Advance is less than the lesser of the Combined Commitments-Revolving Advances and the Borrowing Base. The Agent shall promptly notify each Lender of the contents of each such notice. No later than 11:00 a.m. Houston, Texas time on the date specified for each Revolving Advance hereunder, each Lender shall make available to Agent at its office specified herein in immediately available funds, its Pro Rata Share of each requested Revolving Advance. After Agent's receipt of such funds and subject to the other terms and conditions of this Agreement, Agent shall make each Revolving Advance available to the Borrower.

Section 2.6. Use of Proceeds. The proceeds of Revolving Advances (a) were originally used to partially finance the acquisition of the stock of Orion Marine Group Holdings, Inc., a Nevada corporation by Borrower (when it was Hunter Acquisition Corp., a Delaware corporation) and to refinance existing indebtedness, and (b) shall be used to refinance existing indebtedness for general working capital purposes and for capital expenditures.

Section 2.7. Mandatory Prepayment. If at any time the outstanding principal amount of the Revolving Advances plus the Letter of Credit Liabilities exceeds the Borrowing Base, Borrower shall immediately prepay the outstanding Revolving Advances by the amount of the excess plus accrued and unpaid interest on the amount so prepaid or, if no (or insufficient) Revolving Advances are outstanding, Borrower shall immediately pledge to Agent cash or cash equivalent investments in an amount equal to the excess as security for the Letter of Credit Liabilities.

Section 2.8. Unused Commitment Fee; Reduction or Termination of Combined Commitments-Revolving Advances . Borrower agrees to pay to Agent for the Pro Rata-Revolving Advances benefit of the Lenders a commitment fee on the average daily unused portion of the Combined Commitments-Revolving Advances, from and including the Closing Date to, but excluding the Termination Date Revolving Advances, at the rate set forth below based on a 360 day year and the actual number of days elapsed, payable quarterly, in arrears, and on the Termination Date Revolving Advances.

Total Leverage Ratio	Commitment Fee
Less than 1.00 to 1.00	0.200%
Equal to or greater than 1.00 to 1.00 but less than 1.50 to 1.00	0.250%
Equal to or greater than 1.50 to 1.00 but less than 2.00 to 1.00	0.250%
Equal to or greater than 2.00 to 1.00 but less than 2.50 to 1.00	0.300%
Equal to or greater than 2.50 to 1.00	0.375%

For the purpose of calculating the commitment fee hereunder, the Combined Commitments-Revolving Advances shall be deemed utilized by the amount of all outstanding Revolving Advances and Letter of Credit Liabilities. Borrower shall have the right at any time to terminate in whole or from time to time to irrevocably reduce in part the Combined Commitments-Revolving Advances upon at least three (3) Business Days prior notice to Agent specifying the effective date thereof, whether a termination or reduction is being made, and the amount of any partial reduction; provided, however, the Combined Commitments-Revolving Advances shall never be reduced below an amount equal to the Letter of Credit Liabilities. Any such reduction in the Combined Commitments-Revolving Advances shall take effect Pro Rata. Simultaneously with giving such notice, Borrower shall prepay the amount by which the unpaid principal amount of the Revolving Advances plus the Letter of Credit Liabilities exceeds the Combined Commitments-Revolving Advances (after giving effect to such notice) plus accrued and unpaid interest on the principal amount so prepaid. The Combined Commitments-Revolving Advances may not be reinstated after they have been terminated or reduced.

Section 2.9. Letters of Credit. Subject to the terms and conditions of this Agreement, Issuing Bank agrees to issue one or more Letters of Credit for the account of Borrower from time to time from the date hereof to and including the Termination Date Revolving Advances; provided, however, that the Letter of Credit Liabilities shall not at any time exceed the least of (a) $2,000,000.00, (b) the Combined Commitments-Revolving Advances minus the outstanding Revolving Advances, or (c) the Borrowing Base minus the outstanding Revolving Advances. Each Letter of Credit shall (a) have an expiration date which is not later than three hundred sixty-five (365) days following the date of issuance of such Letter of Credit, (b) have an expiration date which is at least fifteen (15) days prior to the Termination Date Revolving Advances, (unless any such Letter of Credit is fully secured by cash in a manner acceptable to Agent and Issuing Bank), (c) be payable in United States dollars, (d) have a minimum face amount of $100,000.00, (e) support a transaction that is entered into in the ordinary course of any Borrower's business, and (f) otherwise be satisfactory in form and substance to Issuing Bank. No Letter of Credit shall require any payment by Issuing Bank to the beneficiary thereunder pursuant to a drawing prior to the third Business Day following presentment of a draft and any related documents to Issuing Bank. Issuing Bank shall have no obligation to issue any Letter of Credit if an Event of Default or Bonding Default has occurred and is continuing. The Existing Letters of Credit constitute Letters of Credit for all purposes of this Agreement.

Section 2.10. Procedure for Issuing Letters of Credit. Each Letter of Credit shall be issued upon receipt by Issuing Bank of written notice from an Authorized Representative requesting the issuance of such Letter of Credit, which notice shall be received by Issuing Bank at least three (3) Business Days prior to the requested date of issuance of such Letter of Credit. Such notice shall be accompanied by a Letter of Credit Application and such other documents and instruments as Issuing Bank may require. Such notice and application (both front and back sides) may be sent by fax, provided that Borrower holds Issuing Bank harmless with respect to actions taken by Issuing Bank based upon notices and applications sent by fax. Each request for a Letter of Credit shall constitute a representation by Borrower to Issuing Bank, Agent and the other Lenders as to each of the matters set forth in the Borrowing Base Certificate, including representations that (a) the sum of (i) the outstanding Revolving Advances plus (ii) the Letter of Credit Liabilities plus (iii) the face amount of the requested Letter of Credit does not exceed the lesser of the Borrowing Base and the Combined Commitments-Revolving Advances, and (b) no Event of Default or Bonding Default has occurred and is continuing. Prior to Issuing any Letter of Credit, Issuing Bank may request a Borrowing Base Certificate from Borrower dated of a recent date acceptable to Lender evidencing that the statements contained in the preceding sentence are correct.

Section 2.11. Participation by Lenders. By the issuance of any Letter of Credit and without any further action on the part of Issuing Bank or any Lender in respect thereof, Issuing Bank hereby grants to each Lender, and each Lender hereby agrees to acquire from Issuing Bank, a participation in each such Letter of Credit and the related Letter of Credit Liabilities, effective upon the issuance thereof without recourse or warranty, equal to such Lender's Pro

Rata Part of such Letter of Credit and Letter of Credit Liabilities. Issuing Bank shall provide a copy of each Letter of Credit to each other Lender promptly after issuance. This agreement to grant and acquire participations is an agreement between Issuing Bank and Lenders, and neither Borrower nor any beneficiary of a Letter of Credit shall be entitled to rely thereon. Borrower agrees that each Lender purchasing a participation from the Issuing Bank pursuant to this Section 2.11 may exercise all of its rights to payment against the Borrower including the right of setoff, with respect to such participation as fully as if such Lender were the direct creditor of Borrower in the amount of such participations.

Section 2.12. Payments Constitute Revolving Advances . Each payment by Issuing Bank pursuant to a drawing under a Letter of Credit shall constitute and be deemed a Revolving Advance by Issuing Bank to Borrower under the Revolving Credit Notes and this Agreement as of the day and time such payment is made by Issuing Bank and in the amount of such payment. Each Lender shall make available to Issuing Bank in immediately available funds its Pro Rata Share-Revolving Advances of each such Revolving Advance in the manner provided in Section 2.5 hereof upon notice given by the Issuing Bank in the manner provided in Section 2.5 for notices given by Agent. Notwithstanding the foregoing, if, prior to paying a drawing on a Letter of Credit with a Revolving Advance as provided above, an Event of Default under Section 12.1(d) or (e) shall have occurred or if for any other reason a Revolving Advance cannot be made, then, each Lender will, on the date on which the Revolving Advance was to have been made to pay such drawing or such other date as is designated by Issuing Bank, purchase from Issuing Bank an undivided participation interest in such Letter of Credit in an amount equal to its Pro Rata Share of the Revolving Advances. Upon request from Agent (which shall be given by Agent to Lenders immediately following receipt of notice by Agent from Issuing Bank), each Lender will immediately transfer such amount to Issuing Bank.

Section 2.13. Letter of Credit Fees. Borrower shall pay to Agent for the Pro Rata-Revolving Advances benefit of the Lenders a letter of credit fee payable on the date each Letter of Credit is issued in an amount equal to the greater of (a) $300.00, or (b) the applicable percentage set forth below of the stated amount of such Letter of Credit based upon a 360 day year for the period during which such Letter of Credit will remain outstanding:

Total Leverage Ratio	Letter of Credit Fee
Less than 1.00 to 1.00	1.50%
Equal to or greater than 1.00 to 1.00 but less than 1.50 to 1.00	1.75%
Equal to or greater than 1.50 to 1.00 but less than 2.00 to 1.00	2.00%
Equal to or greater than 2.00 to 1.00 but less than 2.50 to 1.00	2.25%
Equal to or greater than 2.50 to 1.00	2.50%

At the time of issuance of each Letter of Credit, Borrower shall pay to the Issuing Bank a letter of credit fee in an amount equal to one-eighth of one percent (c%) of the stated amount of such Letter of Credit. In addition, Borrower shall pay to Issuing Bank (a) at the time of issuance of any Letter of Credit, all reasonable and documented out-of-pocket costs incurred by Issuing Bank in connection with the issuance of such Letter of Credit, and (b) upon the payment of any Letter of Credit, all applicable payment fees. Upon the amendment (including the extension) of any Letter of Credit, Borrower shall pay to Issuing Bank all applicable amendment fees and to Agent for the Pro Rata benefit of Lenders a fee calculated as provided in the first sentence of this Section 2.13 for the period of such extension.

Section 2.14. Obligations Absolute. The obligations of Borrower under this Agreement and the other Loan Documents, including without limitation the obligation of Borrower to reimburse Issuing Bank and Lenders, as applicable, for payment of drawings under any Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement and the other Loan Documents under all circumstances, including (a) any lack of validity or enforceability of any Letter of Credit or any other Loan Document, (b) the existence of any claim, set-off, counterclaim, defense or other rights which Borrower, any Obligated Party or any other Person may have at any time against any beneficiary of any Letter of Credit, Issuing Bank, Agent, any Lender, or any other Person, whether in connection with this Agreement or any other Loan Document or any unrelated transaction, (c) if any statement, draft or other document presented under any Letter of Credit proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein is untrue or inaccurate in any respect whatsoever, (d) payment by Issuing Bank under any Letter of Credit against presentation of a draft or other document which does not comply with the terms of such Letter of Credit in a manner which is not material, (e) any amendment or waiver of, or any consent to departure from, any Loan Document or (f) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Section 2.15. Limitation of Liability. Borrower assumes all risks of the acts or omissions of any beneficiary of any Letter of Credit with respect to its use of such Letter of Credit. None of Issuing Bank, Agent, any Lender or any of their officers, employees or directors shall have any responsibility or liability to Borrower or any other Person for (a) the failure of any draft to bear any reference or adequate reference to any Letter of Credit, or the failure of any documents to accompany any draft at negotiation, or the failure of any Person to surrender or to take up any Letter of Credit or to send documents apart from drafts as required by the terms of any Letter of Credit, or the failure of any Person to note the amount of any instrument on any Letter of Credit, each of which requirements, if contained in any Letter of Credit itself, it is agreed may be waived by Issuing Bank, (b) errors, omissions, interruptions or delays in transmission or delivery of any messages, (c) the validity, sufficiency or genuineness of any draft or other document, or any endorsement thereon, even if any such draft, document or endorsement should in fact prove to be in any and all respects invalid, insufficient, fraudulent or forged or any statement therein is untrue or inaccurate in any respect, (d) payment by Issuing Bank to the beneficiary of any Letter of Credit against presentation of any draft or other

document that does not comply with the terms of the Letter of Credit in a respect which is not material or (e) any other circumstance whatsoever in making or failing to make any payment under a Letter of Credit. Issuing Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary. Notwithstanding the foregoing, Issuing Bank shall be liable to Borrower to the extent of any direct, but not consequential, damages suffered by Borrower which Borrower proves in a final nonappealable judgment were caused by (i) Issuing Bank's willful misconduct or gross negligence or (ii) Issuing Bank's willful failure to pay under any Letter of Credit after presentation to it of documents strictly complying with the terms and conditions of such Letter of Credit.

Section 2.16. Provisions Regarding Electronic Issuance of Letters of Credit . Issuing Bank may adopt procedures pursuant to which Borrower may request the issuance of Letters of Credit by electronic means and Issuing Bank may issue Letters of Credit based on such electronic requests. Such procedures may include the entering by Borrower into the Letter of Credit Applications electronically. All the procedures, actions and documents referred to in the two preceding sentences are referred to as "Electronic Applications". Borrower holds Issuing Bank, Agent and each Lender harmless with respect to actions taken by Issuing Bank based upon Electronic Applications. Borrower further agrees to be bound by all the terms and provisions contained in the Letter of Credit Applications, including, without limitation, the terms and provisions of the Letter of Credit Applications contained on the reverse side of the paper copies thereof, including the release and indemnification provisions contained therein.

Section 2.17. Increase of the Combined Commitments-Revolving Advances . (a) At any time prior to the Termination Date Revolving Advances, the Borrower may effectuate up to two (2) separate increases in the aggregate Combined Commitments-Revolving Advances (each such increase being a "Combined Commitments-Revolving Advances Increase"), by designating either one or more of the existing Lenders (each of which, in its sole discretion, may determine whether and to what degree to participate in such Combined Commitments-Revolving Advances Increase) or one or more other banks or other financial institutions (reasonably acceptable to Agent) that at the time agree, in the case of any such bank or financial institution that is an existing Lender to increase its Commitment-Revolving Advances as such Lender shall so select (an "Increasing Lender") and, in the case of any other such bank or financial institution (an "Additional Lender"), to become a party to this Agreement; provided, however, that (i) each Combined Commitments-Revolving Advances Increase shall be in an amount at least equal to $5,000,000.00, (ii) the aggregate amount of all Combined Commitments-Revolving Advances Increases and Combined Commitments-Acquisition Term Loan Increases (as defined in Section 4.8) shall not exceed $25,000,000.00, and (iii) all Commitments-Revolving Advances and Revolving Advances provided pursuant to a Combined Commitments-Revolving Advances Increase shall be available on the same terms as those applicable to the existing Commitments-Revolving Advances and Revolving Advances. The sum of the increases in the Commitments-Revolving Advances of the Additional Lenders upon giving effect to a Combined Commitments-Revolving Advances

Increase shall not, in the aggregate, exceed the amount of such Combined Commitments-Revolving Advances Increase minus the increases in the Combined Commitments-Revolving Advances of the Increasing Lenders. Borrower shall provide prompt notice of any proposed Combined Commitments-Revolving Advances Increase pursuant to clause (a) above to Agent. This Section 2.17 shall not be construed to create any obligation on Agent or any Lender to advance or to commit to advance any credit to Borrower or to arrange for any other Person to advance or to commit to advance any credit to Borrower.

(b) A Combined Commitments-Revolving Advances Increase shall become effective upon the receipt by Agent of (i) a fee on the amount of the Combined Commitments-Revolving Advances Increase based upon prevailing market rates at the time of such Combined Commitments-Revolving Advances Increase, (ii) an agreement in form and substance reasonably satisfactory to Agent signed by Borrower, each Increasing Lender and each Additional Lender, as applicable, setting forth the Commitments-Revolving Advances of each such Lender, and in the case of an Additional Lender, setting forth the agreement of such Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof binding upon each Lender, (iii) such evidence of appropriate authorization on the part of Borrower with respect to such Combined Commitments-Revolving Advances Increase as Agent may reasonably request, and (iv) a certificate of an Authorized Representative of Borrower stating that, both before and after giving effect to such Combined Commitments-Revolving Advances Increase, no Event of Default or Unmatured Event of Default has occurred and is continuing, and that all representations and warranties made by Borrower in this Agreement are true and correct in all material respects, unless such representation or warranty relates to an earlier date which remains true and correct as of such earlier date.

ARTICLE III.

Real Estate Term Loan

Section 3.1. Real Estate Term Loan. Subject to the terms and conditions of this Agreement, each Lender who has a Commitment-Real Estate Term Loan agrees severally to make the Real Estate Term Loan to Borrower in the principal amount of the Combined Commitments-Real Estate Term Loan.

Section 3.2. Real Estate Term Notes. The obligation of Borrower to repay the Real Estate Term Loan shall be evidenced by the Real Estate Term Notes executed by Borrower, payable to the order of each Lender who as a Commitment-Real Estate Term Loan, respectively, in the principal amount of such Lender's Commitment-Real Estate Term Loan. From time to time a new Real Estate Term Note may be issued to another Lender hereunder as such Person becomes a party to this Agreement. From time to time the Agent may require a Real Estate Term Note to be exchanged for a newly issued Real Estate Term Note to

accurately reflect the amount of each Lender's Commitment-Real Estate Term Loan hereunder. Upon the request of Agent, Borrower shall execute and deliver to Agent such new Real Estate Term Notes as requested by Agent.

Section 3.3. Interest. The unpaid principal amount of the Real Estate Term Loan (and, therefore, the Real Estate Term Notes) shall bear interest to but excluding the maturity date thereof at a varying rate per annum equal from day to day to the lesser of (a) the Maximum Rate or (b) the Applicable Rate, and each change in the rate of interest charged on the Real Estate Term Loan shall become effective, without notice to Borrower, on the effective date of each change in the Applicable Rate or the Maximum Rate, as the case may be; provided, however, if at any time the rate of interest specified in clause (b) preceding shall exceed the Maximum Rate, thereby causing the interest on the Real Estate Term Loan to be limited to the Maximum Rate, then any subsequent reduction in the Applicable Rate shall not reduce the rate of interest on the Real Estate Term Loan below the Maximum Rate until the aggregate amount of interest accrued on the Real Estate Term Loan equals the aggregate amount of interest which would have accrued on the Real Estate Term Loan if the interest rate specified in clause (b) preceding had at all times been in effect. Notwithstanding the foregoing, if any Event of Default has occurred and is continuing, the outstanding principal of the Real Estate Term Loan shall, upon the determination of the Majority Lenders (notice of which is provided by Agent to Borrower), bear interest at the Default Rate.

Section 3.4. Repayment of Principal and Interest. (a) Accrued and unpaid interest on the Real Estate Term Loan (and, therefore, the Real Estate Term Notes) shall be due and payable as follows:

(i) in the case of each Real Estate Term Loan Portion which is a Prime Rate Loan, on each March 31, June 30, September 30 and December 31, commencing September 30, 2007;

(ii) in the case of each Real Estate Term Loan Portion which is a LIBOR Loan, on the last day of each Interest Period therefor;

(iii) upon the payment or prepayment (mandatory or optional) of any Real Estate Term Loan Portion or the Conversion of any Real Estate Term Loan Portion (but only on the principal amount so paid, prepaid, or Converted); and

(iv) for all Real Estate Term Loan Portions, on the Maturity Date Real Estate Term Loan.

(b) Notwithstanding the foregoing, interest payable at the Default Rate shall be payable from time to time on demand.

(c) The principal of the Real Estate Term Loan (and, therefore, the Real Estate Term Notes) shall be due and payable by Borrower as follows:

(i) Two (2) principal installments each in an amount equal to One Million Four Hundred Fifty-Two Thousand Five Hundred and No/100 Dollars ($1,452,500.00), shall be due and payable on September 30, 2007 and December 31, 2007;

(ii) Four (4) principal installments each in an amount equal to Two Million Seventy-Five Thousand and No/100 Dollars ($2,075,000.00), shall be due and payable on March 31, 2008, June 30, 2008, September 30, 2008 and December 31, 2008;

(iii) Five (5) principal installments each in an amount equal to Two Million Four Hundred Ninety Thousand and No/100 Dollars ($2,490,000.00), shall be due and payable on March 31, 2009, June 30, 2009, September 30, 2009, December 31, 2009 and March 31, 2010;

(iv) One (1) principal installment in an amount equal to Two Million Five Hundred Ninety-Three Thousand Seven Hundred Fifty and No/100 Dollars ($ 2,593,750.00), shall be due and payable on June 30, 2010; and

(v) a final installment in the amount of all outstanding principal shall be due and payable on the Maturity Date Real Estate Term Loan.

Section 3.5. Mandatory Prepayment. (a) If at the end of any fiscal year of Borrower, commencing with the fiscal year ending December 31, 2007, (i) the Total Leverage Ratio is less than 2.00 to 1.00, the Real Estate Term Loan shall be subject to mandatory prepayment in an amount equal to twenty-five percent (25%) of Excess Cash Flow for such fiscal year, and (ii) the Total Leverage Ratio is equal to or greater than 2.00 to 1.00, the Real Estate Term Loan shall be subject to mandatory prepayment in an amount equal to fifty percent (50%) of Excess Cash Flow for such fiscal year. Such mandatory prepayments shall be due and payable on that day which is one hundred twenty (120) days following the last day of each fiscal year of Borrower and shall be applied to the remaining principal payments due on the Real Estate Term Loan in inverse order of their maturities.

(b) The Real Estate Term Loan shall be subject to mandatory prepayment in an amount equal to one hundred percent (100%) of the insurance, condemnation or other proceeds received in connection with any casualty event, condemnation or other loss suffered by Borrower or any Subsidiary ("Event Proceeds"); provided, however, that (i) if such Event Proceeds are less than or equal to $500,000.00, no mandatory prepayment shall be required, such Event Proceeds shall be paid to Borrower, and Borrower shall use such Event Proceeds to repair or restore the assets which gave rise to such Event Proceeds, and (ii) if such Event Proceeds are greater than $500,000.00, Agent may determine that no mandatory prepayment is to be required and that such Event Proceeds are to be paid to Borrower, and, in such event,

Borrower shall use such Event Proceeds to repair or restore the assets which gave rise to such Event Proceeds. Such mandatory prepayments shall be due on that date which is ten (10) days following the date on which Borrower or Agent receives any such Event Proceeds and shall be applied to the remaining principal payments due on the Real Estate Term Loan in inverse order of their maturities.

(c) The Real Estate Term Loan shall be subject to mandatory prepayment in an amount equal to one hundred percent (100%) of the net proceeds of any sale or other disposition of assets of Borrower or any Subsidiary ("Net Proceeds"); provided, however, that (i) if the aggregate amount of the Net Proceeds of all such sales or dispositions during any calendar year is less than $250,000.00, no mandatory prepayment shall be required, (ii) if (A) the aggregate amount of the Net Proceeds of all such sales or dispositions during any calendar year is equal to or greater than $250,000.00 but less than $1,000,000.00, and (B) Borrower acquires replacement assets having a cost at least equal to such Net Proceeds in which Agent has a first priority Lien, no mandatory prepayment shall be required, and (iii) if the aggregate amount of the Net Proceeds of all such sales or dispositions during any calendar year is equal to or greater than $1,000,000.00, Agent may determine that no mandatory prepayment is to be required if Borrower acquires replacement assets having a cost at least equal to such Net Proceeds in which Agent has a first priority Lien. Any such mandatory prepayments shall be due on that date which is ten (10) days following the date on which Borrower or Agent receives any such Net Proceeds which results in the obligation to make a mandatory prepayment, and shall be applied to the remaining principal payments due on the Real Estate Term Loan in inverse order of their maturities. Notwithstanding any provision of this Agreement or any Loan Document to the contrary, Borrower or any Subsidiary may sell or convey its assets, other than the assets described in the Pledge Agreements, free and clear of the Liens created by the Loan Documents, provided that any such sale or conveyance is subject to the provisions of, and in accordance with, this Section 3.5(c).

(d) The Real Estate Term Loan shall be subject to mandatory prepayment in an amount equal to one hundred percent (100%) of the net proceeds from any issuance of debt securities, excluding (i) any proceeds from any issuance by Borrower of equity securities and (ii) cash proceeds used in conjunction with any acquisition; provided however, that the Senior Subordinated Note shall not constitute debt securities for purposes of this Section 3.5(d). Such mandatory prepayments shall be due on the date on which such debt securities are issued and shall be applied to the remaining principal payments due on the Real Estate Term Loan in inverse order of their maturities.

Section 3.6. Designation of Real Estate Term Loan Portions. Not less than two (2) Business Days prior to the Closing Date, Borrower shall designate the amount of the Real Estate Term Loan Portions to Lender in writing, and such designation shall specify the Type of each Real Estate Term Loan Portion and, in the case of each Real Estate Term Loan Portion which is to be a LIBOR Loan, the duration of the Interest Period therefor; provided that at all times (a) the sum of all the Real Estate Term Loan Portions shall equal the outstanding

principal balance of the Real Estate Term Loan, (b) each Real Estate Term Loan Portion shall be in an amount which is not less than $1,000,000.00, and (c) at any time there can be no more than five (5) Real Estate Term Loan Portions. Borrower at any time may redesignate the amounts of, and Convert and Continue the Real Estate Term Loan Portions, but only to be effective from and after the end of the Interest Period therefor if such Real Estate Term Loan Portion is a LIBOR Loan, and subject to the terms and provisions of this Agreement, including Sections 5.7, 5.8 and 5.9 hereof.

Section 3.7. Use of Proceeds. The proceeds of the Real Estate Term Loan (a) were originally used to partially finance the acquisition of the stock of Orion Marine Group Holdings, Inc., a Nevada corporation by Borrower (when it was Hunter Acquisition Corp., a Delaware corporation) and (b) shall be used to refinance existing indebtedness and for general working capital purposes.

ARTICLE IV.

Acquisition Term Loan

Section 4.1. Acquisition Term Loan. Subject to the terms and conditions of this Agreement, Lenders agree severally to make the Acquisition Term Loan to Borrower in one or more Acquisition Advances from time to time from the date hereof to and including the Termination Date Acquisition Advances in an aggregate principal amount up to but not exceeding each such Lender's Commitment-Acquisition Term Loan; provided that the aggregate amount of all Acquisition Advances shall not exceed the Combined Commitments-Acquisition Term Loan. Lenders shall have no obligation to make any Acquisition Advance if an Event of Default or an Unmatured Event of Default has occurred and is continuing unless waived by Majority Lenders. The obligations of the Lenders under the Commitments-Acquisition Term Loan are several and not joint. The failure of any Lender to make an Acquisition Advance required to be made by it shall not relieve any other Lender of its obligation to make its Acquisition Advance, and no Lender shall be responsible for the failure of any other Lender to make an Acquisition Advance to be made by such other Lender. No Lender shall ever be required to lend hereunder in excess of its legal lending limit. Borrower may not reborrow any Acquisition Advance which has been repaid. No Acquisition Advance shall be made after the Termination Date Acquisition Advances.

Section 4.2. Acquisition Term Notes. The obligation of Borrower to repay Acquisition Term Loan shall be evidenced by the Acquisition Term Notes, executed by Borrower, payable to the order of each Lender who has a Commitment-Acquisition Term Loan, respectively in the principal amount of such Lender's Commitment-Acquisition Term Loan. From time to time a new Acquisition Term Note may be issued to another Lender hereunder as such Person becomes a party to this Agreement. From time to time the Agent may require an Acquisition Term Note to be exchanged for a newly issued Acquisition Term Note to accurately reflect the

amount of each Lender's Commitment-Acquisition Term Loan hereunder. Upon the request of Agent, Borrower shall execute and deliver to Agent such new Acquisition Term Notes as requested by Agent.

Section 4.3. Interest. The unpaid principal amount of Acquisition Advances (and, therefore, the Acquisition Term Notes) shall bear interest prior to maturity at a varying rate per annum equal from day to day to the lesser of (a) the Maximum Rate or (b) the Applicable Rate, and each change in the rate of interest charged on the Acquisition Term Loan shall become effective, without notice to Borrower on the effective date of each change in the Applicable Rate or the Maximum Rate, as the case may be; provided, however, if at any time the rate of interest specified in clause (b) preceding shall exceed the Maximum Rate, thereby causing the interest on the Acquisition Term Loan to be limited to the Maximum Rate, then any subsequent reduction in the Applicable Rate shall not reduce the rate of interest on the Acquisition Term Loan below the Maximum Rate until the aggregate amount of interest accrued on the Acquisition Term Loan equals the aggregate amount of interest which would have accrued on the Acquisition Term Loan if the interest rate specified in clause (b) preceding had at all times been in effect. Notwithstanding the foregoing, if any Event of Default has occurred and is continuing, the outstanding principal of the Acquisition Term Loan shall, upon the determination of the Majority Lenders, bear interest at the Default Rate.

Section 4.4. Repayment of Principal and Interest. (a) Accrued and unpaid interest on the Acquisition Term Loan (and, therefore, the Acquisition Term Notes) shall be due and payable as follows:

(i) in the case of each Acquisition Advance which is a Prime Rate Loan, on each March 31, June 30, September 30 and December 31, commencing September 30, 2007;

(ii) in the case of each Acquisition Advance which is a LIBOR Loan, on the last day of each Interest Period therefor;

(iii) upon the payment or prepayment (mandatory or optional) of any Acquisition Advance or the Conversion of any Acquisition Advance (but only on the principal amount so paid, prepaid, or Converted); and

(iv) for all Acquisition Advances, on the Maturity Date Acquisition Term Loan.

(b) Notwithstanding the foregoing, interest payable at the Default Rate shall be payable from time to time on demand.

(c) The principal of the Acquisition Term Loan (and, therefore, the Acquisition Term Notes) shall be due and payable by Borrower as follows:

(i) seven (7) quarterly installments each in the principal amount equal to two and one-half percent (2.50%) of the outstanding principal balance of the Acquisition Term Loan on the Termination Date Acquisition Advances, shall be due and payable on each March 31, June 30, September 30 and December 31, commencing December 31, 2008 until and including June 30, 2010;

(ii) quarterly installments each in the principal amount equal to two and one-half percent (2.50%) of the amount of any Combined Commitments-Acquisition Term Loan Increase which occurs at any time after the Termination Date Acquisition Advances shall be due and payable on each March 31, June 30, September 30 and December 31, commencing with the first such date occurring after the calendar quarter in which such Combined Commitments-Acquisition Term Loan Increase occurs; and

(iii) a final installment in the amount of all outstanding principal shall be due and payable on the Maturity Date Acquisition Term Loan.

Section 4.5.Mandatory Prepayment. (a) If the Real Estate Term Loan has been paid in full, the Acquisition Term Loan shall be subject to mandatory prepayment if at the end of any fiscal year of Borrower, commencing with the fiscal year ending December 31, 2007, (i) the Total Leverage Ratio is less than 2.00 to 1.00, in an amount equal to twenty-five percent (25%) of Excess Cash Flow for such fiscal year, and (ii) the Total Leverage Ratio is equal to or greater than 2.00 to 1.00, in an amount equal to fifty percent (50%) of Excess Cash Flow for such fiscal year. Such mandatory prepayments shall be due and payable on that day which is one hundred twenty (120) days following the last day of each fiscal year of Borrower and shall be applied to the remaining principal payments due on the Acquisition Term Loan in inverse order of their maturities.

(b) If the Real Estate Term Loan has been paid in full, the Acquisition Term Loan shall be subject to mandatory prepayment in an amount equal to one hundred percent (100%) of the insurance, condemnation or other proceeds received in connection with any casualty event, condemnation or other loss suffered by Borrower or any Subsidiary ("Event Proceeds"); provided, however, that (i) if such Event Proceeds are less than or equal to $500,000.00, no mandatory prepayment shall be required, such Event Proceeds shall be paid to Borrower, and Borrower shall use such Event Proceeds to repair or restore the assets which gave rise to such Event Proceeds, and (ii) if such Event Proceeds are greater than $500,000.00, Agent may determine that no mandatory prepayment is to be required and that such Event Proceeds are to be paid to Borrower, and, in such event, Borrower shall use such Event Proceeds to repair or restore the assets which gave rise to such Event Proceeds. Such mandatory prepayments shall be due on that date which is ten (10) days following the date on which Borrower or Agent receives any such Event Proceeds and shall be applied to the remaining principal payments due on the Acquisition Term Loan in inverse order of their maturities.

(c) If the Real Estate Term Loan has been paid in full, the Acquisition Term Loan shall be subject to mandatory prepayment in an amount equal to one hundred percent (100%) of the net proceeds of any sale or other disposition of assets of Borrower or any Subsidiary ("Net Proceeds"); provided, however, that (i) if the aggregate amount of the Net Proceeds of all such sales or dispositions during any calendar year is less than $250,000.00, no mandatory prepayment shall be required, (ii) if (A) the aggregate amount of the Net Proceeds of all such sales or dispositions during any calendar year is equal to or greater than $250,000.00 but less than $1,000,000.00, and (B) Borrower acquires replacement assets having a cost at least equal to such Net Proceeds in which Agent has a first priority Lien, no mandatory prepayment shall be required, and (iii) if the aggregate amount of the Net Proceeds of all such sales or dispositions during any calendar year is equal to or greater than $1,000,000.00, Agent may determine that no mandatory prepayment is to be required if Borrower acquires replacement assets having a cost at least equal to such Net Proceeds in which Agent has a first priority Lien. Any such mandatory prepayments shall be due on that date which is ten (10) days following the date on which Borrower or Agent receives any such Net Proceeds which results in the obligation to make a mandatory prepayment, and shall be applied to the remaining principal payments due on the Acquisition Term Loan in inverse order of their maturities. Notwithstanding any provision of this Agreement or any Loan Document to the contrary, Borrower or any Subsidiary may sell or convey its assets, other than the assets described in the Pledge Agreements, free and clear of the Liens created by the Loan Documents, provided that any such sale or conveyance is subject to the provisions of, and in accordance with, this Section 4.5(c).

(d) If the Real Estate Term Loan has been paid in full, the Acquisition Term Loan shall be subject to mandatory prepayment in an amount equal to one hundred percent (100%) of the net proceeds from any issuance of debt securities, excluding any (i) proceeds from any issuance by Borrower of equity securities and (ii) cash proceeds used in conjunction with any acquisition; provided however, that the Senior Subordinated Note shall not constitute debt securities for purposes of this Section 4.5(d). Such mandatory prepayments shall be due on the date on which such debt securities are issued and shall be applied to the remaining principal payments due on the Acquisition Term Loan in inverse order of their maturities.

Section 4.6. Requests for Acquisition Advances . Borrower shall request each Acquisition Advance by delivering to Agent an Acquisition Advance Request Form (a) stating the amount of the Acquisition Advance, (b) stating the date on which Borrower desires that the Acquisition Advance be funded, (c) stating the Type of the Acquisition Advance, and (d) if such Acquisition Advance is a LIBOR Loan, designating the Interest Period thereof. Each Acquisition Advance Request Form shall be accompanied by documentation satisfactory to Agent related such Acquisition Advance. Each Acquisition Advance Request Form shall be delivered to Agent at least (i) in the case of each Acquisition Advance which is to be a Prime Rate Loan, (A) not later than 11:00 a.m. on any Business Day, in which case such Acquisition Advance shall be funded on such Business Day (if all other conditions contained in this Agreement are satisfied) or (B) after 11:00 a.m. on any Business Day, in which case, such

Acquisition Advance shall be funded on the next succeeding Business Day (if all other conditions contained in this Agreement are satisfied), and (ii) in the case of each Acquisition Advance which is to be a LIBOR Loan, at least three (3) Business Days before the date on which Borrower desires that the Acquisition Advance be funded; provided that (x) no Acquisition Advance which is a LIBOR Loan may be in an amount which is less than $1,000,000.00, and (y) at any time there can be no more than five (5) Interest Periods in effect for the Acquisition Advances. Borrower at any time may redesignate the amounts of, and Convert and Continue the Acquisition Advances, subject to the terms and provisions of this Agreement, including Sections 5.7, 5.8 and 5.9 hereof.

Section 4.7. Use of Proceeds. The proceeds of the Acquisition Term Loan shall be used for general corporate purposes, including to finance Acquisitions permitted by this Agreement and for capital expenditures.

Section 4.8. Increase of the Combined Commitments-Acquisition Term Loan. (a) Borrower may effectuate up to two (2) separate increases in the aggregate Combined Commitments-Acquisition Term Loan (each such increase being a "Combined Commitments-Acquisition Term Loan Increase"), by designating either one or more of the existing Lenders (each of which, in its sole discretion, may determine whether and to what degree to participate in such Combined Commitments-Acquisition Term Loan Increase) or one or more other banks or other financial institutions (reasonably acceptable to Agent) that at the time agree, in the case of any such bank or financial institution that is an existing Lender to increase its Commitment-Acquisition Term Loan as such Lender shall so select (an "Increasing Lender") and, in the case of any other such bank or financial institution (an "Additional Lender"), to become a party to this Agreement; provided, however, that (i) each Combined Commitments-Acquisition Term Loan Increase shall be in an amount at least equal to $5,000,000.00, (ii) the aggregate amount of all Combined Commitments-Acquisition Term Loan Increases and Combined Commitments-Revolving Advances Increases (as defined in Section 2.17) shall not exceed $25,000,000.00, and (iii) all Commitments-Acquisition Term Loan and Acquisition Advances provided pursuant to a Combined Commitments-Acquisition Term Loan Increase shall be available on the same terms as those applicable to the existing Commitments-Acquisition Term Loan and Acquisition Advances. The sum of the increases in the Commitments-Acquisition Term Loan of the Additional Lenders upon giving effect to a Combined Commitments-Acquisition Term Loan Increase shall not, in the aggregate, exceed the amount of such Combined Commitments-Acquisition Term Loan Increase minus the increase in the Combined Commitments-Acquisition Advances of the Increasing Lenders. Borrower shall provide prompt notice of any proposed Combined Commitments-Acquisition Term Loan Increase pursuant to clause (a) above to Agent. This Section 4.8 shall not be construed to create any obligation on Agent or any Lender to advance or to commit to advance any credit to Borrower or to arrange for any other Person to advance or to commit to advance any credit to Borrower.

(b) A Combined Commitments-Acquisition Term Loan Increase shall become effective upon the receipt by Agent of (i) a fee on the amount of the Combined Commitments-Acquisition Term Loan Increase based upon prevailing market rates at the time of such Combined Commitments-Acquisition Term Loan Increase, (ii) an agreement in form and substance reasonably satisfactory to Agent signed by Borrower, each Increasing Lender and each Additional Lender, as applicable, setting forth the Commitments-Acquisition Term Loan of each such Lender, and in the case of an Additional Lender, setting forth the agreement of such Additional Lender to become a party to this Agreement and to be bound by all the terms and provisions hereof binding upon each Lender, (iii) such evidence of appropriate authorization on the part of Borrower with respect to such Combined Commitments-Acquisition Term Loan Increase as Agent may reasonably request, and (iv) receipt by Agent of a certificate of an Authorized Representative of Borrower stating that, both before and after giving effect to such Combined Commitments-Acquisition Term Loan Increase, no Event of Default or Unmatured Event of Default has occurred and is continuing, and that all representations and warranties made by Borrower in this Agreement are true and correct in all material respects, unless such representation or warranty relates to an earlier date which remains true and correct as of such earlier date.

Section 4.9. Unused Commitment Fee; Reduction or Termination of Combined Commitments-Acquisition Term Loan . Borrower agrees to pay to Agent for the Pro Rata-Acquisition Advances benefit of the Lenders a commitment fee on the average daily unused portion of the Combined Commitments-Acquisition Term Loan, from and including the Closing Date to, but excluding the Termination Date Acquisition Advances, at the rate set forth below based on a 360 day year and the actual number of days elapsed, payable quarterly, in arrears, and on the Termination Date Acquisition Advances.

Total Leverage Ratio	Commitment Fee
Less than 1.00 to 1.00	0.200%
Equal to or greater than 1.00 to 1.00 but less than 1.50 to 1.00	0.250%
Equal to or greater than 1.50 to 1.00 but less than 2.00 to 1.00	0.250%
Equal to or greater than 2.00 to 1.00 but less than 2.50 to 1.00	0.300%
Equal to or greater than 2.50 to 1.00	0.375%

For the purpose of calculating the commitment fee hereunder, the Combined Commitments-Acquisition Term Loan shall be deemed utilized by the amount of all outstanding Acquisition Advances. Borrower shall have the right at any time to terminate in whole or from time to time to irrevocably reduce in part the Combined Commitments-Acquisition Term Loan upon at least three (3) Business Days prior notice to Agent specifying the effective date thereof, whether a termination or reduction is being made, and the amount of any partial reduction;

provided, however, the Combined Commitments-Acquisition Term Loan shall never be reduced below an amount equal to the outstanding Acquisition Advances. Any such reduction in the Combined Commitments-Acquisition Term Loan shall take effect Pro Rata. The Combined Commitments-Acquisition Term Loan may not be reinstated after they have been terminated or reduced.

ARTICLE V.

Payments; Additional Matters with Respect to LIBOR Loans; Yield Protection Provisions

Section 5.1. Method of Payment. All payments of principal, interest, and other amounts to be made by Borrower under this Agreement, the Notes or any other Loan Documents shall be made to Agent at its designated office specified herein for the account of each Lender's office specified herein in immediately available funds, without setoff, deduction, or counterclaim in immediately available funds, not later than 11:00 a.m. Houston, Texas time on the date that such payment shall become due (and each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). Each payment received by Agent under this Agreement or any other Loan Document for the account of a Lender shall be paid promptly to such Lender, in immediately available funds, at such Lender's office designated herein; provided, however, in the event any Lender shall have failed to make a Revolving Advance as contemplated by Section 2.5 or an Acquisition Advance as contemplated by Section 4.6 hereof (a "Defaulting Lender") and Agent or another Lender or Lenders shall have made such Revolving Advance or Acquisition Advance, payment received by Agent for the account of such Defaulting Lender shall not be distributed to such Defaulting Lender or Lenders until such Revolving Advance or Acquisition Advance, or Revolving Advances or Acquisition Advances shall have been repaid in full to Agent or Lender or Lenders who funded such Revolving Advance or Acquisition Advance, or Revolving Advances or Acquisition Advances. Whenever any payment under this Agreement, any Note or any other Loan Document shall be stated to be due on a day that is not a Business Day, such payment may be made on the next Business Day, and interest shall continue to accrue during such extension.

Section 5.2. Sharing of Payments, etc./Non-Receipt of Funds by Agent .

(a) If any Lender shall obtain any payment (whether voluntary, involuntary, or otherwise) on account of the Revolving Advances, the Real Estate Term Loan or the Acquisition Advances (including, without limitation, any set-off), which is in excess of its Pro Rata Share of payments on the Revolving Advances, the Real Estate Term Loan or the Acquisition Advances, as applicable, obtained by all Lenders, such Lender shall purchase from the other Lenders such participation as shall be necessary to cause such purchasing Lender to share the excess payment Pro Rata with each of them; provided that, if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of recovery. Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this section may, to the fullest extent permitted by law, exercise all of its rights of payment (including the right of offset) with respect to such participation as fully as if such Lender were the direct creditor of Borrower in the amount of such participation.

(b) Unless Agent shall have been notified by a Lender or Borrower (the "Payor") prior to the date on which such Lender is to make payment to Agent of the proceeds of a Revolving Advance or an Acquisition Advance to be made by it hereunder or Borrower is to make a payment to Agent for the account of one or more of the Lenders, as the case may be (a "Required Payment"), which notice shall be effective upon receipt, that the Payor does not intend to make the Required Payment to Agent, Agent may assume that the Required Payment has been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the intended recipient on such date and, if the Payor has not in fact made the Required Payment to Agent, the recipient of such payment shall, on demand, pay to Agent the amount made available to it together with interest thereon in respect of the period commencing on the date such amount was made available by Agent until the date Agent recovers such amount at the rate applicable to such portion of the applicable Revolving Advance, Real Estate Term Loan or Acquisition Advance.

Section 5.3. Voluntary Prepayment. Borrower may prepay the Notes in whole at any time or from time to time in part without premium or penalty but with accrued interest to the date of prepayment on the amount so prepaid; provided, however, that any prepayments of principal of the Real Estate Term Notes or the Acquisition Term Notes shall be applied first to the remaining principal payments due on the Real Estate Term Notes in inverse order of their maturities and then to the remaining principal payments due on the Acquisition Term Notes in inverse order of their maturities.

Section 5.4. Computation of Interest. Interest on the indebtedness evidenced by the Notes shall be computed on the basis of a year of (a) 360 days and the actual number of days elapsed (including the first day but excluding the last day) for all LIBOR Loans unless such calculation would result in a usurious rate, in which case interest shall be calculated on the

basis of a year of 365 or 366 days, as the case may be and (b) 365 or 366 days, as the case may be, for all Prime Rate Loans.

Section 5.5. Capital Adequacy. If after the date hereof, any Lender shall have determined that the adoption of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Lender (or its parent) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's (or its parent's) capital as a consequence of its obligations hereunder or the transactions contemplated hereby to a level below that which such Lender (or its parent) could have achieved but for such adoption, change or compliance (taking into consideration such Lender's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, within thirty (30) days after written demand by such Lender, Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender (or its parent) for such reduction. A certificate of such Lender accompanying such written demand claiming compensation under this Section and setting forth in reasonable detail the additional amount or amounts to be paid to it hereunder and an explanation of the event, circumstance or change giving rise to such demand shall, absent manifest error, be conclusive, provided that the determination thereof is made on a reasonable basis. In determining such amount or amounts, such Lender may use any reasonable averaging and attribution methods.

Section 5.6. Additional Costs in Respect of Letters of Credit. If as a result of any Regulatory Change there shall be imposed, modified, or deemed applicable any tax, reserve, special deposit, or similar requirement against or with respect to or measured by reference to Letters of Credit issued or to be issued hereunder or Issuing Bank's commitment to issue Letters of Credit hereunder, and the result shall be to increase the cost to Issuing Bank of issuing or maintaining any Letter of Credit or its commitment to issue Letters of Credit hereunder or reduce any amount receivable by Issuing Bank hereunder in respect of any Letter of Credit (which increase in cost, or reduction in amount receivable, shall be the result of Issuing Bank's reasonable allocation of the aggregate of such increases or reductions resulting from such event), then, within thirty (30) days after written demand by Issuing Bank, Borrower agrees to pay to Issuing Bank from time to time as specified by Issuing Bank, such additional amounts as shall be sufficient to compensate Issuing Bank for such increased costs or reductions in amount. A statement in reasonable detail describing such increased costs or reductions in amount incurred by Issuing Bank, submitted by Issuing Bank to Borrower with such written demand, shall, absent manifest error, be conclusive as to the amount thereof, provided that the determination thereof is made on a reasonable basis.

Section 5.7. Conversions and Continuations. Borrower shall have the right from time to time to Convert any Loan from one Type of Loan into another Type of Loan or to Continue

any LIBOR Loan as a LIBOR Loan by giving Agent written notice at least one (1) Business Day before Conversion into a Prime Rate Loan and at least three (3) Business Days before Conversion into or Continuation of a LIBOR Loan, specifying (a) the Conversion or Continuation date, (b) in the case of Conversions, the Type of Loan to be Converted into, and (c) in the case of a Continuation of or Conversion into a LIBOR Loan the duration of the Interest Period applicable thereto; provided that (w) no Revolving Advance, Real Estate Term Loan Portion or Acquisition Advance, as applicable, which is a LIBOR Loan may be in an amount which is less than $500,000.00, (x) at any time there can be no more than five (5) Interest Periods in effect for the Revolving Advances, the Real Estate Term Loan Portions or the Acquisition Advances, respectively, (y) LIBOR Loans may only be Converted on the last day of the Interest Period therefor, and (z) except for Conversions to Prime Rate Loans, Lender shall have no obligation to make any Conversions while an Event of Default or a Bonding Default has occurred and is continuing. In the case of Loans the amount(s) of which are being redesignated, in addition to the foregoing notices, Borrower shall give at least three (3) Business Days written notice to Agent before any such redesignation of the new amounts of any such Loans; provided that no Loan which is a LIBOR Loan may be redesignated except at the end of the Interest Period applicable thereto. All notices under this Section shall be irrevocable and shall be given not later than 11:00 A.M. Houston, Texas time on the day which is not less than the number of Business Days specified above for such notice. If Borrower shall fail to give Agent the notice specified above for Continuation or Conversion of any LIBOR Loan prior to the end of the Interest Period with respect thereto, such LIBOR Loan shall automatically be Converted into a Prime Rate Loan on the last day of such Interest Period.

Section 5.8. Illegality, Impossibility, Regulatory Change and Compensation. In the event that (a) it becomes unlawful for any Lender to honor its obligation to make LIBOR Loans hereunder or to maintain LIBOR Loans hereunder, (b) Agent determines that (i) quotations of interest rates for the relevant deposits referred to in the definition of "LIBOR Rate" are not being provided in the relative amounts or for the relative maturities for determining the interest rates borne by the LIBOR Loans as provided in this Agreement or (ii) such quotations do not accurately reflect any Lender's costs in connection therewith, or (c) a Regulatory Change (including the imposition of a Reserve Requirement) occurs which changes any Lender's basis of taxation with respect to LIBOR Loans or imposes reserve, capital or other requirements with respect thereto, then (x) Agent or such Lender shall notify Borrower in writing of any such event, which notice shall be accompanied by an explanation of the event, (y) Borrower shall promptly pay to such Lender such amounts as such Lender may determine (which determination shall be conclusive provided such determination is made on a reasonable basis without manifest error) to be necessary to compensate Issuing Bank for any increased costs incurred by such Lender or decreases in amounts receivable by such Lender which such Lender determines are attributable to any event described in clauses (a), (b) or (c) above, and (z) the obligation of such Lender to make or Continue LIBOR Loans or to Convert Prime Rate Loans to LIBOR Loans shall terminate, and (i) all future Loans shall be Prime Rate Loans and

(ii) all outstanding Loans which are LIBOR Loans shall be Converted to Prime Rate Loans on the last day of the current Interest Period therefor.

Section 5.9. Compensation for Prepayment or Failure to Borrow. Upon (a) any prepayment or Conversion of any LIBOR Loan on a day other than the last day of an Interest Period therefor or (b) the failure by Borrower to borrow as provided in an Revolving Advance Request Form or an Acquisition Advance Request Form delivered to Agent, Convert or prepay a LIBOR Loan on any date required hereby, Borrower shall pay to Agent, following written demand accompanied by an explanation of the event giving rise to Agent's demand, a fee in an amount reasonably determined by Agent equal to funding losses actually incurred by Agent or Lenders as a result of such event, but not more than one percent (1.0%) of the principal amount of the Revolving Advance, the Real Estate Term Loan Portion or the Acquisition Advance, which is not borrowed or which is prepaid, as applicable, times a fraction, the numerator of which is the number of days remaining in the Interest Period and the denominator of which is 365.

ARTICLE VI.

Collateral

Section 6.1. Collateral. To secure full and complete payment and performance of the Obligations, Borrower shall execute and deliver or cause to be executed and delivered the documents described below covering the property and collateral described therein and in this Section 6.1 (which, together with any other property and collateral which may now or hereafter secure the Obligations or any part thereof, is sometimes herein called the "Collateral"):

(a) Each of Construction, King Fisher, Misener and OAS, shall grant to Agent a first priority security interest in all of its accounts, accounts receivable, inventory, equipment, machinery, fixtures, chattel paper, documents, instruments, deposit accounts, investment property, letter of credit rights, general intangibles and all its other personal property, whether now owned or hereafter acquired, and all products and proceeds thereof, pursuant to a Security Agreement-Subsidiary-General.

(b) Borrower shall grant to Agent a first priority security interest in all its (i) stock of its directly owned Subsidiaries which are corporations, pursuant to the Pledge Agreement-Borrower-Stock, and (ii) ownership interests of its other directly owned Subsidiaries, pursuant to the Pledge Agreement-Borrower-Ownership Interests.

(c) Each of Construction, KFMSGP, KFMSLP, OCGP and OCLP, shall grant to Agent a first priority security interest in all its ownership interests of its directly

owned Subsidiaries (which are not corporations), pursuant to a Pledge Agreement-Subsidiary-Ownership Interests.

(d) Construction shall grant to Agent a first priority security interest in all its stock of its directly owned Subsidiaries which are corporations, pursuant to a Pledge Agreement-Subsidiary-Stock.

(e) Construction shall grant to Agent a first and second priority lien on the Market Street Property, pursuant to the Deeds of Trust-Market Street.

(f) King Fisher shall grant to Agent a first and second priority lien on the Port Lavaca Property, pursuant to the Deeds of Trust-Port Lavaca.

(g) Misener shall grant to Agent a first priority lien on the Florida Property, pursuant to the Mortgage-Florida.

(h) Borrower shall execute and cause to be executed such further documents and instruments as Agent, in its sole discretion, deems necessary or desirable to evidence and perfect its liens and security interests in the Collateral. Borrower authorizes, directs and permits Agent to file Uniform Commercial Code financing statements with respect to the Collateral in such jurisdictions as Agent may desire.

Section 6.2. Setoff. Upon the occurrence and during the continuance of an Event of Default, Agent, Issuing Bank and each Lender shall have the right to set off and apply against the Obligations in such a manner as such Person may determine, at any time and without notice to Borrower, any and all deposits (general or special, time or demand, provisional or final) or other sums at any time credited by or owing from such Person to Borrower whether or not the Obligations are then due. As further security for the Obligations, Borrower hereby grants to Agent, Issuing Bank and each Lender a security interest in all money, instruments, and other property of Borrower now or hereafter held by such Person. In addition to such Person's right of setoff and as further security for the Obligations, Borrower hereby grants to Agent, Issuing Bank and each Lender a security interest in all deposits (general or special, time or demand, provisional or final) and other accounts of Borrower now or hereafter on deposit with or held by such Person and all other sums at any time credited by or owing from such Person to Borrower. The rights and remedies of Agent, Issuing Bank and each Lender hereunder are in addition to other rights and remedies (including, without limitation, to the rights of setoff) which such Person may have.

Section 6.3. Guaranty Agreements. Each Guarantor shall unconditionally and irrevocably guarantee payment and performance of the Obligations by execution and delivery of a Guaranty Agreement.

ARTICLE VII.

Conditions Precedent

Section 7.1. Initial Extension of Credit. The effectiveness of this Agreement is subject to the condition precedent that prior thereto Agent shall have received all of the documents set forth below in form and substance satisfactory to Agent.

(a) Certificate — Borrower. A certificate of the Secretary or another officer of Borrower acceptable to Agent certifying (i) resolutions of the board of directors of Borrower which authorize the execution, delivery and performance by Borrower of this Agreement and the other Loan Documents to which Borrower is or is to be a party, and (ii) the names of the officers of Borrower authorized to sign this Agreement and each of the other Loan Documents to which Borrower is or is to be a party together with specimen signatures of such officers.

(b) Organizational Documents — Borrower. The certificate of incorporation and the bylaws of Borrower certified by the Secretary or another officer of Borrower acceptable to Agent.

(c) Governmental Certificates — Borrower. Certificates issued by the appropriate government officials of the state of incorporation of Borrower as to the existence and good standing of Borrower.

(d) Certificate — OCGP — As General Partner of Construction. A certificate of a manager or another officer of OCGP acceptable to Agent certifying (i) resolutions of the members of OCGP, as general partner of Construction, which authorize the execution, delivery and performance by Construction of each of the Loan Documents to which Construction is or is to be a party and (ii) the names of the managers or officers of OCGP authorized to sign each of the Loan Documents to which Construction is or is to be a party together with specimen signatures of such Persons.

(e) Organizational Documents — Construction. The Limited Partnership Agreement of Construction and the Certificate of Limited Partnership of Construction certified by a manager or another officer of OCGP, as general partner of Construction, acceptable to Agent.

(f) Governmental Certificates — Construction. A certificate issued by the appropriate government official of the state of organization of Construction as to the existence of Construction.

(g) Certificate — KFMSGP — As General Partner of King Fisher. A certificate of a manager or another officer of KFMSGP acceptable to Agent certifying (i)

resolutions of the members of KFMSGP, as general partner of King Fisher, which authorize the execution, delivery and performance by King Fisher of each of the Loan Documents to which King Fisher is or is to be a party and (ii) the names of the managers or officers of KFMSGP authorized to sign each of the Loan Documents to which King Fisher is or is to be a party together with specimen signatures of such Persons.

(h) Organizational Documents — King Fisher. The Limited Partnership Agreement of King Fisher and the Certificate of Limited Partnership of King Fisher certified by a manager or another officer of KFMSGP, as general partner of King Fisher, acceptable to Agent.

(i) Governmental Certificates — King Fisher. A certificate issued by the appropriate government official of the state of organization of King Fisher as to the existence of King Fisher.

(j) Certificate — Misener and OAS. A certificate of the Secretary or another officer of each of Misener and OAS acceptable to Agent certifying (i) resolutions of the board of directors of each of Misener and OAS which authorize the execution, delivery and performance by each of Misener and OAS of each of the Loan Documents to which each of Misener and OAS is or is to be a party and (ii) the names of the officers of each of Misener and OAS authorized to sign each of the Loan Documents to which each of Misener and OAS is or is to be party together with specimen signatures of such officers.

(k) Organizational Documents — Misener and OAS. The articles of incorporation and the bylaws of each of Misener and OAS certified by the Secretary or another officer of each of Misener and OAS acceptable to Agent.

(l) Governmental Certificates — Misener and OAS. Certificates issued by the appropriate government officials of the state of incorporation of each of Misener and OAS as to the existence and good standing of each of Misener and OAS.

(m) Certificate — KFMSGP, KFMSLP, OCGP and OCLP. A certificate of a manager or another officer of each of KFMSGP, KFMSLP, OCGP and OCLP acceptable to Agent certifying (i) resolutions of the members of each of KFMSGP, KFMSLP, OCGP and OCLP which authorize the execution, delivery and performance by each of KFMSGP, KFMSLP, OCGP and OCLP of each of the Loan Documents to which each of KFMSGP, KFMSLP, OCGP and OCLP is or is to be a party and (ii) the names of the managers or other officers of each of KFMSGP, KFMSLP, OCGP and OCLP authorized to sign each of the Loan Documents to which each of KFMSGP, KFMSLP, OCGP and OCLP is or is to be a party together with specimen signatures of such Persons.

(n) Organizational Documents — KFMSGP, KFMSLP, OCGP and OCLP. The articles of organization and the regulations of each of KFMSGP, KFMSLP, OCGP and OCLP certified by a manager or another officer of each of KFMSGP, KFMSLP, OCGP and OCLP acceptable to Agent.

(o) Governmental Certificates — KFMSGP, KFMSLP, OCGP and OCLP. Certificates issued by the appropriate government officials of the state of organization of each of KFMSGP, KFMSLP, OCGP and OCLP as to the existence and good standing of each of KFMSGP, KFMSLP, OCGP and OCLP.

(p) Notes. (i) The Revolving Credit Notes and the Acquisition Term Notes executed by Borrower payable to the order of the respective Lenders, and (ii) the Modifications to Real Estate Term Notes executed by Borrower in favor of the respective Lenders.

(q) Security Agreement-Subsidiary-General. A Security Agreement-Subsidiary-General executed by each of Construction, King Fisher, Misener and OAS.

(r) Pledge Agreement-Borrower-Ownership Interests. The Pledge Agreement-Borrower-Ownership Interests executed by Borrower.

(s) Pledge Agreement-Borrower-Stock. The Pledge Agreement-Borrower-Stock executed by Borrower.

(t) Pledge Agreement-Subsidiary-Ownership Interests. A Pledge Agreement-Subsidiary-Ownership Interests executed by each of Construction, KFMSGP, KFMSLP, OCGP and OCLP.

(u) Pledge Agreement-Subsidiary-Stock. A Pledge Agreement-Subsidiary-Stock executed by Construction.

(v) Financing Statements. Uniform Commercial Code financing statements showing Borrower, Construction, KFMSGP, KFMSLP, King Fisher, Misener, OAS, OCGP and OCLP as debtor.

(w) Guaranty Agreement. A Guaranty Agreement executed by each Guarantor.

(x) Modification to Deed of Trust-Market Street-First Lien. The Modification to Deed of Trust-Market Street-First Lien executed by Construction.

(y) Deed of Trust-Market Street-Second Lien. The Deed of Trust-Market Street-Second Lien executed by Construction.

(z) Modification to Deed of Trust-Port Lavaca-First Lien. The Modification to Deed of Trust-Port Lavaca-First Lien executed by King Fisher.

(aa) Deed of Trust-Port Lavaca-Second Lien. The Deed of Trust-Port Lavaca-Second Lien executed by King Fisher.

(ab) Mortgage-Florida. The Mortgage-Florida executed by Misener.

(ac) Mortgagee Title Insurance Policy. A paid mortgagee policy of title insurance in the amount of $5,260,000.00 insuring that the Mortgage-Florida creates in favor of Agent a first priority lien on the Florida Property. The mortgagee policy of title insurance shall have been issued at Borrower's expense by a title insurance company acceptable to Agent, shall show a state of title and exceptions thereto, if any, reasonably acceptable to Agent and shall contain such endorsements as may be available and required by Agent.

(ad) Title Reports. Current title reports on the Market Street Property and the Port Lavaca Property.

(ae) Insurance Policies. Copies of all insurance policies required by Section 9.5 or certificates therefor, together with loss payable endorsements in favor of Agent with respect to all insurance policies covering Collateral.

(af) UCC Search. A Uniform Commercial Code search showing all financing statements and other documents or instruments on file against (i) Borrower and Hunter Acquisition Corp. with the Delaware Secretary of State, (ii) Borrower, Construction, KFMSGP, KFMSLP, King Fisher, Misener, OAS, OCGP and OCLP with the Texas Secretary of State, (iii) Orion Marine Group Holdings, Inc., KFMSLP and OCLP with Nevada Secretary of State and (iv) Misener with the Florida Secretary of State.

(ag) Opinion of Counsel. An opinion of Vinson & Elkins, L.P., legal counsel to Borrower, Construction, KFMSGP, KFMSLP, King Fisher, Misener, OAS, OCGP and OCLP.

(ah) Attorneys' Fees and Expenses. Evidence that the costs and expenses (including reasonable attorneys' fees) referred to in Section 14.1, to the extent incurred, have been paid in full by Borrower.

(ai) Additional Documentation. Such additional approvals, opinions or documents as Agent may reasonably request.

Section 7.2. All Extensions of Credit. The obligation of Lenders to make any Revolving Advance or any Acquisition Advance, as applicable, and Issuing Bank to issue any

Letter of Credit (including the initial Revolving Advance, the initial Acquisition Advance and the initial Letter of Credit) is subject (a) to receipt by Agent or Issuing Bank, as applicable, of the items required by Sections 2.5, 2.10, 4.1 or 4.6, as applicable, and such additional approvals, opinions or documents as Agent may reasonably request, (b) all of the representations and warranties contained in Article VIII hereof and the other Loan Documents being true and correct in all material respects (unless such representation and warranty is already qualified by a materiality standard) on and as of the date of such Revolving Advance, Acquisition Advance and/or Letter of Credit issuance, as applicable, with the same force and effect as if such representations and warranties had been made on and as of such date, except to the extent (i) previously fulfilled in accordance with the terms hereof, (ii) applicable to a specific date or otherwise subsequently inapplicable, or (iii) previously waived or approved in writing by the Majority Lenders with respect to any particular factual circumstance, (c) no Event of Default or Bonding Default exists or would result from such Revolving Advance, Acquisition Advance or Letter of Credit and (d) since the date of the most recent financial statements of Borrower delivered to Agent, there has been no change to Borrower and its Subsidiaries which has had, or could reasonably be expected to have, a Material Adverse Effect.

ARTICLE VIII.

Representations and Warranties

To induce Agent, Issuing Bank and Lenders to enter into this Agreement, Borrower represents and warrants to each such Person that:

Section 8.1. Existence. Borrower and each Subsidiary (a) are duly organized, validly existing, and in good standing under the laws of their respective jurisdictions of organization, (b) have all requisite power and authority to own their assets and carry on their business as now being or as proposed to be conducted and (c) are qualified to do business in all jurisdictions where failure to so qualify would have a Material Adverse Effect. Borrower has the power and authority to execute, deliver and perform its obligations under this Agreement and the other Loan Documents to which it is or may become a party.

Section 8.2. Financial Statements. Borrower has delivered to Agent audited consolidated financial statements of Borrower and its Subsidiaries as at and for the fiscal year ended December 31, 2006, and unaudited consolidated financial statements of Borrower and its Subsidiaries for the three (3) month period ended March 31, 2007. Such financial statements are true and correct in all material respects, have been prepared in accordance with GAAP, and fairly and accurately present, on a consolidated basis, in all material respects the financial condition of Borrower and its Subsidiaries as of the respective dates indicated therein and the results of operations for the respective periods indicated therein. Neither Borrower nor any of its Subsidiaries has any material contingent liabilities, liabilities for taxes, material

forward or long-term commitments, or material unrealized or anticipated losses from any unfavorable commitments not reflected in such financial statements. There has been no Material Adverse Effect since the effective date of the most recent financial statements referred to in this Section.

Section 8.3. Requisite Action; No Breach. The execution, delivery, and performance by Borrower of this Agreement and the other Loan Documents to which Borrower is or may become a party have been duly authorized by all requisite action on the part of Borrower and do not and will not violate or conflict with the Organizational Documents of Borrower or any law, rule or regulation or any order, writ, injunction, or decree of any court, governmental authority, or arbitrator, and do not and will not conflict with, result in a breach of, or constitute a default under, or result in the imposition of any Lien (except as provided in this Agreement) upon any of the revenues or assets of Borrower or any Subsidiary pursuant to the provisions of any indenture, mortgage, deed of trust, security agreement, franchise, permit, license, or other instrument or agreement by which Borrower or any Subsidiary or any of their respective properties is bound.

Section 8.4. Operation of Business. Borrower, each Guarantor and each Subsidiary possess all material licenses, permits, franchises, patents, copyrights, trademarks, and trade names, or rights thereto, to conduct their respective businesses substantially as now conducted and as presently proposed to be conducted.

Section 8.5. Litigation and Judgments. There is no action, suit, investigation, or proceeding before or by any court, governmental authority, or arbitrator pending, or to the knowledge of Borrower, threatened against Borrower, any Guarantor or any Subsidiary, that, if adversely determined, could reasonably be expected to have a Material Adverse Effect. There are no outstanding judgments against Borrower, any Guarantor or any Subsidiary.

Section 8.6. Rights in Properties; Liens. Borrower, each Guarantor and each Subsidiary have good and indefeasible title to or valid leasehold interests in their respective properties and assets, real and personal, including the properties, assets and leasehold interests reflected in the financial statements described in Section 8.2, and none of the properties, assets or leasehold interests of Borrower, any Guarantor or any Subsidiary is subject to any Lien, except for Permitted Liens.

Section 8.7. Enforceability. This Agreement constitutes, and the other Loan Documents to which Borrower is party, when delivered, shall constitute the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency, or other laws of general application relating to the enforcement of creditor's rights.

Section 8.8. Approvals. No authorization, approval, or consent of, and no filing or registration with, any court, governmental authority, or third party is or will be necessary for

the execution, delivery, or performance by Borrower of this Agreement and the other Loan Documents to which Borrower is or may become a party or the validity or enforceability thereof.

Section 8.9. Debt. Borrower and its Subsidiaries have no Debt except Debt permitted pursuant to Section 10.1.

Section 8.10. Use of Proceeds; Margin Securities. None of Borrower, any Guarantor or any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations T, U, or X of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any extension of credit under this Agreement will be used to purchase or carry any such margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock.

Section 8.11. ERISA. Borrower, each Guarantor and each Subsidiary have complied in all material respects with all applicable minimum funding requirements and all other applicable and material requirements of ERISA, and there are no existing conditions that would give rise to material liability thereunder. No Reportable Event (as defined in Section 4043 of ERISA) has occurred within five (5) years prior to the Closing Date in connection with any employee benefit plan sponsored by Borrower, any Guarantor or any Subsidiary that might reasonably constitute grounds for the termination of such plan by the Pension Benefit Guaranty Corporation or for the appointment by the appropriate United States District Court of a trustee to administer such plan.

Section 8.12. Taxes. Borrower, each Guarantor and each Subsidiary have filed all tax returns (federal, state, and local) required to be filed, including all income, franchise, employment, property, and sales taxes, and have paid all of their liabilities for taxes, assessments, governmental charges, and other levies that are due and payable, unless such taxes, charges or levies are being diligently contested in good faith by appropriate proceedings for which adequate reserves have been established and with respect to which no Lien has been filed of record, and Borrower knows of no pending investigation of Borrower, any Guarantor or any Subsidiary by any taxing authority or of any pending but unassessed tax liability of Borrower, any Guarantor or any Subsidiary.

Section 8.13. Disclosure. There is no fact known to Borrower which might reasonably be expected to have a Material Adverse Effect, that has not been disclosed in writing to Agent.

Section 8.14. Subsidiaries. Borrower has no Subsidiaries other than Construction, KFMSGP, KFMSLP, King Fisher, Misener, OAS, OCGP, OCLP and F. Miller. Borrower owns directly or indirectly one hundred percent (100%) of the outstanding stock or other ownership interests of each such Subsidiary. Borrower has no assets other than the stock of OAS, the membership interests of OCLP and the ownership interests of F. Miller.

Section 8.15. Compliance with Laws. None of Borrower, any Guarantor or any Subsidiary (a) is in violation in any material respect of any law, rule, regulation, order, or decree of any court, governmental authority, or arbitrator or (b) has received written notice of any such material violation from any Governmental Authority. All inventory of Borrower has been and will hereafter be produced in compliance in all material respects with all applicable laws, rules, regulations, and governmental standards, including, without limitation, the minimum wage and overtime provisions of the Fair Labor Standards Act, as amended (29 U.S.C. §§ 201-219), and the regulations promulgated thereunder.

Section 8.16. Compliance with Agreements. None of Borrower, any Guarantor or any Subsidiary is in violation in any material respect of, or in any material default under, any material document, agreement, contract or instrument to which it is a party or by which it or its properties are bound.

Section 8.17. Environmental Matters. Except as may be disclosed in the Environmental Reports, but excluding those items described in the Environmental Reports which have been remediated pursuant to the Florida Remediation, Borrower, each Guarantor and each Subsidiary, and their respective properties are in compliance with all applicable Environmental Laws. Except for the Florida Remediation, there is no pending or threatened investigation or inquiry by any governmental authority of Borrower, any Guarantor or any Subsidiary, or any of their respective properties pertaining to any Hazardous Substance. Except in the ordinary course of business and in compliance with all Environmental Laws and except as may be disclosed in the Environmental Reports, but excluding those items described in the Environmental Reports which have been remediated pursuant to the Florida Remediation, there are no Hazardous Substances located on or under any of the properties of Borrower, any Guarantor or any Subsidiary. Except in the ordinary course of business and in compliance with all Environmental Laws and except as may be disclosed in the Environmental Reports, but excluding those items described in the Environmental Reports which have been remediated pursuant to the Florida Remediation, none of Borrower, any Guarantor or any Subsidiary has caused or permitted any Hazardous Substance to be disposed of on or under or released from any of its properties. Borrower, each Guarantor and each Subsidiary have obtained all permits, licenses, and authorizations which are required under and by all Environmental Laws, except as may be disclosed in the Environmental Reports. Notwithstanding the foregoing, (a) the Florida Remediation has been conducted as required by the Environmental Report-Florida Property, and (b) remediation at the Market Street Property has been completed in accordance with the requirements of the TCEQ.

Section 8.18. Solvency. Borrower, Guarantors and their Subsidiaries, on an individual and a consolidated basis, are not insolvent, Borrower's, Guarantors' and their Subsidiaries' assets, on an individual and a consolidated basis, exceed their liabilities, and Borrower will not be rendered insolvent by the execution and performance of this Agreement and the Loan Documents.

Section 8.19. Investment Company Act. None of Borrower, any Guarantor or any Subsidiary is an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 8.20. Labor Disputes. There are no strikes, labor disputes, slow downs or work stoppages due to labor disagreements related to Borrower, any Guarantor or any Subsidiary which have had, or would reasonably be expected to have, a Materially Adverse Effect, and, to the best knowledge of Borrower, there are no such strikes, disputes, slow downs or work stoppages threatened against Borrower, any Guarantor or any Subsidiary.

ARTICLE IX.

Affirmative Covenants

Borrower covenants and agrees that, as long as the Obligations or any part thereof are outstanding or any Lender has any Commitment hereunder or Issuing Bank has any obligation to issue any Letter of Credit hereunder or any Letter of Credit Liabilities exist, Borrower will perform and observe the covenants set forth below, unless Agent shall otherwise consent in writing.

Section 9.1. Reporting Requirements. Borrower will deliver to Agent, Lenders and Issuing Bank:

(a) Annual Financial Statements — Borrower. As soon as available, and in any event within one hundred twenty (120) days after the end of each fiscal year of Borrower, beginning with the fiscal year ending December 31, 2007, (i) a copy of the annual audited financial statements of Borrower and its Subsidiaries for such fiscal year containing, on a consolidated and a consolidating basis, balance sheets, statements of income, statements of stockholders' equity and statements of cash flows as at the end of such fiscal year and for the 12-month period then ended, in each case setting forth in comparative form the figures for the preceding fiscal year, all in reasonable detail, prepared in accordance with GAAP, and audited and certified without qualification by independent certified public accountants of recognized standing reasonably acceptable to Agent and (ii) certificates of such accountants and of an officer of Borrower acceptable to Agent to the effect that such Persons have no knowledge that any Event of Default or Unmatured Event of Default has occurred and is continuing and that, to the best of such Persons' knowledge, such financial statements are true and correct in all material respects.

(b) Quarterly Financial Statements — Borrower. As soon as available, and in any event within forty-five (45) days after the end of each quarter of each fiscal year of Borrower, a copy of the financial statements of Borrower and its Subsidiaries as of the

end of such fiscal quarter and for the portion of the fiscal year then ended, containing, on a consolidated and a consolidating basis, balance sheets, statements of income, statements of stockholders' equity and cash flows in each case setting forth in comparative form the figures for the corresponding period of the preceding fiscal year, all in reasonable detail and accompanied by a certificate of an officer of Borrower acceptable to Agent to the effect that such officer has no knowledge that any Event of Default or Unmatured Event of Default has occurred and is continuing, such financial statements have been prepared in accordance with GAAP, and, to the best of such officers' knowledge, such financial statements are true and correct in all material respects.

(c) No Default Certificate. (i) As soon as available, and in any event within forty-five (45) days after the end of each quarter of each fiscal year of Borrower, a No Default Certificate as of the last day of such fiscal quarter, and (ii) together with the financial statements delivered pursuant to Section 9.1(a), a No Default Certificate as of the last day of the fiscal year covered by such financial statements, in each case executed by an officer of Borrower acceptable to Agent and containing detailed calculations of the covenants contained in Article XI.

(d) Contract Status Reports. As soon as available, and in any event within forty-five (45) days after the end of each quarter of each fiscal year of Borrower, a contract status report for Borrower and its Subsidiaries, certified by an officer of Borrower acceptable to Agent.

(e) Borrowing Base Certificate. As soon as available, and in any event within forty-five (45) days after the end of each quarter of each fiscal year of Borrower, a Borrowing Base Certificate as of the last day of such fiscal quarter certified by an officer of each Borrowing Base Party acceptable to Agent; provided, however, if at the end of any month the outstanding principal balance of the Revolving Advances is $1.00 or more, as soon as available, and in any event within thirty (30) days after the end of such month.

(f) Quarterly Accounts Receivable Reports. As soon as available, and in any event within forty-five (45) days after the end of each quarter of each fiscal year of Borrower, aged accounts receivable reports for Borrower as of the last day of such month certified by an officer of Borrower acceptable to Agent; provided, however, if at the end of any month the outstanding principal balance of the Revolving Advances is $1.00 or more, as soon as available, and in any event within thirty (30) days after the end of such month.

(g) Notice of Litigation. Promptly after the commencement thereof, notice of all actions, suits and proceedings before any court or governmental department, commission, board, agency or instrumentality, domestic or foreign, affecting Borrower,

any Guarantor or any Subsidiary which could reasonably be expected to have a Material Adverse Effect.

(h) Judgments. Within five (5) days of the rendering thereof, notice of any judgment against Borrower, any Guarantor or any Subsidiary in an amount which is more than $50,000.00.

(i) Notice of Default. As soon as possible and in any event within five (5) days after the occurrence of each Event of Default and Unmatured Event of Default of which Borrower is aware, a written notice setting forth the details of such Event of Default or Unmatured Event of Default and the action which Borrower has taken and proposes to take with respect thereto.

(j) Notice of Material Adverse Effect. As soon as possible, an in any event within five (5) days after Borrower becomes aware thereof, notice of the occurrence of any event or the existence of any condition which could reasonably be expected to have a Material Adverse Effect.

(k) General Information. Promptly, such other information concerning Borrower, any Guarantor or any Subsidiary as Lender may from time to time reasonably request, all of which information is subject to the provisions of Section 14.20 of this Agreement.

Section 9.2. Maintenance of Existence; Conduct of Business. Borrower will preserve and maintain, and will cause each Guarantor and each Subsidiary to preserve and maintain, its corporate existence and preserve and maintain all of its material leases, privileges, licenses, permits, franchises, qualifications, intellectual property rights and other rights. Anything in this Agreement to the contrary notwithstanding, (a) Borrower and each of the Guarantors and Subsidiaries may change its corporate or other name or address, (b) any of the Subsidiaries may merge with or into Borrower if Borrower is the survivor of such merger (or dissolve and liquidate its assets to Borrower), and (c) one or more of the Subsidiaries may merge with and into one another; provided in the event of any such name change or merger (or such dissolution and liquidation) that: (i) Borrower shall give Agent thirty (30) days prior written notice thereof and (ii) Borrower, Guarantors and the Subsidiaries shall execute and deliver, prior to or simultaneously with any such action, any and all documents and agreements requested by Agent in its reasonable business judgment to confirm the continuation and preservation of all Liens granted to Agent hereunder.

Section 9.3. Maintenance of Properties. Borrower will maintain, and will cause each Guarantor and each Subsidiary to maintain, its assets and properties in good condition and repair, ordinary wear and tear and damage by casualty excepted.

Section 9.4. Taxes and Claims. Borrower will pay or discharge, and will cause each Guarantor and each Subsidiary to pay or discharge, at or before maturity or before becoming delinquent (a) all taxes, levies, assessments, and governmental charges imposed on it or its income or profits or any of its property, and (b) all lawful claims for labor, material, and supplies, which, if unpaid and past due, might become a Lien upon any of its property; provided, however, that none of Borrower, any Guarantor or any Subsidiary shall be required to pay or discharge any tax, levy, assessment, or governmental charge with respect to which no Lien has been filed of record, which is being contested in good faith by appropriate proceedings diligently pursued, for which adequate reserves have been established and the contest of which would not have a Material Adverse Effect.

Section 9.5. Insurance. Borrower will maintain, and will cause each Guarantor and each Subsidiary to maintain, with financially sound and reputable insurance companies workmen's compensation insurance, liability insurance, and insurance on its property, assets and business, all in such amounts and against such risks as at any time are usually insured against by Persons engaged in similar businesses. Each insurance policy covering Collateral shall name Agent as lender loss payee and provide that such policy will not be cancelled without thirty (30) days prior written notice to Agent.

Section 9.6. Inspection; Field Audits; Appraisals; Environmental . (a) At any reasonable time and from time to time during normal business hours and without undue interference to Borrower's or any Guarantor's or any Subsidiary's business, Borrower will permit, and will cause each Guarantor and each Subsidiary to permit, representatives of Agent:

(i) To examine and make copies of the books and records of, and visit and inspect the properties or assets of Borrower, Guarantors and any Subsidiary and to discuss the business, operations, and financial condition of any such Persons with their respective officers and employees and with their independent certified public accountants;

(ii) To conduct Field Audits; provided, however, that Agent intends to conduct at least one (1) Field Audit during each fiscal year of Borrower and the cost of one (1) Field Audit during each fiscal year of Borrower shall be paid by Borrower; and

(iii) To conduct appraisals of the assets of Borrower and its Subsidiaries; provided, however, that if an Event of Default has occurred and is continuing, the cost of one (1) appraisal of all the assets of Borrower and its Subsidiaries during each calendar year shall be paid by Borrower (otherwise such cost shall be paid by Lenders).

(b) In addition to its other rights regarding obtaining environmental reports contained in the Deeds of Trust-Market Street, the Deeds of Trust-Port Lavaca and the Mortgage-Florida, if an Event of Default has occurred and is continuing, Agent may obtain a

Phase I Environmental Report on the Florida Property, the cost of which shall be paid by Borrower.

Section 9.7. Keeping Books and Records. Borrower will maintain, and will cause each Guarantor and each Subsidiary to maintain, proper books of record and account in which full, true, and correct, in all material respects, entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities.

Section 9.8. Compliance with Laws. Borrower will comply, and will cause each Guarantor and each Subsidiary to comply, with all applicable laws, rules, regulations, and orders of any court, governmental authority, or arbitrator, except where failure to comply would not result in a Material Adverse Effect.

Section 9.9. Compliance with Agreements. Borrower will comply, and will cause each Guarantor and each Subsidiary to comply, with all agreements, contracts, and instruments binding on it or affecting its properties or business, except when failure to comply would not result in a Material Adverse Effect.

Section 9.10. Further Assurances. Borrower will execute and deliver, and will cause each Guarantor and each Subsidiary to execute and deliver, such further instruments as may be reasonably requested by Agent to carry out the provisions and purposes of this Agreement and the other Loan Documents and to preserve and perfect the Liens of Agent in the Collateral.

Section 9.11. ERISA. Borrower will comply, and will cause each Guarantor and each Subsidiary to comply, in all material respects with all minimum funding requirements, and all other material requirements, of ERISA, if applicable, so as not to give rise to any material liability thereunder.

Section 9.12. Continuity of Operations. Borrower will continue to conduct, and will cause each of its Subsidiaries to continue to conduct, its primary businesses as conducted as of the Closing Date and to continue its operations in such businesses.

Section 9.13. Operating Accounts. Borrower will maintain, and will cause each Guarantor and each Subsidiary to maintain, its operating accounts at Agent.

ARTICLE X.

Negative Covenants

Borrower covenants and agrees that, as long as the Obligations or any part thereof are outstanding or any Lender has any Commitment hereunder or Issuing Bank has any obligation to issue any Letter of Credit hereunder or any Letter of Credit Liabilities exist, Borrower will

perform and observe the covenants set forth below, unless Agent shall otherwise consent in writing.

Section 10.1. Debt. Borrower will not incur, create, assume or permit to exist, and will not permit any Subsidiary to incur, create, assume, or permit to exist, any Debt, except (a) Debt to Lenders (including, without limitation, any and all Letter of Credit Liabilities), (b) Debt in an aggregate principal amount which does not exceed $100,000.00 outstanding at any time, (c) Bond Obligations, (d) Capital Lease Obligations in an aggregate amount which does not exceed $250,000.00 outstanding at any time, (e) Other Subordinated Debt, (f) accounts payable in the ordinary course of business, (g) Debt arising from the endorsement of instruments for collection in the ordinary course of business, (h) Rate Management Transaction Obligations and (i) the inter-company loans and advances permitted pursuant to Section 10.6 of this Agreement.

Section 10.2. Limitation on Liens. Borrower will not incur, create, assume or permit to exist, and will not permit any Subsidiary to incur, create, assume or permit to exist, any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except (a) Liens in favor of Agent as agent for Lenders, (b) purchase money Liens securing Debt permitted by Section 10.1(b), which Liens cover only the assets financed with the Debt permitted by Section 10.1(b), (c) Liens on Bonded Receivables, which Liens secure only the related Bond Obligations, (d) Liens on cash deposits in an aggregate amount which does not exceed $250,000.00 at any time, which Liens secure only Bond Obligations, (e) Liens securing Debt permitted by Section 10.1(d), which Liens cover only the assets subject to the Capital Lease Obligations permitted by Section 10.1(d), (f) Permitted Encumbrances, if any, as defined in the Deeds of Trust-Market Street, the Deeds of Trust-Port Lavaca and the Mortgage-Florida, (g) Liens for taxes, assessments, or other governmental charges which are not delinquent or which are being contested in good faith as provided in Section 9.4, (h) Liens of mechanics, materialmen, warehousemen, carriers or other similar statutory Liens securing obligations that are not yet due and are incurred in the ordinary course of business, (i) statutory Liens and contractual Liens of landlords, created in the ordinary course of business for amounts which are not delinquent or past due, (j) Liens of judgment creditors provided such Liens do not secure judgments the existence of which results in an Event of Default pursuant to Section 12.1(g), (k) Liens in favor of banking institutions arising by operation of law encumbering deposits (including the right of setoff) held by such banking institutions incurred in the ordinary course of business and that are within the general parameters customary in the banking industry, (l) Liens on cash deposits pledged as collateral to secure Cash Secured Letters of Credit, and (m) subordinate Liens in favor of Borrower's and Guarantors' bonding companies which Liens secure only the related Bond Obligations (collectively, "Permitted Liens").

Section 10.3. Mergers, Acquisitions, Dissolutions and Disposition of Assets . Borrower will not, and will not permit any Guarantor or any Subsidiary to, (a) become a party to a merger, consolidation or other business combination ("Merger") or purchase or otherwise

acquire all or a substantial part of the assets of any Person or any shares or other evidence of beneficial ownership of any Person ("Acquisition"), unless (i) immediately before such Merger or Acquisition no Event of Default exists, (ii) no Event of Default would arise as a result of giving effect to such Merger or Acquisition, (iii) prior to such Merger or Acquisition Borrower has delivered to Agent notice of such Merger or Acquisition and evidence that after giving effect to such Merger or Acquisition the Total Leverage Ratio will be less than 2.50 to 1.00, and (iv) prior to any Merger or Acquisition, for which the consideration is $5,000,000.00 or more Borrower has delivered to Agent (A) copies of all appraisals (real property and/or equipment) obtained by Borrower in connection with such Merger or Acquisition, (B) copies of other information used by Borrower to determine the value of the acquired Person or assets and (C) a description of the structure of Borrower and its Subsidiaries following such Merger or Acquisition, (b) dissolve or liquidate, (c) sell, lease, assign, transfer or otherwise dispose of substantially all of its assets, except dispositions of inventory in the ordinary course of business, (d) enter into any partnership or joint venture, or (e) enter into any agreement to do any of the foregoing. Borrower will own no assets other than the stock of OAS, the membership interests of OCLP and the ownership interest in F. Miller. OCLP will own no assets other than limited partnership interests in Construction. OCGP will own no assets other than the general partnership interests in Construction. KFMSLP will own no assets other than the limited partnership interests of King Fisher. KFMSGP will own no assets other than the general partnership interests in King Fisher. No Subsidiary of Borrower may issue, sell or otherwise dispose of any of its equity securities (of any class) or its ownership interests (partnership, membership or otherwise) to any Person other than Borrower or any Subsidiary.

Section 10.4. Subsidiaries. Borrower will not, and will not permit any Guarantor or any Subsidiary to, create or acquire any Subsidiary, unless at the time of the creation or acquisition of such Subsidiary, (a) Borrower, such Guarantor or such Subsidiary has notified Agent of the creation or the acquisition of such Subsidiary, (b) Borrower, such Guarantor or such Subsidiary has pledged the ownership interests in such Subsidiary to Agent, and (c) such Subsidiary (i) has executed and delivered to Agent a Security Agreement-Subsidiary-General and a Guaranty Agreement, (ii) if such Subsidiary owns equity interests, has executed and delivered to Agent a pledge agreement in form and substance satisfactory to Agent, and (iii) has delivered to the Agent its Organizational Documents and evidence of its authority to enter into the documents referred to in clause (c)(i) and (ii) above. Security Agreements-Subsidiary-General, Guaranty Agreements and pledge agreements executed by Subsidiaries pursuant to the preceding sentence shall constitute Loan Documents.

Section 10.5. Restricted Payments; Management Fees. Borrower will not declare or pay any dividends or make any other payment or distribution (in cash, property, or obligations) on account of its capital stock, or redeem, purchase, retire, or otherwise acquire any of its capital stock, or set apart any money for a sinking or other analogous fund for any dividend or other distribution on its capital stock or for any redemption, purchase, retirement, or other acquisition of any of its capital stock. Notwithstanding the foregoing, Borrower may repurchase or otherwise acquire any of its capital stock to the extent required or provided for

by any stock incentive plan of Borrower. Neither Borrower nor any Subsidiary shall enter into any other agreement that prohibits or limits the amount of dividends, Distributions, or loans that may be paid or made to Borrower by any of its Subsidiaries.

Section 10.6. Loans and Advances. Borrower will not make, and will not permit any Guarantor or any Subsidiary to make, any advance, loan or extension of credit to any Person (including any employee, officer or director of Borrower, any Guarantor or any Subsidiary); provided, however, that Borrower may make loans and advances to any Guarantor or any Subsidiary, and any Subsidiary or any Guarantor may make loans and advances to any other Subsidiary and any other Guarantor, and further provided that the Borrower and its Subsidiaries may advance money for anticipated expenses to any of their respective employees, officers, and directors in an outstanding amount which does not exceed $100,000.00 at any time.

Section 10.7. Investments. Borrower will not make, and will not permit any Guarantor or any Subsidiary to make, any capital contribution to or investment in, or purchase, or permit any Guarantor or any Subsidiary to purchase, any stock, bonds, notes, debentures, or other securities of any Person, except (a) readily marketable direct obligations of the United States of America, (b) fully insured certificates of deposit with maturities of one year or less from the date of acquisition of Agent or any commercial bank operating in the United States having capital and surplus in excess of $100,000,000.00, (c) commercial paper of a domestic issuer if at the time of purchase such paper is rated in one of the two highest rating categories of Standard and Poor's Corporation or Moody's Investors Service, Inc., (d) investments made through Agent or its Affiliates and approved by Agent, and (e) capital contributions to or investments in any of the Subsidiaries.

Section 10.8. Compliance with Environmental Laws. Borrower will not, and will not permit any Guarantor or any Subsidiary to, (a) use (or permit any tenant to use) any of their respective properties or assets for the handling, processing, storage, transportation, or disposal of any Hazardous Substance, other than in the ordinary course of its business and in accordance with applicable Environmental Laws and other then in connection with the Florida Remediation, (b) generate any Hazardous Substance, other than in the ordinary course of its business and in accordance with applicable Environmental Laws, (c) conduct any activity which is likely to cause a release or threatened release of any Hazardous Substance, other than in the ordinary course of its business and in accordance with applicable Environmental Laws, or (d) otherwise conduct any activity or use any of their respective properties or assets in any manner that is likely to violate in any material respect any Environmental Law.

Section 10.9. Accounting. Borrower will not make, and will not permit any Guarantor or any Subsidiary to make, any material change in accounting treatment or reporting practices, except as required by GAAP or as required as a result of Borrower operating as a public company and issuing stock, warrants, rights and options.

Section 10.10. Change of Business. Borrower will not enter into, or permit any Subsidiary to enter into, any type of business which is materially different from the business in which Borrower and its Subsidiaries, taken as a whole, are presently engaged.

Section 10.11. Transactions With Affiliates. Except for certain agreements listed in Schedule 10.11, Borrower will not enter into, or permit to exist, and will not permit any Subsidiary to enter into or permit to exist, any transaction, arrangement or contract (including any lease or other rental agreement) with any of its Affiliates which is on terms which are less favorable than are obtainable from any Person who is not an Affiliate of Borrower or such Subsidiary.

Section 10.12. Capital Expenditures. Borrower will not permit the aggregate Capital Expenditures of Borrower and its Subsidiaries to exceed $18,000,000.00 during any fiscal year; provided, however that Capital Expenditures incurred in connection with Mergers and Acquisitions (as defined in Section 10.3) shall be excluded from the limitations contained in this Section 10.12.

Section 10.13.ERISA. Borrower will not, and will not permit any Guarantor or any Subsidiary to, engage in any transaction in connection with which the Borrower, such Guarantor or such Subsidiary could be subject to a civil penalty assessed pursuant to a material ERISA violation.

ARTICLE XI.

Financial Covenants

Borrower covenants and agrees that, as long as the Obligations or any part thereof are outstanding or any Lender has any Commitment hereunder or Issuing Bank has any obligation to issue any Letter of Credit hereunder or any Letter of Credit Liabilities exist, Borrower will observe and perform the financial covenants set forth below, unless Agent shall otherwise consent in writing.

Section 11.1. Net Worth. Borrower will at all times maintain Net Worth in an amount not less than the sum of (a) $40,000,000.00, plus (b) fifty percent (50%) of Adjusted Net Income since December 31, 2006, plus (c) seventy-five percent (75%) of net proceeds of equity issuance. For the purpose of calculating clause (b), Adjusted Net Income shall be the sum of Adjusted Net Income of Borrower and its Subsidiaries for each fiscal quarter beginning with the fiscal quarter ending March 31, 2007, provided, however that for any fiscal quarter for which Adjusted Net Income was less than zero, Adjusted Net Income for such fiscal quarter shall be assumed to be zero (and shall be calculated as zero for such quarter). Net Worth shall be calculated and tested quarterly as of the last day of each fiscal quarter of Borrower, commencing with the fiscal quarter ending March 31, 2007.

Section 11.2. Fixed Charge Coverage Ratio. Borrower will at all times maintain a Fixed Charge Coverage Ratio of not less than 1.30 to 1.00. The Fixed Charge Coverage Ratio will be calculated and tested quarterly as of the last day of each fiscal quarter of Borrower, commencing with the fiscal quarter ending March 31, 2007 on a cumulative basis for the four (4) fiscal quarters ended as of such date (a "rolling or trailing four (4) quarters" basis).

Section 11.3. Total Leverage Ratio. Borrower will maintain a Total Leverage Ratio of not greater than 3.00 to 1.00. The Total Leverage Ratio shall be calculated and tested quarterly as of the last day of each fiscal quarter of Borrower, commencing with the fiscal quarter ending March 31, 2007, and, for purposes of calculating the Total Leverage Ratio, EBITDA shall be determined on a cumulative basis for the four (4) fiscal quarters ended as of such date (a "rolling or trailing four (4) quarters" basis).

ARTICLE XII.

Default

Section 12.1. Events of Default. Each of the following shall be deemed an "Event of Default":

(a) Borrower shall fail to pay (i) the principal of the Obligations (or any part thereof) when due or (ii) any other portion of the Obligations (including interest and fees) and such failure shall continue for a period of five (5) days.

(b) Any representation or warranty made or deemed made by Borrower or any Obligated Party (or any of their respective officers) in any Loan Document or in any certificate, report, notice, or financial statement furnished at any time in connection with this Agreement shall be false, misleading, or erroneous in any material respect when made or deemed to have been made.

(c) Borrower or any Obligated Party shall fail to perform, observe, or comply with any covenant, agreement, or term (i) contained in Section 9.1, Article X or Article XI, or (ii) contained in any other Section or Article of this Agreement or any other Loan Document and such failure shall continue for thirty (30) days following the earlier of the date on which (A) Borrower or such Obligated Party has knowledge of such failure, or (B) Agent gives Borrower or such Obligated Party notice of such failure.

(d) Borrower, any Subsidiary, or any Obligated Party shall commence a voluntary proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or a substantial part of its property or shall

consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it or shall make a general assignment for the benefit of creditors or shall generally fail to pay its debts as they become due or shall take any corporate action to authorize any of the foregoing.

(e) An involuntary proceeding shall be commenced against Borrower, any Subsidiary, or any Obligated Party seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, and such involuntary proceeding shall remain undismissed and unstayed for a period of sixty (60) days.

(f) Borrower, any Subsidiary, or any Obligated Party shall fail to discharge within a period of sixty (60) days after the commencement thereof any attachment, sequestration, or similar proceeding or proceedings involving an aggregate amount in excess of $1,000,000.00 against any of its assets or properties.

(g) Any final (i) judgment or order for payment of money in excess of $250,000.00, or otherwise having a Material Adverse Effect, not covered by insurance for which Borrower, any Subsidiary or any Obligated Party is liable or (ii) non-monetary judgment or order having a Material Adverse Effect, not covered by insurance for which Borrower, any Subsidiary or any Obligated Party is liable, shall be rendered against Borrower, any Subsidiary or any Obligated Party, which judgment remains in effect for sixty (60) days without being stayed or deferred.

(h) Borrower, any Subsidiary, or any Obligated Party shall fail to pay when due any principal of or interest on any Debt having a principal amount in excess of $250,000.00 (other than the Obligations), or the maturity of any such Debt shall have been accelerated, or any such Debt shall have been required to be prepaid prior to the stated maturity thereof, or any event shall have occurred that permits (or, with the giving of notice or lapse of time or both, would permit) any holder or holders of such Debt or any Person acting on behalf of such holder or holders to accelerate the maturity thereof or require any such prepayment.

(i) This Agreement or any other Loan Document shall cease to be in full force and effect or shall be declared null and void or the validity or enforceability thereof shall be contested or challenged by Borrower, any Subsidiary, any Obligated Party or any of their respective shareholders, or Borrower or any Obligated Party shall deny that it has any further liability or obligation under any of the Loan Documents, or any Lien or security interest created by the Loan Documents shall for any reason cease to be a valid Lien of the priority described in this Agreement.

(j) A Change of Control shall occur.

(k) Borrower or any of its Subsidiaries (i) shall fail to have adequate bonding capacity to operate their respective businesses in the ordinary course of business as reasonably determined by Agent in good faith and such failure shall continue for thirty (30) days or (ii) shall receive notice that its bonding capacity is to be or has been denied, terminated or withdrawn and a period of thirty (30) days shall elapse following the date of receipt of such notice by Borrower or such Subsidiary without Borrower or such Subsidiary replacing such denied, terminated or withdrawn bonding capacity with another bonding agent.

Section 12.2. Remedies Upon Default. If any Event of Default shall occur, Agent may do any one or more of the following: (a) declare the outstanding principal of and accrued and unpaid interest on the Notes and the Obligations or any part thereof to be immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or other formalities of any kind, all of which are hereby expressly waived by Borrower, (b) terminate the Commitments-Revolving Advances and the Commitments-Acquisition Term Loan without notice to Borrower, (c) foreclose or otherwise enforce any Lien granted to Agent to secure payment and performance of the Obligations, and (d) exercise any and all rights and remedies afforded by the laws of the State of Texas or any other jurisdiction by any of the Loan Documents, by equity or otherwise; provided, however, that upon the occurrence of an Event of Default under Section 12.1(d) or Section 12.1(e), the Commitments-Revolving Advances and the Commitments-Acquisition Term Loan shall automatically terminate, and the outstanding principal of and accrued and unpaid interest on the Notes and the other Obligations shall become immediately due and payable without notice, demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or other formalities of any kind, all of which are hereby expressly waived by Borrower.

Section 12.3. Cash Collateral. If any Event of Default shall occur and is continuing, Borrower shall, if requested by Agent, immediately deposit with and pledge to Agent, cash or cash equivalent investments in an amount equal to the outstanding Letter of Credit Liabilities as security for the Obligations.

Section 12.4. Performance by Agent. If Borrower shall fail to perform any covenant, duty, or agreement contained in any of the Loan Documents, Agent may perform or attempt to perform such covenant, duty, or agreement on behalf of Borrower. In such event, Borrower shall, at the request of Agent, promptly pay any reasonable and documented amount reasonably expended by Agent in such performance or attempted performance to Agent, together with interest thereon at the Default Rate from the date of such expenditure until paid. Notwithstanding the foregoing, it is expressly agreed that neither Agent nor any Lender shall

have any liability or responsibility for the performance of any obligation of Borrower under this Agreement or any other Loan Document.

ARTICLE XIII.

The Agent

Section 13.1. Appointment and Authorization. (a) Each Lender hereby irrevocably (subject to Section 13.9) appoints, designates and authorizes Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document, Agent (which term as used in this Section 13.1(a), Section 13.3, 13.6 and 13.7 shall include its Affiliates and its own and its Affiliates' officers, directors, employees and agents) shall not have any duty or responsibility except those expressly set forth herein, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Documents or otherwise exist against Agent.

(b) Issuing Bank shall act on behalf of Lenders with respect to any Letters of Credit issued by it and the documents associated therewith. The Issuing Bank shall have all of the benefits and immunities (i) provided to Agent in this Article XIII with respect to any acts taken or omissions suffered by Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Agent", as used in this Article XIII, including Issuing Bank with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to Issuing Bank.

Section 13.2. Delegation of Duties. Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

Section 13.3. Liability of Agent. None of Agent nor any of its directors, officers, employees or agents shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Documents or the transactions contemplated hereby (except for their own gross negligence or willful misconduct), or (b) be responsible in any manner to any Lender for any recital, statement, representation or warranty (whether written or oral) made by Borrower or any Subsidiary or

Affiliate of Borrower, or any officer thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of Borrower or any other party to any Loan Document to perform its obligations hereunder or thereunder. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of Borrower or any of Borrower's Subsidiaries or Affiliates.

Section 13.4. Reliance by Agent. Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex, telephone or electronic message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to Borrower), independent accountants and other experts selected by Agent with reasonable care. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Majority Lenders as it deems appropriate and, if it so requests, confirmation from Lenders of their obligation to indemnify Agent against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Documents in accordance with a request or consent of the Majority Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all Lenders.

Section 13.5. Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default or Unmatured Event of Default, unless Agent shall have received written notice from a Lender or Borrower referring to this Agreement, describing such Event of Default or Unmatured Event of Default and stating that such notice is a "notice of default". The Agent will notify Lenders of its receipt of any such notice. Agent shall (subject to any requested indemnification pursuant to Section 13.7) take such action with respect to such Event of Default or Unmatured Event of Default as may be requested by the Majority Lenders in accordance with Article XIII; provided that unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default or Unmatured Event of Default as it shall deem advisable or in the best interest of Lenders.

Section 13.6. Credit Decision. Each Lender acknowledges that Agent has not made any representation or warranty to it, and that no act by Agent hereafter taken, including any review of the affairs of Borrower and its Subsidiaries, shall be deemed to constitute any representation or warranty by Agent to any Lender. Each Lender represents to Agent that it has,

independently and without reliance upon Agent and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of Borrower and its Subsidiaries, and made its own decision to enter into this Agreement and to extend credit to Borrower hereunder. Each Lender also represents that it will, independently and without reliance upon Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of Borrower. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial or other condition or creditworthiness of Borrower or its Subsidiaries which may come into the possession of the Agent.

Section 13.7. INDEMNIFICATION. WHETHER OR NOT THE TRANSACTIONS CONTEMPLATED HEREBY ARE CONSUMMATED, THE LENDERS SHALL INDEMNIFY UPON DEMAND AGENT AND ITS DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS (TO THE EXTENT NOT REIMBURSED BY OR ON BEHALF OF BORROWER AND WITHOUT LIMITING THE OBLIGATION OF BORROWER TO DO SO), BASED ON ITS PRO RATA SHARE-TOTAL, FROM AND AGAINST ANY AND ALL CLAIMS; PROVIDED THAT NO LENDER SHALL BE LIABLE FOR ANY PAYMENT TO ANY SUCH PERSON OF ANY PORTION OF THE CLAIMS RESULTING FROM SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. WITHOUT LIMITATION OF THE FOREGOING, EACH LENDER SHALL REIMBURSE AGENT UPON DEMAND FOR ITS PRO RATA SHARE-TOTAL OF ANY COSTS OR OUT-OF-POCKET EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) INCURRED BY AGENT IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, AMENDMENT OR ENFORCEMENT (WHETHER THROUGH NEGOTIATIONS, LEGAL PROCEEDINGS OR OTHERWISE) OF, OR LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER, THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR ANY DOCUMENT CONTEMPLATED BY OR REFERRED TO HEREIN, TO THE EXTENT THAT AGENT IS NOT REIMBURSED FOR SUCH EXPENSES BY OR ON BEHALF OF BORROWER. THE UNDERTAKING IN THIS SECTION SHALL SURVIVE REPAYMENT OF THE REVOLVING ADVANCES, THE REAL ESTATE TERM LOAN, THE ACQUISITION TERM LOAN, CANCELLATION OF EACH NOTE, EXPIRATION OR TERMINATION OF THE LETTERS OF CREDIT, ANY FORECLOSURE UNDER, OR MODIFICATION, RELEASE OR DISCHARGE OF, ANY OR ALL OF THE LOAN DOCUMENTS, TERMINATION OF THIS AGREEMENT AND THE RESIGNATION OR REPLACEMENT OF AGENT.

Section 13.8. Agent in Individual Capacity. Amegy Bank National Association and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from,

acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with Borrower and its Subsidiaries and Affiliates as though Amegy Bank National Association were not Agent or Issuing Bank hereunder and without notice to or consent of Lenders. Lenders acknowledge that, pursuant to such activities, Amegy Bank National Association or its Affiliates may receive information regarding Borrower or its Affiliates (including information that may be subject to confidentiality obligations in favor of Borrower or such Affiliate) and acknowledge that Agent shall be under no obligation to provide such information to them. With respect to the Revolving Advances, the Real Estate Term Loan and the Acquisition Term Loan, and Amegy Bank National Association's Pro Rata Share thereof, Amegy Bank National Association and its Affiliates shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as Amegy Bank National Association were not Agent and Issuing Bank, and the terms "Lender" and "Lenders" including Amegy Bank National Association and its Affiliates, to the extent applicable, in their individual capacities.

Section 13.9. Successor Agent. Agent may resign as Agent upon thirty (30) days' notice to Lenders and Borrower. If Agent resigns under this Agreement, Lenders shall, with (so long as no Event of Default has occurred and is continuing) the consent of Borrower (which shall not be unreasonably withheld or delayed), appoint from among Lenders a successor agent for Lenders. If no successor agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with Lenders and Borrower, a successor agent from among Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Agent and the term "Agent" shall mean such successor agent, and the retiring Agent's appointment, powers and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article XIII and Sections 13.1, 13.3 and 13.7 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor agent has accepted appointment as Agent by the date which is thirty (30) days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Majority Lenders (with the consent of Borrower) appoint a successor agent as provided for above.

Section 13.10. Collateral Matters. Lenders irrevocably authorize Agent, at its option and in its discretion, to release any Lien granted to or held by Agent under any Loan Document (a) upon termination of the Combined Commitments-Revolving Advances and the Combined Commitments-Acquisition Term Loan and payment in full of all Revolving Advances, the Real Estate Term Loan, the Acquisition Term Loan, the Letter of Credit Liabilities and all other obligations of Borrower hereunder and the expiration of termination of all Letters of Credit; (b) constituting property sold or to be sold or disposed of as part of or in connection with any disposition permitted hereunder; or (c) subject to Section 14.7, if approved, authorized or ratified in writing by one hundred percent (100%) of the Lenders. Upon request

by Agent at any time, Lenders will confirm in writing Agent's authority to release, or subordinate its interest in, particular types or items of collateral pursuant to this Section 13.10.

ARTICLE XIV.

Miscellaneous

Section 14.1. Expenses. Borrower hereby agrees to pay Agent and Lenders, as applicable, on demand (a) all reasonable and documented costs and expenses incurred by Agent (but not of other Lenders) in connection with the preparation, negotiation, and execution of this Agreement and the other Loan Documents and any and all amendments, modifications, renewals, extensions, and supplements thereof and thereto, including, without limitation, the costs associated with field examinations (subject to Section 9.6(b)), appraisals and collateral reviews and fees and expenses of Agent's legal counsel, (b) all reasonable and documented costs and expenses incurred by Agent and each Lender in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement or any other Loan Document, including, without limitation, the reasonable and documented fees and expenses of each such Person's legal counsel, and (c) all other reasonable and documented costs and expenses incurred by Agent in connection with this Agreement or any other Loan Document, including, without limitation, all costs, expenses, taxes, assessments, filing fees, and other charges levied by any governmental authority or otherwise payable in respect of this Agreement or any other Loan Document or in obtaining any insurance policy, audit or appraisal in respect of the Collateral.

SECTION 14.2. INDEMNIFICATION. BORROWER HEREBY INDEMNIFIES AGENT, ISSUING BANK AND EACH LENDER AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, AND AGENTS FROM, AND HOLDS EACH OF THEM HARMLESS AGAINST, ANY AND ALL LOSSES, LIABILITIES, CLAIMS, DAMAGES, PENALTIES, JUDGMENTS, DISBURSEMENTS, AND REASONABLE AND DOCUMENTED COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) (COLLECTIVELY, "CLAIMS") TO WHICH ANY OF THEM MAY BECOME SUBJECT WHICH DIRECTLY OR INDIRECTLY ARISE FROM OR RELATE TO (A) THE NEGOTIATION, EXECUTION, DELIVERY, PERFORMANCE, ADMINISTRATION, OR ENFORCEMENT OF ANY OF THE LOAN DOCUMENTS, (B) ANY OF THE TRANSACTIONS CONTEMPLATED BY THE LOAN DOCUMENTS, (C) ANY BREACH BY BORROWER OF ANY REPRESENTATION, WARRANTY, COVENANT, OR OTHER AGREEMENT CONTAINED IN ANY OF THE LOAN DOCUMENTS, (D) THE PRESENCE, RELEASE, THREATENED RELEASE, DISPOSAL, REMOVAL, OR CLEANUP OF ANY HAZARDOUS SUBSTANCE LOCATED ON, ABOUT, WITHIN, OR AFFECTING ANY OF THE PROPERTIES OR ASSETS OF BORROWER OR ANY SUBSIDIARY, (E) ANY ACT OR OMISSION OF AGENT OR ANY LENDER BASED UPON ANY FAX OR ELECTRONIC TRANSMISSION, OR (F) ANY MATTER RELATED TO ANY LETTER OF CREDIT, INCLUDING, WITH RESPECT TO ALL OF THE ABOVE, ANY

CLAIM WHICH ARISES AS A RESULT OF THE NEGLIGENCE OF ANY INDEMNIFIED PERSON ; PROVIDED, HOWEVER, THAT BORROWER'S INDEMNIFICATION OBLIGATIONS UNDER THIS SECTION 14.2 SHALL NOT APPLY TO THE EXTENT THAT THE CLAIMS ARISE AS A RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PERSON.

Section 14.3. Limitation of Liability. Neither Agent, Issuing Bank, any Lender nor any affiliate, officer, director, employee, attorney, or agent of such Person shall have any liability with respect to, and Borrower (for itself and on behalf of its Subsidiaries) hereby waives, releases, and agrees not to sue any of them upon, any claim for any special, indirect, incidental, or consequential damages suffered or incurred by Borrower in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents. Borrower (for itself and on behalf of its Subsidiaries) hereby waives, releases, and agrees not to sue Agent, Issuing Bank, any Lender or any of such Person's affiliates, officers, directors, employees, attorneys, or agents for punitive damages in respect of any claim in connection with, arising out of, or in any way related to, this Agreement or any of the other Loan Documents, or any of the transactions contemplated by this Agreement or any of the other Loan Documents.

Section 14.4. No Waiver; Cumulative Remedies. No failure on the part of Agent, Issuing Bank, or any Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement and the other Loan Documents are cumulative and not exclusive of any rights and remedies provided by law.

Section 14.5. Successors and Assigns. This Agreement is binding upon and shall inure to the benefit of Agent, Issuing Bank, each Lender and Borrower and their respective successors and permitted assigns, except that Borrower may not assign or transfer any of its rights or obligations under this Agreement without prior written consent of Agent.

Section 14.6. Survival. All representations and warranties made in this Agreement or any other Loan Document or in any document, statement, or certificate furnished in connection with this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents, and no investigation by Agent, Issuing Bank or any Lender or any closing shall affect the representations and warranties or the right of Agent, Issuing Bank or any Lender to rely upon them. Without prejudice to the survival of any other obligation of Borrower hereunder, the obligations of Borrower under Sections 14.1 and 14.2 shall survive repayment of the Notes and termination of the Combined Commitments-Revolving Advances, the Combined Commitments-Acquisition Term Loan and the Letters of Credit.

Section 14.7. Amendments. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement or any Note shall in any event be effective unless the same shall be in writing and signed and delivered by Lenders having an aggregate Pro Rata Share of not less than the aggregate Pro Rata Share expressly designated herein with respect thereto or, in the absence of such designation as to any provision of this Agreement or any Note, by the Majority Lenders, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No amendment, modification, waiver or consent shall change the Pro Rata Share-Revolving Advances, the Pro Rata Share-Real Estate Term Loan or the Pro Rata Share-Acquisition Term Loan of any Lender without the consent of such Lender. No amendment, modification, waiver or consent shall (i) increase the Combined Commitments-Revolving Advances, the principal amount of the Combined Commitments-Acquisition Term Loan or the principal amount of the Real Estate Term Loan, (ii) extend the date for payment of any principal of or interest on the Revolving Advances, the Real Estate Term Loan, the Acquisition Term Loan or any fees payable hereunder, (iii) extend any Lender's Commitment-Revolving Advances, Commitment-Acquisition Term Loan or the Maturity Date Real Estate Term Loan, (iv) reduce the principal amount of any Revolving Advance, the Real Estate Term Loan or the Acquisition Term Loan, the rate of interest thereon or any fees payable hereunder, (v) release any guaranty or all or any substantial part of the collateral granted under the Loan Documents (except that Agent shall be entitled to release any Collateral to the extent the sale or disposition thereof is permitted under this Agreement), or (vi) reduce the aggregate Pro Rata Share required to effect an amendment, modification, waiver or consent without, in each case, the consent of all Lenders. No provision of Article XIII or other provision of this Agreement affecting Agent in its capacity as such shall be amended, modified or waived without the consent of Agent. No provision of this Agreement relating to the rights or duties of the Issuing Bank in its capacity as such shall be amended, modified or waived without the consent of the Issuing Bank.

Section 14.8. Maximum Interest Rate. No provision of this Agreement or of any other Loan Documents shall require the payment or the collection of interest in excess of the maximum permitted by applicable law. If any excess of interest in such respect is hereby provided for, or shall be adjudicated to be so provided, in any other Loan Documents or otherwise in connection with this loan transaction, the provisions of this Section shall govern and prevail and neither Borrower nor the sureties, guarantors, successors, or assigns of Borrower shall be obligated to pay the excess amount of such interest or any other excess sum paid for the use, forbearance, or detention of sums loaned pursuant hereto. In the event Agent, Issuing Bank or any Lender ever receives, collects, or applies as interest any such sum, such amount which would be in excess of the maximum amount permitted by applicable law shall be applied as a payment and reduction of the principal of the indebtedness evidenced by the Notes; and, if the principal of the Notes has been paid in full, any remaining excess shall forthwith be paid to Borrower. In determining whether or not the interest paid or payable exceeds the Maximum Rate, Borrower and Agent, Issuing Bank and Lenders shall, to the extent permitted by applicable law, (a) characterize any non-principal payment as an

expense, fee, or premium rather than as interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the entire contemplated term of the indebtedness evidenced by the Notes so that interest for the entire term does not exceed the Maximum Rate.

Section 14.9. Notices. All notices and other communications provided for in this Agreement and the other Loan Documents shall be in writing and may be emailed, telecopied (faxed), mailed by certified mail return receipt requested, or delivered to the intended recipient at the addresses specified on the signature pages hereof or at such other address as shall be designated by any such party in a notice to the other parties given in accordance with this Section; provided, however, that (a) all electronic mail transmissions may be only in the form of electronically scanned documents, showing all signatures, and (b) electronic mail may be used only to distribute routine communications, such as financial statements and Borrowing Base Certificates, and not for any other purpose. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given (a) when transmitted by telecopy (fax), subject to confirmation of receipt, (b) when received if transmitted by electronic mail, (c) when personally delivered or, (d) in the case of a mailed notice, two (2) Business Days after being duly deposited in the mails, in each case given or addressed as aforesaid; provided, however, that notices to Agent pursuant to Article II or Article IV shall not be effective until received by Agent.

Section 14.10. Applicable Law; Venue; Service of Process. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the applicable laws of the United States of America. This Agreement has been entered into in Harris County, Texas and it shall be performable for all purposes in Harris County, Texas. Any action or proceeding against Borrower under or in connection with any of the Loan Documents may be brought in any state or federal court in Harris County, Texas, and Borrower hereby irrevocably submits to the nonexclusive jurisdiction of such courts and waives any objection it may now or hereafter have as to the venue of any such action or proceeding brought in any such court or that any such court is an inconvenient forum. Borrower agrees that service of process upon it may be made by certified or registered mail, return receipt requested, at its office specified in this Agreement. Nothing herein or in any of the other Loan Documents shall affect the right of Agent or any Lender to serve process in any other manner permitted by law or shall limit the right of Agent or any Lender to bring any action or proceeding against Borrower or with respect to any of its property in courts in other jurisdictions. Any action or proceeding by Borrower against Agent or any Lender shall be brought only in a court located in Harris County, Texas.

Section 14.11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 14.12. Severability. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held to be invalid or illegal.

Section 14.13. Headings. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

Section 14.14. Non-Application of Chapter 346 of Texas Finance Code. The provisions of Chapter 346 of the Texas Finance Code are specifically declared by the parties hereto not to be applicable to this Agreement or any of the other Loan Documents or to the transactions contemplated hereby.

Section 14.15. Consent to Participations. Any Lender shall have the right at any time and from time to time to sell or transfer one or more participation interests in the Notes and the indebtedness evidenced thereby to one or more purchasers (" Purchasers"), whether related or unrelated to such Lender; provided, however, that (a) such Lender's obligations under this Agreement shall remain unchanged, (b) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (c) the participant shall be entitled to the benefit of the yield protection provisions contained in Sections 5.5, 5.8 and 5.9 and the right to setoff contained in Section 6.2, and (d) the Borrower shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to its Revolving Advances, the Real Estate Term Loan, the Acquisition Term Loan, and its Notes and to approve any amendment, modification, or waiver of any provisions of this Agreement (other than amendments, modifications, or waivers decreasing the amount of principal of or the rate at which interests is payable on such Revolving Advances, the Real Estate Term Loan, the Acquisition Term Loan, or Notes, extending any scheduled principal payment date or date fixed for the payment of interests on such Revolving Advances, the Real Estate Term Loan, the Acquisition Term Loan or Notes, or extending its Commitment-Revolving Advances or Commitment-Acquisition Term Loan). Any Lender may provide to any one or more Purchasers or potential Purchasers any information, financial statements, data or knowledge such Lender may have about Borrower or about any other matter relating to the Obligations, provided that such Purchasers or potential Purchasers first agree in writing to be bound by the confidentiality obligations of such Lender under Section 14.19 of this Agreement. Borrower agrees that the owners of any participation interests will be considered as the absolute owners of their interests in the Obligations and will, subject to the terms of this Section 14.15, have all the rights granted under the participation agreements or other agreements governing the sale of their participation interests. Borrower waives all rights of offset or counterclaim that it may now or later have against such Lender or against any Purchaser and agrees that such Lender may enforce Borrower's obligations under the Loan Documents irrespective of the failure or insolvency of any owner of any interest in the

Obligations. Any Lender which participates a portion of the Obligations shall promptly notify Borrower of such participation.

Section 14.16. Assignments. Any Lender may, with the prior written consents of Issuing Bank and Agent and (so long as no Event of Default has occurred and is continuing) Borrower (which consents shall not be unreasonably delayed or withheld and, in any event, shall not be required for an assignment by any Lender to one of its Affiliates), at any time assign and delegate to an Eligible Assignee all or any fraction of such Lender's Revolving Advances, Commitment-Revolving Advances, Acquisition Advances and Commitment-Acquisition Term Loan and/or its Pro Rata Share of the Real Estate Term Loan in a minimum aggregate amount equal to the lesser of the amount of the assigning Lender's Pro Rata Share of the Combined Commitments-Revolving Advances, the Combined Commitments-Acquisition Term Loan or the Real Estate Term Loan, as applicable, and (a) $2,500,000.00 if no Event of Default has occurred and is continuing and (b) $1,000,000.00 if an Event of Default has occurred and is continuing; provided that Borrower and Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned and delegated to an Eligible Assignee until the date when all of the following conditions shall have been met:

(a) the assigning Lender and the Eligible Assignee shall have executed and delivered to Borrower and Agent an Assignment and Acceptance, together with any documents required to be delivered thereunder, which Assignment and Acceptance shall have been accepted by Agent;

(b) except in the case of an assignment by a Lender to one of its Affiliates, the assigning Lender or the Eligible Assignee shall have paid Agent a processing fee of $3,500; and

(c) five (5) Business Days (or such lesser period of time as the Agent and the assigning Lender shall agree) shall have passed after written notice of such assignment and delegation, together with payment instructions, addresses and related information with respect to such Eligible Assignee, shall have been given to Borrower and Agent by such assigning Lender and the Eligible Assignee.

Any Lender may provide to any one or more Eligible Assignees or potential Eligible Assignees any information, financial statements, data or knowledge such Lender may have about Borrower or about any other matter relating to the obligations; provided that such Eligible Assignees or potential Eligible Assignees first agree in writing to be bound by the confidentiality obligations of such Lender under Section 14.19 of this Agreement. From and after the date on which the conditions described above have been met, (x) such Eligible Assignee shall be deemed automatically to have become a party hereto and, to the extent that rights and obligations hereunder have been assigned and delegated to such Eligible Assignee pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender

hereunder and (y) the assigning Lender, to the extent that rights and obligations hereunder have been assigned and delegated by it pursuant to such Assignment and Acceptance, shall be released from its obligations hereunder. Within five (5) Business Days after effectiveness of any assignment and delegation, Borrower shall execute and deliver to Agent (for delivery to the Eligible Assignee and the assigning Lender, as applicable) a new Note, as applicable, in the principal amount of the Eligible Assignee's Pro Rata Share of the Combined Commitments-Revolving Advances, the Combined Commitments-Acquisition Term Loan or the Real Estate Term Loan, as applicable, and, if the assigning Lender has retained a Commitment-Revolving Advances, a Commitment-Acquisition Term Loan or a portion of the Real Estate Term Loan, as applicable, hereunder, a replacement Revolving Credit Note, Acquisition Term Note or a Real Estate Term Note in the principal amount of the Pro Rata Share of the Combined Commitments-Revolving Advances, the Combined Commitments-Acquisition Term Loan or the Real Estate Term Loan, as applicable, retained by the assigning Lender (such Note to be in exchange for, but not in payment of, the portion of the predecessor Notes not being assigned). Accrued interest and accrued fees shall be paid at the same time or times provided in the predecessor Note and in this Agreement. Upon delivery by Borrower of any such new Note in replacement of an existing Note, the existing Note shall be deemed cancelled and replaced. Any attempted assignment and delegation not made in accordance with this Section 14.16 shall be null and void.

Notwithstanding the foregoing provisions of this Section 14.16 or any other provision of this Agreement, any Lender may at any time assign all or any portion of its Commitment-Revolving Advances, its Commitment-Acquisition Term Loan or its Pro Rata Share of the Real Estate Term Loan and its Notes to a Federal Reserve Bank (but no such assignment shall release any Lender from any of its obligations hereunder).

Section 14.17. USA Patriot Act. Each Lender hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow such Lender to identify Borrower in accordance with the Act.

Section 14.18. Foreign Lender Reporting Requirements. If any Lender which is not a Person organized and existing under the laws of the United States of America or a state thereof (a "Non-US Person") becomes a party to this Agreement, such Lender will deliver to Borrower and Agent such documents and forms related to such status as a Non-US Person as Borrower or Agent may require.

Section 14.19. Confidentiality. Agent and each Lender agree (on behalf of itself and each of its Affiliates, directors, officers and employees) to use reasonable efforts to keep confidential, in accordance with customary procedures for handling confidential information of this nature and in accordance with safe and sound investment practices, any non-public information supplied to it by or on behalf of any of Borrower, the Subsidiaries, or the other

Obligated Parties pursuant to this Agreement or any other Loan Document, provided that nothing herein shall limit the disclosure of any such information (a) to the extent required by statute, rule, regulation or judicial process, (b) to counsel or any other third party professional consultants or advisors for any Lender or Agent, (c) to regulatory bodies (including the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about Agent's or any Lender's investment portfolio), auditors or accountants of Agent or any Lender, (d) to Agent or any other Lender or any Affiliate thereof, (e) in connection with any litigation relating to the transactions contemplated by this Agreement or any other Loan Document to which any one or more of Agent or any Lender is a party, or (f) to any assignee or participant (or prospective assignee or participant) or to any direct or indirect contractual counterparties in swap agreements or to the professional advisors of such swap counterparties so long as such assignee or participant (or prospective assignee or participant) or direct or indirect contractual counterparties in swap agreements or such swap counterparties' professional advisors agree in writing to be bound by the provisions of this Section 14.19. Non-public information does not include information that (i) was publicly known prior to the time of disclosure by Borrower or any of the Subsidiaries or other Obligated Parties, (ii) after disclosure by Borrower or any of the Subsidiaries or other Obligated Parties to any Lender or the Agent, becomes publicly known through no act or omission by any Lender or the Agent or by any Person acting on behalf of any Lender or the Agent or (iii) otherwise becomes known to any Lender or the Agent other than through disclosure by Borrower or any of the Subsidiaries or other Obligated Parties.

Section 14.20. Document Imaging. Borrower understands and agrees that (a) Agent's document retention policy involves the imaging of executed loan documents and the destruction of the paper originals, and (b) Borrower waives any right that it may have to claim that the imaged copies of the Loan Documents are not originals.

Section 14.21. ENTIRE AGREEMENT. THIS AGREEMENT, THE NOTES, AND THE OTHER LOAN DOCUMENTS REFERRED TO HEREIN EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO WITH RESPECT TO THE SUBJECT MATTER HEREOF AND THEREOF AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO.

Section 14.22. WAIVER OF TRIAL BY JURY. TO THE FULLEST EXTENT PERMITTED, BY APPLICABLE LAW, BORROWER, AGENT, ISSUING BANK AND EACH LENDER HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE)

BETWEEN OR AMONG BORROWER AND AGENT, ISSUING BANK OR ANY LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENTS, OR ANY RELATIONSHIP BETWEEN BORROWER AND AGENT, ISSUING BANK OR ANY LENDER. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDERS TO PROVIDE THE FINANCING DESCRIBED IN THIS AGREEMENT.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

BORROWER:

ORION MARINE GROUP, INC.,
a Delaware corporation

By: /s/ Mark R. Stauffer
Mark R. Stauffer
Chief Financial Officer

Address for Notices:
12550 Fuqua
Houston, Texas 77034
Fax No.: 713-852-6530
Email: mstauffer@orionmarinegroup.com

with a copy (which shall not constitute notice) to:

Vinson & Elkins L.L.P.
2801 Via Fortuna, Suite 100
Austin, Texas 78746
Attention: Kyle Fox
Fax No.: 512-236-3295
Email: kfox@velaw.com

AGENT:

AMEGY BANK NATIONAL ASSOCIATION

By: /s/ Laif Afseth
Laif Afseth
Senior Vice President

Address for Notices:
Five Post Oak Park
4400 Post Oak Parkway
Houston, Texas 77027
Fax No.: 713-571-5413
Email: laif.afseth@amegybank.com

LENDERS:

Commitment -
Real Estate Term Loan: $928,500.00

AMEGY BANK NATIONAL ASSOCIATION

By: /s/ Laif Afseth
Laif Afseth
Senior Vice President

Address for Notices:
Five Post Oak Park
4400 Post Oak Parkway
Houston, Texas 77027
Fax No.: 713-571-5413
Email: laif.afseth@amegybank.com

Commitment -
Real Estate Term Loan: $773,750.00

GUARANTY BANK

By: /s/ Jason Fowler
Name: Jason Fowler
Title: Vice President

Address for Notices:
333 Clay Street, Suite 4400
Houston, Texas 77002 Fax No.:
713-759-0765
Email: scott.wiginton@guarantygroup.com
jason.fowler@guarantygroup.com

Commitment -
Real Estate Term Loan: $464,250.00

WHITNEY NATIONAL BANK

By: /s/ Larry C. Stephens
Larry C. Stephens
Vice President

Address for Notices:
River Oaks Branch
4265 San Felipe, Suite 200
Fax No.:
Email: lstephens@whitneybank.com

Commitment -
Real Estate Term Loan: $464,250.00

WACHOVIA BANK, N.A.

By: /s/ Kenneth C. Coulter
Name: Kenneth C. Coulter
Title: Vice President

Address for Notices:
2800 Post Oak Blvd., Suite 3400
Houston, Texas 77056
Fax No.: 713-650-3328/713-652-0500
Email: kenneth.coulter@wachovia.com

Commitment -
Real Estate Term Loan: $464,250.00

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Linda Masera
Name: Linda Masera
Title: Vice President

Address for Notices:
1000 Louisiana, 3rd Floor
Houston, Texas 77002
Fax No.: 713-739-1082
Email: maseralf@wellsfargo.com

LIST OF SCHEDULES

Schedule 10.11	Agreements with Affiliates

ANNEX "I"

LIST OF COMMITMENT-REVOLVING ADVANCES

July 10, 2007

Name of Lender	Percentage Share as of July 10, 2007	Commitment-Revolving Advances Amounts as of July 10, 2007
1. Amegy Bank National National Association	30%	$ 2,550,000.00
2. Guaranty Bank	25%	$ 2,125,000.00
3. Whitney National Bank	15%	$ 1,275,000.00
4. Wachovia Bank, N.A.	15%	$ 1,275,000.00
5. Wells Fargo Bank, National Association	15%	$ 1,275,000.00
Total	**100%**	**$ 8,500,000.00**

ANNEX "II"

LIST OF COMMITMENT-ACQUISITION ADVANCES

July 10, 2007

Name of Lender	Percentage Share as of July 10, 2007	Commitment-Acquisition Advances Amounts as of July 10, 2007
1. Amegy Bank National National Association	20%	$ 5,000,000.00
2. Guaranty Bank	20%	$ 5,000,000.00
3. Whitney National Bank	20%	$ 5,000,000.00
4. Wachovia Bank, N.A.	20%	$ 5,000,000.00
5. Wells Fargo Bank, National Association	20%	$ 5,000,000.00
Total	**100%**	**$ 25,000,000.00**

LIST OF EXHIBITS

Exhibit	Document
A	Form of Revolving Credit Note
B	Copies of Real Estate Term Notes
C	Form of Acquisition Term Note
D	Form of Security Agreement-Subsidiary-General
E	Pledge Agreement-Borrower-Ownership Interests
F	Pledge Agreement-Borrower-Stock
G	Form of Pledge Agreement-Subsidiary- Ownership Interests
H	Form of Pledge Agreement-Subsidiary-Stock
I	Copy of Deed of Trust-Market Street-First Lien
J	Deed of Trust-Market Street-Second Lien
K	Copy of Deed of Trust-Port Lavaca-First Lien
L	Deed of Trust-Port Lavaca-Second Lien
M	Mortgage-Florida
N	Form of Guaranty Agreement
O	Revolving Advance Request Form
P	Acquisition Advance Request Form
Q	Borrowing Base Certificate
R	No Default Certificate
S	Assignment and Acceptance
T	Form of Modification to Real Estate Term Note

Exhibit	Document
U	Modification to Deed of Trust-Market Street-First Lien
V	Modification to Deed of Trust-Port Lavaca-First Lien

Exhibit 10.2

Execution Copy

ORION MARINE GROUP, INC.

17,500,000 SHARES OF COMMON STOCK

PURCHASE/PLACEMENT AGREEMENT

May 9, 2007

PURCHASE/PLACEMENT AGREEMENT

May 9, 2007

FRIEDMAN, BILLINGS, RAMSEY & CO., INC.
1001 19th Street North
Arlington, Virginia 22209

Dear Sirs:

ORION MARINE GROUP, INC., a Delaware corporation (the "Company"), proposes to issue and sell to you, Friedman, Billings, Ramsey & Co., Inc. ("FBR"), as initial purchaser, a number of shares of the Company's common stock, par value $0.01 per share (the " Common Stock") equal to 17,500,000 shares less the number of Regulation D Shares sold in the Private Placement (each as defined herein) (the " 144A/Regulation S Shares").

FBR will also act as the Company's sole placement agent in connection with the Company's offer and sale to certain "Accredited Investors" (as such term is defined in Regulation D ("Regulation D") under the Securities Act of 1933, as amended (the " Securities Act") of (a) that number of shares of Common Stock equal to the difference between 17,500,000 shares and the number of 144A/Regulation S Shares (the " Regulation D Shares" and, together with the 144A/Regulation S Shares, the "Initial Shares"), and (b) the Placed Option Shares (as defined herein), as set forth in the Final Memorandum (as defined herein) under the headings "Plan of Distribution" and "Private Placement." The offer and sale of the shares described in the first sentence of this paragraph (the "Private Placement Shares") is referred to herein as the "Private Placement."

In addition, the Company proposes to grant to you the option described in Section 1(c) hereof to purchase or place all or any part of 3,449,196 additional shares of Common Stock (the "Option Shares" and, together with the Initial Shares, the "Shares") solely to cover additional allotments, if any.

The offer and sale of the Shares to you and to the Accredited Investors, respectively, will be made without registration under the Securities Act and the rules and regulations thereunder (the "Securities Act Regulations"), in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof. You have advised the Company that you will make offers and sales (" Exempt Resales") of the 144A/Regulation S Shares purchased by you hereunder and the Purchased Option Shares (as defined herein) (such shares referred to collectively herein as " Resale Shares") in accordance with Section 3 hereof on the terms set forth in the Final Memorandum (as defined herein), as soon as you deem advisable after this Agreement has been executed and delivered.

In connection with the offer and sale of the Shares, the Company (i) has prepared a preliminary offering memorandum, subject to completion, dated April 12, 2007, and amendments or supplements thereto (the " Preliminary Memorandum"), and (ii) a final offering memorandum, dated the date hereof and as it may be amended or supplemented from time to time (the " Final Memorandum"). Each of the Preliminary Memorandum and the Final

Memorandum sets forth certain information concerning the Company and the Shares. The Company hereby confirms that it has authorized the use of the Preliminary Memorandum and the Final Memorandum in connection with (i) the offering and resale of the Resale Shares by FBR and by all dealers to whom Resale Shares may be sold and (ii) the Private Placement. Any references to the Preliminary Memorandum or the Final Memorandum shall be deemed to include all exhibits and annexes thereto.

It is understood and acknowledged that holders (including subsequent transferees) of the Shares will have the registration rights set forth in the registration rights agreement between the Company and FBR, which shall be in substantially the form attached hereto as Exhibit A and dated as of the Closing Time (as defined herein) (the "Registration Rights Agreement"), for so long as such securities constitute "Registrable Shares" (as defined in the Registration Rights Agreement).

Pursuant to, and subject to the terms of, the Registration Rights Agreement, the Company will agree to file with the Securities and Exchange Commission (the "Commission"), under the circumstances set forth therein, (i) a registration statement on Form S-1 under the Securities Act for the initial public offering of Common Stock that includes the resale by holders of the Registrable Shares and/or (ii) a shelf registration statement on Form S-1 or such other appropriate form pursuant to Rule 415 under the Securities Act relating to the resale by holders of the Registrable Shares, and to use its commercially reasonable efforts to cause any such registration statement to be declared effective on the terms set forth in the Registration Rights Agreement.

The Company and FBR agree as follows:

1. Sale and Purchase.

(a) *144A/Regulation S Shares.* Upon the basis of the warranties and representations and other terms and conditions herein set forth, the Company agrees to issue and sell to FBR and FBR agrees to purchase from the Company the 144A/Regulation S Shares at a purchase price of $12.555 per share (the "144A/Regulation S Purchase Price"), reflecting an initial purchaser's discount of $0.945 per share.

(b) *Regulation D Shares*. The Company agrees to issue and sell the Regulation D Shares and, to the extent that FBR exercises the option described in Section 1(c), the Placed Option Shares, for which the Accredited Investors have subscribed pursuant to the terms and conditions set forth in the subscription agreements substantially in the forms attached to the Preliminary Memorandum as Annex III and Annex IV, as applicable (each a "Subscription Agreement"). The Private Placement Shares will be sold by the Company pursuant to this Agreement at a price of $13.50 per share (the "Regulation D Purchase Price"). As compensation for the services to be provided by FBR in connection with the Private Placement, the Company shall pay to FBR at each of the Closing Time and any Secondary Closing Time (as defined herein), to the extent applicable, an amount equal to $0.945 per Private Placement Share sold at such time (the "Placement Fee").

(c) *Option Shares.* Upon the basis of the representations and warranties and subject to the other terms and conditions herein set forth, the Company hereby grants an option to FBR to (i) purchase from the Company, as initial purchaser, up to an aggregate of 3,449,196, Option Shares at the 144A/Regulation S Purchase Price per share (the "Purchased Option Shares"); and (ii) place, as exclusive placement agent for the Company, up to that number of Option Shares remaining, after subtracting any Purchased Option Shares with respect to which FBR has exercised its option pursuant to clause (i), at the Regulation D Purchase Price per share (the "Placed Option Shares"). The option granted hereby will expire 30 days after the date hereof and may be exercised in whole or in part from time to time in one or more installments, including at the Closing Time, only for the purpose of covering additional allotments of Shares initially sold at the offering price set forth in the Final Memorandum which may be made in connection with the offering and distribution of the Initial Shares upon written notice by FBR to the Company setting forth (i) the number of Option Shares as to which FBR is then exercising the option, (ii) the names and denominations to which the Option Shares are to be delivered in book-entry form through the facilities of The Depository Trust Company ("DTC"), (iii) the number of Option Shares that will be Purchased Option Shares and the number of Option Shares that will be Placed Option Shares, and (iv) the time and date of payment for and delivery of such Option Shares in book-entry form. Any such time and date of delivery shall be determined by FBR, but shall not be later than five full business days nor earlier than one full business day after the exercise of said option, nor in any event prior to the Closing Time, unless otherwise agreed in writing by FBR and the Company.

2. Payment and Delivery.

(a) *144A/Regulation S Shares.* The closing of FBR's purchase of the 144A/Regulation S Shares shall be held at the office of Nelson Mullins Riley & Scarborough LLP, 101 Constitution Avenue, N.W., Suite 900, Washington, DC 20001 (unless another place shall be agreed upon by FBR and the Company). At the closing, subject to the satisfaction or waiver of the closing conditions set forth herein, FBR shall pay to the Company the aggregate purchase price for the 144A/Regulation S Shares by wire transfer of immediately available funds to an account previously designated by the Company in writing against delivery by the Company of the 144A/Regulation S Shares to FBR for FBR's account through the facilities of DTC in such denominations and registered in such names as FBR shall specify. Such payment and delivery shall be made at 10:00 a.m., New York City time, on the sixth business day after the date hereof (unless another time, not later than ten business days after such date, shall be agreed to by FBR and the Company). The time at which such payment and delivery are actually made is hereinafter called the " Closing Time".

(b) *Regulation D Shares*. At the Closing Time, subject to the satisfaction of the closing conditions set forth herein, FBR shall pay to the Company the aggregate applicable purchase price received by FBR prior to the Closing Time (net of any Placement Fee, if the Placement Fee is withheld as provided in the immediately following paragraph) for the Regulation D Shares (other than any Extended Regulation D Shares, as defined below) against the Company's delivery of the Regulation D Shares to FBR, as placement agent in

respect of such shares, in book-entry form through the facilities of DTC for each such Accredited Investor's account. At FBR's option, it may delay the placement of up to 3% of Regulation D Shares (the "Extended Regulation D Shares") for an additional five business days after the Closing Time (the "Extended Regulation D Closing Date") at which time FBR shall cause Bank of New York, as escrow agent, to the extent it has available funds transferred to it by Accredited Investors, to pay the Company the aggregate applicable purchase price for the Extended Regulation D Shares placed by FBR (net of any Placement Fee, if the Placement Fee is withheld as provided herein) against the Company's delivery of the Extended Regulation D Shares to the purchasers thereof, in book-entry form through the facilities of DTC. Extended Regulation D Shares may only be placed with Accredited Investors who have committed to purchase Regulation D Shares before the Closing Time. The time at which payment and delivery on an Extended Regulation D Closing Date is actually made is hereinafter sometimes called the "Extended Closing Time."

At each of the Closing Time or any Extended Closing Time, unless FBR has withheld such amount from the applicable purchase price paid by FBR to the Company with respect to the Regulation D Shares placed by FBR on such date, the Company shall pay to FBR, by wire transfer of immediately available funds to an account or accounts designated by FBR, any Placement Fee amount payable with respect to the Regulation D Shares for which the Company shall have received the purchase price.

(c) *Option Shares*. The closing of FBR's purchase or placement of the Option Shares shall occur from time to time at the office of Nelson Mullins Riley & Scarborough LLP, 101 Constitution Avenue, N.W., Suite 900, Washington, DC 20001 (unless another place shall be agreed upon by FBR and the Company). On the applicable Secondary Closing Time (as defined herein), subject to the satisfaction or waiver of the closing conditions set forth herein, FBR shall pay to the Company the aggregate applicable purchase price for the Option Shares then purchased or placed by FBR (net of any Placement Fee with respect to any Placed Option Shares) by wire transfer of immediately available funds against the Company's delivery of the Option Shares. Such payment and delivery shall be made at 10:00 a.m., New York City time, on each Secondary Closing Time. The Option Shares shall be delivered in book-entry form through the facilities of DTC, in such names and in such denominations as FBR shall specify. The time at which payment by FBR for and delivery by the Company of any Option Shares are actually made is referred to herein as a " Secondary Closing Time."

3. Offering of the Shares; Restrictions on Transfer.

(a) FBR represents and warrants to and agrees with the Company that (i) it has not solicited and will not solicit any offer to buy, and has not and will not make any offer to sell, the Shares by means of any form of general solicitation or general advertising (within the meaning of Regulation D), and, with respect to Resale Shares sold in reliance on Regulation S under the Securities Act (" Regulation S"), by means of any directed selling efforts (within the meaning of Regulation S) in the United States; (ii) it has solicited and will solicit offers to buy the Resale Shares only from, and has offered

and will offer, sell and deliver the Resale Shares only to, (A) persons who it reasonably believes to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) ("QIBs") or, if any such person is buying for one or more institutional accounts for which such person is acting as fiduciary or agent, only when such person has represented to it that each such account is a QIB to whom notice has been given that such sale or delivery is being made in reliance on Rule 144A, and, in each case, in transactions under Rule 144A and who provide to it a fully completed and executed purchaser's letter substantially in the form of Annex I to the Preliminary Memorandum or Final Memorandum, and (B) persons (each a " Regulation S Purchaser") to whom, and under which circumstances, it reasonably believes offers and sales of Resale Shares may be made without registration under the Securities Act in reliance on Regulation S thereunder, and who provide to it a fully completed and executed purchaser's letter substantially in the form of Annex II to the Preliminary Memorandum or Final Memorandum (such persons specified in clauses (A) and (B) being referred to herein as the " Eligible Purchasers"); and (iii) as placement agent, it has solicited and will solicit offers to buy the Regulation D Shares or the Placed Option Shares only from persons it reasonably believes are Accredited Investors and it will deliver the Private Placement Shares only to Accredited Investors who, in the case of those purchasing such Regulation D Shares or the Placed Option Shares only, have provided to FBR and the Company a fully completed and executed Subscription Agreement in the form of Annex III or Annex IV, as applicable, to the Preliminary Memorandum or Final Memorandum.

(b) The Company represents and warrants to and agrees with FBR that it (together with its affiliates) has not solicited and will not solicit any offer to buy, and it (together with its affiliates) has not offered and will not offer to sell, the Shares by means of any form of general solicitation or general advertising (within the meaning of Regulation D), and it has solicited and will solicit offers to buy the Private Placement Shares only from, and has offered and will offer, sell or deliver the Shares only to, Accredited Investors (except for any solicitations made at meetings attended by both the Company and FBR, as to which the Company makes no representation and is relying on the representation made by FBR in Section 3(a)(iii) above). The Company also represents and warrants and agrees that it will sell the Private Placement Shares only to persons that have provided to the Company a fully completed and executed Subscription Agreement in the form of Annex III or Annex IV, as applicable, to the Preliminary Memorandum or Final Memorandum.

(c) The Company represents and warrants to and agrees with FBR that, assuming the accuracy of FBR's representations and warranties and FBR's compliance with its obligations set forth in this Section 3, (i) none of the Company or any of its affiliates or any person acting on behalf of it or its affiliates has engaged in, nor will any of them engage in, any directed selling efforts (as that term is defined in Regulation S) with respect to the Shares; and (ii) the Company or any of its affiliates, and any person acting on behalf of it or its affiliates (in each case, other than FBR as to which no representation is made) have complied, and will comply, with the offering restrictions requirement of Regulation S.

(d) FBR represents and warrants that it has not offered or sold, nor will it offer or sell, any Resale Shares in a jurisdiction outside of the United States except in material compliance with all applicable laws, regulations and rules of those countries.

(e) Each of FBR and the Company represents and warrants to the other that no action is being taken by it or is contemplated that would permit an offering or sale of the Shares or possession or distribution of the Preliminary Memorandum or the Final Memorandum or any other offering material relating to the Shares in any jurisdiction where, or in any other circumstances in which, action for those purposes is required (other than in jurisdictions where such action has been duly taken by counsel for FBR).

(f) FBR and the Company agree that FBR may arrange (i) for the private offer and sale of a portion of the Resale Shares to a limited number of Eligible Purchasers (which may include affiliates of FBR), and (ii) for the private offer and sale of the Private Placement Shares by the Company to Accredited Investors (which may include affiliates of FBR), in each case under restrictions and other circumstances designed to preclude a distribution of the Shares that would require registration of the Shares under the Securities Act.

(g) FBR and the Company agree that the Shares may be resold or otherwise transferred by the holders thereof only if the offer and sale of such Shares are registered under the Securities Act or if an exemption from registration is available. FBR hereby establishes and agrees that it has observed and will observe the following procedures in connection with offers, sales and subsequent resales or other transfers of any Shares purchased or placed by FBR:

(i) Sales only to Eligible Purchasers. Initial offers and sales of the Resale Shares will be made only in Exempt Resales by FBR to investors that FBR reasonably believes to be Eligible Purchasers and who have delivered to the Company and FBR a fully completed and executed purchaser's letter substantially in the form of Annex I or II, as applicable, to the Preliminary Memorandum or Final Memorandum.

(ii) No general solicitation. The Shares will be offered only by approaching prospective purchasers on an individual basis with whom FBR and/or the Company has an existing relationship. No general solicitation or general advertising within the meaning of Regulation D will be used in connection with the offering of the Shares.

(iii) Restrictions on transfer. Each of the Preliminary Memorandum and the Final Memorandum shall state that the offer and sale of the Shares have not been and will not be registered (other than pursuant to the Registration Rights Agreement) under the Securities Act, and that no resale or other transfer of any Shares or any interest therein prior to the date that is two years (or such shorter period as is prescribed by Rule 144(k) under the Securities Act as then in effect) after the later of the original issuance of such Shares and the last date on which the Company or any "affiliate" (as defined in Rule 144 under the Securities Act)

of the Company was the owner of such Shares may be made by a purchaser of such Shares except as follows:

(A) to the Company with its written consent,

(B) pursuant to a registration statement that has been declared effective under the Securities Act,

(C) to a person who such purchaser reasonably believes is a QIB that purchases such common stock for its own account or for the account of a QIB to whom notice is given that the offer, sale, pledge or other transfer is being made in reliance upon Rule 144A,

(D) pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S, with the consent of the Company, or

(E) pursuant to any other available exemption from the registration requirements of the Securities Act,

in each case in accordance with any applicable federal securities laws and the securities laws of any state of the United States or other jurisdiction.

(h) FBR and the Company agree that each initial resale of Resale Shares by FBR (and each purchase of Resale Shares from the Company by FBR) in accordance with this Section 3 shall be deemed to have been made on the basis of and in reliance on the representations, warranties, covenants and agreements (including, without limitation, agreements with respect to indemnification and contribution) of the Company herein contained.

(i) Upon original issuance thereof, and until such time as the same is no longer required under the applicable requirements of the Securities Act, the global certificates representing the Shares (and all securities issued in exchange therefore or in substitution thereof) shall bear the following legend (in addition to any other legends that may be required by DTC or deemed necessary by the Company to ensure compliance with the Securities Act):

THIS SECURITY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF ORION MARINE GROUP, INC. (THE "COMPANY"), AND ITS AGENTS THAT, ABSENT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT: (A) THIS SECURITY MAY BE OFFERED,

RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (I) TO THE COMPANY OR A SUBSIDIARY THEREOF, (II) TO A "QUALIFIED INSTITUTIONAL BUYER" PURSUANT TO RULE 144A, (III) TO A PERSON WHO IS NOT A UNITED STATES PERSON IN AN "OFFSHORE" TRANSACTION PURSUANT TO REGULATION S OR (IV) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, AS CONFIRMED TO THE COMPANY BY AN OPINION OF COUNSEL IF REQUESTED, SUBJECT IN EACH OF THE FOREGOING CASES TO COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY JURISDICTION. THE HOLDER OF THIS SECURITY ACKNOWLEDGES THAT THE COMPANY SHALL REFUSE TO REGISTER ANY SALE OR TRANSFER OF THE SECURITY NOT MADE IN ACCORDANCE WITH THE FOREGOING PROVISIONS.

4. Representations and Warranties of the Company.

The Company hereby represents and warrants to FBR that:

(a) the Preliminary Memorandum did not, as of its date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; the Preliminary Memorandum on April 12, 2007, and as amended and supplemented (the "Applicable Time"), together with the pricing terms as set forth in Section 1(a) and (b) of this Agreement, and the information set forth on Schedule A (collectively, the "Disclosure Package") did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and the Final Memorandum will not, as of its date, at the Closing Time and each Extended Closing Time (if any) and each Secondary Closing Time (if any), contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that this representation and warranty shall not apply to any statement in or omission from the Disclosure Package or Final Memorandum made in reliance upon and in conformity with information furnished to the Company in writing by FBR expressly for use therein (that information being limited to that described in the last sentence of Section 8(b) hereof);

(b) the Preliminary Memorandum included, as of its date, and the Final Memorandum will include, as of its date, and will include at the Closing Time, Extended Closing Time (if any) and at each Secondary Closing Time (if any), the information required by Rule 144A, Regulation S and Regulation D;

(c) the Company is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware, with requisite corporate power and authority to own, lease or operate its properties and to conduct its business as described in the

Disclosure Package and the Final Memorandum and to execute and deliver this Agreement and the Registration Rights Agreement, and to consummate the transactions contemplated hereby (including the issuance, sale and delivery of the Shares) and thereby;

(d) each corporation, association, partnership or other business entity of which more than 50% of the total voting power entitled to vote in the election of directors, managers, general partners, or trustees thereof is controlled, directly or indirectly, by the Company (each, a "Subsidiary") is a legal entity duly organized and validly existing and in good standing under the laws of its respective jurisdiction of organization, with requisite power and authority to own, lease or operate its properties and to conduct its business as described in the Disclosure Package and the Final Memorandum;

(e) the Disclosure Package and the Final Memorandum under the caption "Capitalization," at the date indicated and at the Closing Time, Extended Closing Time (if any) and the Secondary Closing Time (if any), accurately describe the duly authorized capital stock of the Company after giving effect to the adjustments set forth thereunder; all of the issued and outstanding shares of capital stock of the Company and each Subsidiary have been duly and validly authorized and issued and are fully paid and non-assessable, and have been issued and sold in compliance with all applicable federal, state, foreign and local securities laws and the laws of the jurisdiction of incorporation of the Company or such Subsidiary, as applicable, and have not been issued in violation of or subject to any preemptive right or other similar right of stockholders arising by operation of law, under the certificate of incorporation or bylaws, or other governing document of the Company or such Subsidiary, as applicable, under any agreement to which the Company or such Subsidiary, as applicable, is a party or otherwise; all of the capital stock, partnership interests or membership interests of any of the Company's Subsidiaries are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims; except as disclosed in the Disclosure Package and the Final Memorandum, there are no outstanding (i) securities or obligations of the Company convertible into or exchangeable for any capital stock of the Company or capital stock, partnership interests or membership interests of any of its Subsidiaries, (ii) warrants, rights or options to subscribe for or purchase from the Company or any such Subsidiary any such capital stock, partnership interest, or membership interest or any such convertible or exchangeable securities or obligations or (iii) obligations of the Company or any such Subsidiary to issue or sell any shares of capital stock, partnership interest, or membership interest, any such convertible or exchangeable securities or obligation, or any such warrants, rights or options;

(f) the Shares have been duly authorized for issuance, sale and delivery pursuant to this Agreement and, when issued and delivered by the Company against payment therefore in accordance with the terms of this Agreement, will be duly and validly issued and fully paid and nonassessable, free and clear of any pledge, lien, encumbrance, security interest or other claim, and the issuance, sale and delivery of the Shares by the Company are not subject to any preemptive right, co-sale right, registration right, right of first refusal or other similar right of stockholders arising by operation of law, under the certificate of incorporation or bylaws of the Company, under any agreement to which the Company is a party or otherwise, other than as provided for in the

Registration Rights Agreement; the Shares satisfy the requirements set forth in Rule 144A under the Securities Act;

(g) each of the Company and the Subsidiaries is duly qualified or licensed by, and is in good standing in, each jurisdiction in which it conducts its business, or in which it owns or leases property or maintains an office and in which such qualification or licensing is necessary and in which the failure, individually or in the aggregate, to be so qualified or licensed could reasonably be expected to have a material adverse effect on the business, condition (financial or otherwise), results of operations or prospects of the Company and the Subsidiaries taken as a whole (a " Material Adverse Effect");

(h) each of the Company and the Subsidiaries has legal, valid and defensible title to all assets and properties reflected as owned by them in the Disclosure Package and the Final Memorandum (whether through fee ownership, mineral estates or similar rights of ownership), with title investigations having been carried out by or on behalf of such person in accordance with reasonable practice in the industries and in the areas in which the Company and the Subsidiaries operate, and good and marketable title to substantially all other real and personal property reflected as assets owned by them in the Disclosure Package and the Final Memorandum, in each case free and clear of all liens, security interests, pledges, charges, encumbrances, mortgages and defects, except such as are disclosed in both the Disclosure Package and the Final Memorandum or as could not reasonably be expected to have a Material Adverse Effect; and any real property or personal property held under lease by the Company or any Subsidiary is held under a lease that is valid, existing and enforceable by the Company or such Subsidiary, with such exceptions as are disclosed in the Disclosure Package and the Final Memorandum or as could not reasonably be expected to have a Material Adverse Effect, and neither the Company nor any Subsidiary has received any notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or such Subsidiary under any such lease;

(i) each of the Company and the Subsidiaries owns or possesses such licenses or other rights to use all patents, trademarks, service marks, trade names, copyrights, software and design licenses, trade secrets, manufacturing processes, other intangible property rights and know-how (collectively "Intellectual Property"), as are necessary to entitle the Company to conduct the Company's or such Subsidiary's business described in the Disclosure Package and the Final Memorandum, and neither the Company nor any such Subsidiary has received written notice of any infringement of or conflict with (and the Company does not know of any such infringement of or conflict with) asserted rights of others with respect to any Intellectual Property which would reasonably be expected to have a Material Adverse Effect;

(j) neither the Company nor any Subsidiary has violated, or received notice of any violation with respect to, any law, rule, regulation, order, decree or judgment applicable to it or its business, including those relating to transactions with affiliates, environmental, safety or similar laws, federal or state laws relating to discrimination in the hiring, promotion or pay of employees, federal or state wages and hours law or the rules and regulations promulgated thereunder, except for those violations that would not

reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;

(k) none of the Company, any Subsidiary or, to the Company's knowledge, any officer, director, agent or employee purporting to act on behalf of the Company or any Subsidiary, has at any time, directly or indirectly, (i) made any contributions to any candidate for political office, or failed to disclose fully any such contributions, in violation of law, (ii) made any payment to any state, federal or foreign governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or allowed by applicable law (including the Foreign Corrupt Practices Act of 1977, as amended (the "FCPA")), (iii) engaged in any transactions or maintained any bank account on behalf of the Company or a Subsidiary or used any corporate funds except for transactions, bank accounts and funds which have been and are reflected in the normally maintained books and records of the Company and each Subsidiary, (iv) violated any provision of the FCPA, or (v) made any other unlawful payment;

(l) except as otherwise disclosed in both the Disclosure Package and the Final Memorandum, there are no outstanding loans or advances or guarantees of indebtedness by the Company or any Subsidiary to or for the benefit of any of the executive officers, directors, affiliates or representatives of the Company or any Subsidiary or any of the members of the families of any of them;

(m) except with respect to FBR, the Company has not incurred any liability for any finder's fees or similar payments in connection with the transactions contemplated hereby;

(n) neither the Company nor any Subsidiary is in breach of, or in default under (nor has any event occurred which with notice, lapse of time, or both would constitute a breach of, or default under) its certificate of incorporation, bylaws, or other organizational documents (collectively, the " Charter Documents") or in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, license, indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Company or any Subsidiary is a party or by which any of them or their respective properties may be bound or affected, except where such breaches and defaults not relating to the charter documents which could not reasonably be expected to have a Material Adverse Effect;

(o) the execution, delivery and performance by the Company of this Agreement, and the Registration Rights Agreement, and the issuance, sale and delivery of the Shares by the Company, the Company's use of the proceeds from the sale of the Shares as described in the Disclosure Package and Final Memorandum and the consummation by the Company of the transactions contemplated hereby and thereby, and compliance by the Company with the terms and provisions hereunder and thereunder will not conflict with, or result in any breach of or constitute a default under (nor constitute any event which with notice, lapse of time, or both would constitute a breach of, or default under), (i) any provision of the Charter Documents of the Company or any

Subsidiary, (ii) any provision of any contract, license, indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Company or any Subsidiary is a party or by which it or its respective properties may be bound or affected, or (iii) any constitution, act, statute, law, treaty, rule, code, ordinance, regulation, standard, directive or official interpretation of, or judgment, injunction, order, decision, decree, license, permit, consent or authorization (each a "Legal Requirement") issued by, the U.S. government or any state, local or foreign government, court, administrative agency or commission or other governmental agency, authority or instrumentality, domestic or foreign, of competent jurisdiction (each a "Governmental Authority") applicable to the Company or any Subsidiary , except in the case of clauses (ii) or (iii) for such conflicts, breaches or defaults which have been validly waived or would not reasonably be expected to have a Material Adverse Effect; and except in the case of clause (iii), compliance with Blue Sky laws (state and foreign) in respect of the issuance, sale and delivery of the Shares;

(p) this Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company, is enforceable in accordance with its terms, and the Registration Rights Agreement has been duly authorized by the Company and at the Closing Time will have been duly executed and delivered by the Company and will constitute a legal, valid and binding agreement of the Company enforceable in accordance with its terms, except in each case as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, and by general principles of equity, and except to the extent that the indemnification provisions hereof or thereof may be limited by federal or state securities laws and public policy considerations in respect thereof;

(q) the Shares, this Agreement, and the Registration Rights Agreement conform in all material respects to the descriptions thereof contained in both the Disclosure Package and the Final Memorandum;

(r) assuming the accuracy of FBR's representations and warranties set forth in Section 3 of this Agreement and that the purchasers who buy the Resale Shares in Exempt Resales are Eligible Purchasers, no approval, authorization, consent or order of or filing with any Governmental Authority is required in connection with the execution, delivery and performance by the Company of this Agreement or the Registration Rights Agreement, or the consummation by the Company of the transactions contemplated hereby and thereby, or the issuance, sale and delivery of the Shares as contemplated hereby, other than (i) such as have been obtained or made, or will have been obtained or made at the Closing Time, including any necessary Hart-Scott-Rodino Act filings, (ii) any necessary qualification under the securities or blue sky laws of the various jurisdictions in which the Shares are being offered or placed by FBR, (iii) with or by federal or state securities regulatory authorities in connection with or pursuant to the Registration Rights Agreement, including without limitation the filing of the registration statement(s) required thereby with the Commission, and (iv) the filing of a Form D with the Commission and with the applicable state regulatory authorities;

(s) each of the Company and the Subsidiaries has all necessary licenses, permits, certificates, authorizations, consents and approvals and has made all necessary filings required under any Requirement of Law (collectively, "Authorizations"), and has obtained all necessary Authorizations from other persons required in order to conduct its respective business as described in both the Disclosure Package and the Final Memorandum, except to the extent that any failure to have any such Authorizations, to make any such filings or to obtain any such Authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; the Company and the Subsidiaries have complied in all material respects with the terms of the necessary Authorizations and there are not pending modifications, amendments or revocations of the Authorizations that would have a Material Adverse Effect; the Company and each Subsidiary have paid all fees due to Governmental Authorities pursuant to the Authorizations, except to the extent that any failure to pay any such fees would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; all reports required to be filed in connection with the Authorizations have been timely filed and are accurate and complete, except to the extent that any failure to file a complete and accurate report in a timely manner would not reasonably be expected, individually, or in the aggregate, to have a Material Adverse Effect; true and correct copies of the Authorizations and all amendments thereto to the date hereof have been made available to FBR; none of the Company or any of its Subsidiaries is in violation of, or in default under, any such Authorizations or any federal, state, local or foreign law, regulation or rule or any decree, order or judgment applicable to the Company, the effect of which could reasonably be expected to have a Material Adverse Effect;

(t) there is no outstanding judgment, order, writ, injunction, decree or award of any Governmental Authority or arbitrator affecting the businesses of the Company or any Subsidiary which questions the validity of any action taken or to be taken pursuant to this Agreement or in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement;

(u) both the Disclosure Package and the Final Memorandum contain accurate summaries of all material contracts, agreements, instruments and other documents of the Company and the Subsidiaries that would be required to be described in a prospectus included in a registration statement on Form S-1 under the Securities Act; the copies of all contracts, agreements, instruments and other documents (including Authorizations and all amendments or waivers relating to any of the foregoing) that have been previously furnished to FBR or its counsel are complete and genuine and include all material collateral and supplemental agreements thereto;

(v) other than as set forth in both the Disclosure Package and the Final Memorandum and except as to matters that have been previously disclosed to FBR that would not reasonably be expected to result in a Material Adverse Effect, there are no actions, suits, arbitrations, claims, proceedings, inquiries or investigations pending or, to the Company's knowledge, threatened against the Company or any Subsidiary, or any of their respective properties, or to the Company's knowledge, directors, officers or affiliates at law or in equity, or before or by any Governmental Authority; other than FBR, the Company has not authorized anyone to make any representations regarding the

offer and sale of the Shares, or regarding the Company and its Subsidiaries in connection therewith; the Company has not received notice of any order or decree preventing the use of the Disclosure Package or the Final Memorandum or any amendment or supplement thereto, and no order asserting that the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act, has been issued and, to the Company's knowledge, no proceeding for that purpose has commenced or is pending or is contemplated;

(w) no securities of the Company of the same class (within the meaning of Rule 144A under the Securities Act) as the Shares are listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended (the " Exchange Act"), or quoted in a U.S. automated inter-dealer quotation system;

(x) subsequent to the Applicable Time, and except as may be otherwise stated in both the Disclosure Package and the Final Memorandum, there has not been (i) any event, circumstance or change that has, or could reasonably be expected to have, a Material Adverse Effect, (ii) any transaction, other than in the ordinary course of business, which is material to the Company and the Subsidiaries taken as a whole, contemplated or entered into by the Company or any Subsidiary, (iii) any obligation, contingent or otherwise, directly or indirectly incurred by the Company or any Subsidiary, other than in the ordinary course of business, which is material to the Company and the Subsidiaries taken as a whole, or (iv) any dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock, or any purchase by the Company of any of its outstanding capital stock;

(y) neither the Company nor any of the Subsidiaries is, nor upon the sale of the Shares as contemplated herein and the application of the net proceeds therefrom as described in both the Disclosure Package and the Final Memorandum under the caption "Use of Proceeds," will be, an "investment company" or an entity "controlled" by an "investment company" (as such terms are defined in the Investment Company Act of 1940, as amended);

(z) there are no persons with registration or other similar rights to have any securities registered by the Company under the Securities Act other than pursuant to the Registration Rights Agreement;

(aa) other than as explicitly set forth herein, the Company has not relied upon FBR or legal counsel for FBR for any legal, tax or accounting advice in connection with the offering and sale of the Shares;

(bb) each of the independent directors named in the Disclosure Package and the Final Memorandum has not within the last five years been employed by or affiliated, directly or indirectly, with the Company, whether by ownership of, ownership interest in, employment by, any material business or professional relationship with, or serving as an officer or director of, the Company or any of its affiliates;

(cc) in connection with the offering of the Shares, neither the Company or any of its Subsidiaries, nor any of its affiliates (as defined in Section 501(b) of Regulation D) has, whether directly or through any agent or person acting on its behalf (other than FBR): (i) offered Common Stock of the Company or any other securities convertible into or exchangeable or exercisable for such Common Stock in a manner in violation of the Securities Act or the rules and regulations thereunder, (ii) distributed any other offering material in connection with the offer and sale of the Shares, other than as described in both the Disclosure Package and the Final Memorandum, or (iii) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of any security (as defined in the Securities Act) which is or will be integrated with the offering and sale of the Shares in a manner that would require the registration of the Shares under the Securities Act;

(dd) none of the Company, any of its Subsidiaries nor any of their respective affiliates (i) is required to register as a "broker" or "dealer" in accordance with the provisions of the Exchange Act or the rules and regulations thereunder, or (ii) directly, or indirectly through one or more intermediaries, controls or has any other association with (within the meaning of Article 1 of the Bylaws of the National Association of Securities Dealers, Inc. (the " NASD")) any member firm of the NASD;

(ee) none of the Company, any of its Subsidiaries or any of its directors, officers, representatives or affiliates have taken, directly or indirectly, any action intended, or which might reasonably be expected, to cause or result, under the Securities Act, the Exchange Act or otherwise, or which has constituted, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(ff) each of the Company and the Subsidiaries carries, or is covered by, insurance (issued by insurers of recognized financial responsibility to the best knowledge of the Company) in such amounts and covering such risks as is appropriate for the conduct of their respective businesses and the value of the assets to be held by them upon the consummation of the transactions contemplated by both the Disclosure Package and the Final Memorandum and as is customary for companies engaged in businesses similar to the business of the Company or such Subsidiary, all of which insurance is in full force and effect;

(gg) the financial statements, including the notes thereto, included in both the Disclosure Package and the Final Memorandum fairly present the financial condition of the Company and its consolidated Subsidiaries as of the respective dates thereof, and the results of their operations for the periods then ended, correctly reflect and disclose all extraordinary items required by U.S. generally accepted accounting principles to be so reflected or disclosed, and have been prepared in conformity with U.S. generally accepted accounting principles applied on a consistent basis;

(hh) Grant Thornton LLP, who has certified certain consolidated financial statements and supporting schedules included in the Disclosure Package and the Final Memorandum, whose reports with respect to such consolidated financial statements and supporting schedules are included in the Disclosure Package and the Final Memorandum

and who have delivered the comfort letters referred to in Section 6(b) hereof, are, and were during the periods covered by their reports, independent certified public accountants with respect to the Company within the meaning of Rule 101 of the American Institute of Certified Public Accountants' ("AICPA") Code of Professional Conduct and its interpretations and rulings.

(ii) Melton and Melton, L.L.P., who has audited the consolidated financial statements of Orion Marine Holdings, Inc. (the "Predecessor") for the years ended and as of December 31, 2002 and 2003 and the consolidated financial statements of the Company for the quarter ended and as of December 31, 2004 are, and were during the periods covered by their reports, independent certified public accountants with respect to the Predecessor and the Company within the meaning of Rule 101 of the AICPA's Code of Professional Conduct and its interpretations and rulings.

(jj) any certificate signed by any officer of the Company delivered to FBR or to counsel for FBR pursuant to or in connection with this Agreement shall be deemed a representation and warranty by the Company to FBR as to the matters covered thereby;

(kk) the forms of the certificates used to evidence the Common Stock comply in all material respects with all applicable statutory requirements and with any applicable requirements of the Charter Documents of the Company;

(ll) except where such failure to file or pay an assessment or lien would not in the aggregate reasonably be expected to have a Material Adverse Effect or where such matters are the result of a pending bona fide dispute with taxing authorities, (i) each of the Company and the Subsidiaries has accurately prepared and timely filed any and all federal, state, foreign and other tax returns that are required to be filed by it, if any, and has paid or made provision for the payment of all taxes, assessments, governmental or other similar charges, including without limitation, all sales and use taxes and all taxes which the Company or such Subsidiary is obligated to withhold from amounts owing to employees, creditors and third parties, with respect to the periods covered by such tax returns (whether or not such amounts are shown as due on any tax return), (ii) no deficiency assessment with respect to a proposed adjustment of the Company's or any Subsidiary's federal, state, local or foreign taxes is pending or, to the best of the Company's knowledge, threatened; (iii) since the date of the most recent audited consolidated financial statements, neither the Company nor any Subsidiary has incurred any liability for taxes other than in the ordinary course of its business; and (iv) there is no tax lien, whether imposed by any federal, state, foreign or other taxing authority, outstanding against the assets, properties or business of the Company or any Subsidiary;

(mm) except as described in both the Disclosure Package and the Final Memorandum or as would not in the aggregate reasonably be expected to have a Material Adverse Effect, (i) neither the Company nor any Subsidiary is in violation of any Legal Requirement or rule of common law or any judicial or administrative interpretation thereof, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), natural resources or wildlife, including, without limitation, laws and regulations

relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or mold (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, " Environmental Laws"), (ii) each of the Company and the Subsidiaries has all permits, authorizations and approvals required under any applicable Environmental Laws to conduct their respective businesses and are each in compliance with their requirements, (iii) there are no pending or, to the Company's knowledge, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigation or proceedings relating to any Environmental Law against the Company or any Subsidiary, and (iv) to the Company's knowledge, there are no events or circumstances that would reasonably be expected to form the basis of an order for investigation, clean-up or remediation, or an action, suit or proceeding by any private party or Governmental Authority, against or affecting the Company or any Subsidiary relating to Hazardous Materials or any Environmental Laws; and (v) neither the Company nor any Subsidiary anticipates material capital expenditures relating to Environmental Laws or changes in processes or operations relating to any Environmental Laws;

(nn) the Company is not aware of (a) any significant deficiency or material weakness in the design or operation of its internal controls over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information to management and the Company's board of directors, or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting;

(oo) the Company and each of the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles as applied in the United States and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(pp) the Company and each of the Subsidiaries are in compliance with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder (" ERISA"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Company or any of the Subsidiaries would have any liability; the Company and each of the Subsidiaries have not incurred and do not expect to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (ii) Section 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published

interpretations thereunder ("Code"); and each "pension plan" for which the Company and each of its Subsidiaries would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification;

(qq) the operations of the Company and its Subsidiaries and, to the Company's knowledge, its affiliates are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the Money Laundering Control Act of 1986, as amended, the Bank Secrecy Act, as amended, the United and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001, as any other money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "Money Laundering Laws"), except for any such non-compliance as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Company or any of it Subsidiaries, or, to the Company's knowledge, any of its affiliates, with respect to the Money Laundering Laws is pending or, to the Company's knowledge, threatened;

(rr) neither the Company nor any of its Subsidiaries, nor, to the Company's knowledge, any of its affiliates or any director, officer, agent or employee of, or other person associated with or acting on behalf of, the Company, is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department ("OFAC"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any Subsidiary, partner or joint venturer or other person or entity, for the purpose of financing the activities of any person currently subject to any United States sanctions administered by OFAC;

(ss) there are no existing or, to the Company's knowledge, threatened, labor disputes with the employees of the Company or any of the Subsidiaries which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(tt) except as otherwise disclosed in both the Disclosure Package and the Final Memorandum, neither the Company nor any Subsidiary has any off-balance sheet transactions, arrangements, obligations (including contingent obligations), or any other similar relationships with unconsolidated entities or other persons;

(uu) each of the Company and its Subsidiaries, and, to the Company's knowledge, each of their affiliates and any director, officer, agent or employee of, or other person associated with or acting on behalf of, the Company has acted at all times in compliance in all material respects with applicable Export and Import Laws (as defined below) and there are no claims, complaints, charges, investigations or proceedings pending or, to the Company's knowledge, threatened between the Company or any of its

Subsidiaries and any Governmental Authority under any Export or Import Laws. The term "Export and Import Laws" means the Arms Export Control Act, the International Traffic in Arms Regulations, the Export Administration Act of 1979, as amended, the Export Administration Regulations, The Trading with the Enemy Act, the International Emergency Economic Powers Act, and sanctions regulations issued pursuant to those statutory authorities prohibiting unlicensed transactions (including exports of services, data, or goods) with sanctioned countries or entities, and all other laws and regulations of the United States government regulating the provision of services to non-U.S. parties or the export and import of articles or information from and to the United States of America, and all similar laws and regulations of any foreign government regulating the provision of services to parties not of the foreign country or the export and import of articles and information from and to the foreign country to parties not of the foreign country;

(vv) to the Company's knowledge, there have been no allegations of any violations of export control rules by the Company or any of its Subsidiaries, including allegations by any Governmental Authority, and no investigations of any export control matters of the Company or its Subsidiaries by any Governmental Authority;

(ww) the Company has complied, and will use its commercially reasonable efforts to comply, with the citizenship requirements of certain U.S. maritime laws, including the Foreign Dredge Act of 1906, as amended, the Merchant Marine Act of 1920, as amended (also known as the "Jones Act"), and the U.S. vessel documentation laws, as amended (also know as the "Vessel Documentation Act"), prohibiting foreign ownership or control of persons engaged in transporting merchandise or passengers or dredging in the navigable waters of the U.S.

(xx) the Company has complied and will comply with all the provisions of Florida Statutes, Section 517.075 (Chapter 92-198, Laws of Florida); and neither the Company nor any of the Subsidiaries or affiliates does business with the government of Cuba or with any person or affiliate located in Cuba;

(yy) no relationship, direct or indirect, exists between or among the Company or any of the Subsidiaries on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company or any of the Subsidiaries on the other hand, which would be required by the Securities Act and the Securities Act Regulations to be described in a prospectus included in a registration statement on Form S-1 under the Securities Act, which is not so described in both the Disclosure Package and the Final Memorandum;

(zz) assuming the performance by FBR of its obligations as set forth herein, it is not necessary in connection with the offer, sale and deliver of the Shares in the manner contemplated by this Agreement to register the Shares under the Securities Act;

(aaa) each of the Company and the Subsidiaries has complied in all material respects with all Legal Requirements governing or applicable to its Government Contracts and Government Bids, each as hereinafter defined, including the material terms and conditions of all such Government Contracts and Government Bids; to the

Company's knowledge, each Government Contract performed or being performed by the Company or any Subsidiary was legally and properly awarded to the Company or such Subsidiary and, if performance is ongoing, each Government Contract is currently valid; neither the Company nor any Subsidiary has, in obtaining or performing any Government Contract, violated any laws, regulations, rules, directives, requirements or procedures of any Governmental Authority or any other applicable Legal Requirement that could reasonably be expected to have a Material Adverse Effect; there exist (i) no outstanding claims (including, but not limited to, termination settlement proposals), contracting officer's final decisions, requests for equitable adjustment or other contractual action(s) for relief against the Company or any Subsidiary, by a Governmental Authority or by any prime contractor, subcontractor or other person, arising under or relating to any Government Contract or Government Bid, and (ii) no disputes between the Company or any Subsidiary and any Governmental Authority or between the Company or any Subsidiary and any prime contractor, subcontractor or other person, arising under or relating to any Government Contract or Government Bid that could reasonably be expected to have a Material Adverse Effect; neither the Company nor any Subsidiary has an interest in any pending or potential claim, request for equitable adjustment, action, litigation or appeal under the Contract Disputes Act of 1978, as amended, and/or under or related to the disputes clause of any contract against any Governmental Authority or involving any prime contractor or subcontractor; for the purposes of this paragraph, (A) "Government Contract" means any prime contract, subcontract, teaming agreement, joint venture, basic ordering agreement, pricing agreement, letter contract, grant, cooperative agreement, or other mutually binding legal agreement between the Company or any Subsidiary and (x) any Governmental Authority, (y) any prime contractor of any Governmental Authority, or (z) any subcontractor of any Governmental Authority; provided that a task order, purchase order or delivery order under a Government Contract shall not constitute a separate Government Contract for purposes of this definition, but shall be part of the Government Contract to which it relates and (B) " Government Bid" shall mean any written quotations, bids or proposals that, if accepted, would bind the Company or any Subsidiary to perform the resultant Government Contract.

5. Certain Covenants of the Company.

The Company hereby agrees with FBR:

(a) to furnish such information as may be required and otherwise to cooperate in qualifying the Shares for offer and sale under the securities or blue sky laws of such states and other jurisdictions as FBR may designate or as required for the Private Placement and to maintain such qualifications in effect as long as required by such laws for the distribution of the Shares and for the Exempt Resales of the Resale Shares; *provided*, *however*, that the Company shall not be required to qualify as a foreign corporation or to consent to the service of process under the laws of, or subject itself to taxation as doing business in, any such state or other jurisdiction (except service of process with respect to the offering and sale of the Shares);

(b) to prepare the Final Memorandum in a form approved by FBR and to furnish promptly (and with respect to the initial delivery of such Final Memorandum, not later than 10:00 a.m. (New York City time) on the first business day following the execution and delivery of this Agreement) to FBR or to purchasers upon the direction of FBR as many copies of the Final Memorandum (and any amendments or supplements thereto) as FBR may reasonably request for the purposes contemplated by this Agreement;

(c) to advise FBR promptly, confirming such advice in writing, of: (i) the happening of any event known to the Company within the time during which the Final Memorandum shall (in the view of FBR) be required to be distributed by FBR in connection with an Exempt Resale (and FBR hereby agrees to notify the Company in writing when the foregoing time period has ended) which, in the judgment of the Company, would require the making of any change in the Final Memorandum then being used so that the Final Memorandum would not include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading; and (ii) the receipt of any notification with respect to the modification, rescission, withdrawal or suspension of the qualification of the Shares, or of any exemption from such qualification or from registration of the Shares, for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes and, if any Governmental Authority should issue any such order, to make every reasonable effort to obtain the lifting or removal of such order as soon as possible;

(d) to furnish to FBR for a period of two years from the Closing Time, (i) copies of all annual, quarterly and current reports supplied to holders of the Shares, (ii) copies of all reports filed by the Company with the Commission, and (iii) such other information as FBR may reasonably request regarding the Company; *provided, however*, that the Company shall not be required to furnish to FBR any information that is made publicly available by filing electronically with the Commission;

(e) not to amend or supplement the Final Memorandum prior to the Closing Time or any Secondary Closing Time unless FBR shall previously have been advised thereof and shall have consented thereto or not have reasonably objected thereto (for legal reasons) in writing within a reasonable time after being furnished a copy thereof;

(f) during any period in the two years (or such shorter period as may then be applicable under the Securities Act regarding the holding period for securities under Rule 144(k) under the Securities Act or any successor rule) after the Closing Time in which the Company is not subject to Section 13 or 15(d) of the Exchange Act to furnish, upon request, to any holder of such Shares the information (" Rule 144A Information") specified in Rule l44A(d)(4) under the Securities Act and any additional information ("PORTAL Information") required by the National Association of Securities Dealers, Inc. Portal SM Market ("PORTAL"), and any such Rule l44A Information and Portal Information will not, at the date thereof, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading;

(g) to apply the net proceeds from the sale of the Shares in the manner set forth under the caption "Use of Proceeds" in both the Disclosure Package and the Final Memorandum;

(h) that neither the Company nor any of its affiliates (as defined in Section 501(b) of Regulation D) will, whether directly or through any agent or person acting on its behalf (other than FBR): (i) offer Common Stock of the Company or any other securities convertible into or exchangeable or exercisable for such Common Stock in a manner in violation of the Securities Act or the rules and regulations thereunder, (ii) distribute any other offering material in connection with the offer and sale of the Shares, other than as described in both the Disclosure Package and the Final Memorandum, or (iii) sell, offer for sale, solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act), any of which will be integrated with the offering and sale of the Shares in a manner that would require the registration under the Securities Act of the sale to FBR or the Eligible Purchasers of the Resale Shares or to the Accredited Investors of the Private Placement Shares;

(i) that none of the Company, its Subsidiaries or any of its affiliates will take, directly or indirectly, any action designed to, or that might be reasonably expected to, cause or result in stabilization or manipulation of the price of the Shares;

(j) that, except as permitted by the Securities Act, neither the Company nor any of its affiliates will distribute any offering materials in connection with Exempt Resales;

(k) to pay all expenses, fees and taxes (other than taxes based on income or sales) in connection with (i) the preparation of both the Disclosure Package and the Final Memorandum, and any amendments or supplements thereto, and the printing and furnishing of copies of each thereof to FBR (including costs of mailing and shipment), (ii) the preparation, issuance, sale and delivery of the Shares, including any stock or other transfer taxes or duties payable upon the sale of the Resale Shares to FBR, (iii) the printing of this Agreement and any dealer agreements, and the reproduction and/or printing and furnishing of copies of each thereof to dealers (including costs of mailing and shipment), (iv) the qualification of the Shares for offering and sale under state laws and the determination of their eligibility for investment under state law as aforesaid (including any filing fees), and the printing and furnishing of copies of any blue sky surveys or legal investment surveys to FBR and to dealers, (v) the designation of the Shares as PORTAL-eligible securities by PORTAL, (vi) all fees and disbursements of counsel and accountants for the Company, (vii) the fees and expenses of any transfer agent or registrar for the Common Stock, (viii) costs of background investigations, (ix) the costs and expenses of FBR and the Company incurred in connection with the marketing of the Shares, including all "out of pocket" expenses, roadshow costs (regardless of the form in which the roadshow is conducted) and expenses, and expenses of Company personnel, including but not limited to commercial or charter air travel, local hotel accommodations and transportation, and (x) performance of the Company's other obligations hereunder, but excluding from all of the above the fees and disbursements of FBR's legal counsel; *provided however*, the Company will pay all fees and disbursements

of FBR's legal counsel related to clause (iv) above and the Registration Expenses as described in the Registration Rights Agreement.

(l) to use reasonable efforts in cooperation with FBR to obtain permission for the Shares (other than Shares offered and sold in accordance with Regulation S) to be eligible for clearance and settlement through DTC, and for the Shares sold in accordance with Regulation S to be eligible for clearance and settlement through the Euroclear System and Clearstream Banking, société anonyme, Luxembourg;

(m) in connection with Resale Shares offered and sold in an offshore transaction (as defined in Regulation S), not to register any transfer of such Resale Shares not made in accordance with the provisions of Regulation S and not, except in accordance with the provisions of Regulation S, if applicable, to issue any such Resale Shares in the form of definitive securities;

(n) to furnish to FBR, during the period referred to in clause (i) of Section 5(c), not fewer than two business days before filing with the Commission, a copy of the most current draft at such time of any document proposed to be filed with the Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act;

(o) to refrain during the period (i) commencing on the date of this Agreement until 180 days after the Closing Date, (ii) from the date the registration statement to be filed pursuant to the Registration Rights Agreement is declared effective until 60 days thereafter, and (iii) from the effective date of any registration statement relating to an initial public offering of the Company's common stock and ending on the date that is 180 days after the effective date of such registration statement, without the prior written consent of FBR (which consent may be withheld or delayed in FBR's sole discretion), from (i) offering, pledging, selling, contracting to sell, selling any option or contract to purchase, purchasing any option or contract to sell, granting any option, right or warrant for the sale of, lending or otherwise disposing of or transferring, directly or indirectly, any equity securities of the Company or any securities convertible into or exercisable or exchangeable for equity securities of the Company, or filing any registration statement under the Securities Act with respect to any of the foregoing, or (ii) entering into any swap or other arrangement that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of equity securities of the Company, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (i) the Shares to be sold hereunder, (ii) the registration and sale of the Shares in accordance with the terms of the Registration Rights Agreement, (iii) any shares of Common Stock issued by the Company upon the exercise of an option outstanding on the date hereof and referred to in both the Disclosure Package and the Final Memorandum, or (iv) such issuances of options or grants of restricted stock under the Company's stock option and incentive plans as described in both the Disclosure Package and the Final Memorandum;

(p) to reimburse FBR for all its reasonable and documented out-of-pocket expenses relating to the transactions contemplated hereby, including the reasonable

fees and disbursements of its legal counsel if the closing does not occur for any of the following reasons: (i) breach by the Company of a representation and warranty or covenant set forth herein; (ii) failure of the condition set forth in Section 6(e) hereof to be fulfilled; (iii) failure by the Company, one of its officers or directors, or its counsel or accountants to make a delivery under Section 6 hereof for a reason other than an event that arises between the date hereof and the Closing Time that is beyond the reasonable control of the Company or the person making such delivery; or (iv) FBR's termination of this Agreement pursuant to Section 7(ii), 7(iii), 7(iv) or 7(v) hereof.

(q) that, from and after the Closing Time, the Company shall have in place and maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(r) that the Company will conduct its affairs in such a manner so as to ensure that the Company will not be an "investment company;" and

(s) that, as soon as reasonably practicable following completion of the transactions contemplated hereunder, to use commercially reasonable efforts to cause the Company's board of directors to approve any changes to the corporate governance policies and procedures that may be required by law prior to filing any registration statement with the Commission.

6. Conditions of FBR's Obligations. The obligations of FBR hereunder are subject to (w) the accuracy of the representations and warranties on the part of the Company on the date hereof, at the Closing Time, each Extended Closing Time and each Secondary Closing Time, (x) the accuracy of the statements of the Company's officers made in any certificate pursuant to the provisions hereof as of the date of such certificate, (y) the performance by the Company of all of their respective covenants and other obligations hereunder and (z) the following other conditions:

(a) The Company shall furnish to FBR at the Closing Time an opinion of Vinson & Elkins L.L.P., counsel for the Company, addressed to FBR and dated the Closing Time, in form and substance satisfactory to FBR, covering the matters set forth on Exhibit B hereto. Such opinion shall indicate that it is being rendered to FBR at the request of the Company.

(b) FBR shall have received from Grant Thornton LLP the following "comfort" letters: (i) a letter with respect to and as of the date of the Preliminary Memorandum; (ii) a letter with respect to and as of the date of any amendment or supplement to the Preliminary Memorandum; (iii) a letter with respect to the Final

Memorandum as of the date hereof; and (iv) a "bring down" letter relating to the matters covered in the letters referred to in (i) and (ii) as of the time of pricing of the Shares; and (v) a "bring down" letter relating to the matters covered in the letters referred to in (iii) as of the Closing Time. Each such letter shall be addressed to FBR and shall be in form and substance satisfactory to FBR.

(c) (i) FBR shall have received at the Closing Time a favorable opinion of Nelson Mullins Riley & Scarborough LLP, counsel for FBR, dated the Closing Time, in form and substance satisfactory to FBR and (ii) the Company shall have received at the Closing Time a favorable opinion of Vinson & Elkins L.L.P., counsel to the Company, dated as of the date of the Closing Time, relating to certain legal matters in connection with the entry into naked total return swaps by certain investors as described in Exhibit C attached hereto.

(d) Prior to the Closing Time, any Extended Closing Time or any Secondary Closing Time, (i) no suspension of the qualification of the Shares for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes, shall have occurred and (ii) both the Disclosure Package and the Final Memorandum and all amendments or supplements thereto, or modifications thereof, if any, shall not contain an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(e) Between the time of execution of this Agreement and the Closing Time, any Extended Closing Time or any Secondary Closing Time, (i) no event, circumstance or change constituting a Material Adverse Effect shall have occurred or become known, (ii) no transaction which is material to the Company and its Subsidiaries, taken as a whole, shall have been entered into by the Company or any of its Subsidiaries that has not been fully and accurately disclosed in both the Disclosure Package and the Final Memorandum, or any amendment or supplement thereto; and (iii) no order or decree preventing the use of any of the Preliminary Memorandum or the Final Memorandum, or any order asserting that any of the transactions contemplated by this Agreement are subject to the registration requirements of the Securities Act shall have been issued.

(f) The Company shall have delivered to FBR a certificate, executed by the secretary of the Company and dated as of the Closing Time, as to (i) the resolutions adopted by the Company's board of directors in form and substance reasonably acceptable to FBR, (ii) the Company's certificate of incorporation, as amended and (iii) the Company's bylaws, as amended, each as in effect at the Closing Time.

(g) The Company shall have delivered to FBR a certificate, executed by its chief executive officer and chief financial officer to the effect that the representations and warranties of the Company set forth in this Agreement shall be true and correct as of the Closing Time as though made on and as of such date (except to the extent that such representations and warranties speak as of another date, in which case such representations and warranties shall be true and correct as of such other date), the conditions set forth in subsections (d) and (e) of this Section 6 shall have been satisfied and be true and correct as

of the Closing Time, and the Company shall have complied with all covenants and agreements and satisfied all conditions on its part to be performed or satisfied under this Agreement at or prior to the Closing Time.

(h) On or before the Closing Time, FBR shall have received the Registration Rights Agreement executed by the Company and such agreement shall be in full force and effect.

(i) At the time of execution and delivery of this Agreement, FBR shall have received from each of the officers and directors and certain existing stockholders of the Company a written agreement (a "Lock-up Agreement") in substantially the form attached hereto as Exhibit D.

(j) The Company shall have obtained and delivered to FBR a copy of (i) all executed consents required under the relevant leases and contracts, (ii) any approvals under the credit facility, and (iii) any approvals under the Hart-Scott-Rodino Act.

(k) At each Extended Closing Time and Secondary Closing Time, FBR shall have received:

(i) certificates, dated as of each Extended Closing Time or Secondary Closing Time, of the Company, substantially to the same effect as the certificates delivered at the Closing Time pursuant to subsections (f) and (g), of this Section 6, subject to any exceptions that, in the reasonable judgment of FBR, are not material.

(ii) the opinion of Vinson & Elkins L.L.P., in form and substance satisfactory to FBR, dated as of each Secondary Closing Time relating to the Regulation D Shares or the Option Shares, as applicable, and otherwise substantially to the same effect as the opinions required by subsection (a) of this Section 6.

(iii) a "bring down" "comfort" letter from Grant Thornton LLP in form and substance satisfactory to FBR, dated as of each Secondary Closing Time, substantially the same in scope and substance as the letter furnished to FBR pursuant to subsection (b)(iv) and subsection (b)(v) of this Section 6, except that the "specified date" in the letter furnished pursuant to this subsection (k)(iii) shall be a date not more than five days prior to such Secondary Closing Time.

In the event that any "comfort" letter referred to in subsection (b) of this Section 6 or this subsection (k)(iii) sets forth any such changes, decreases or increases that, in the reasonable discretion of FBR, are likely to result in a Material Adverse Effect, it shall be a further condition to the obligations of FBR that such letters shall be accompanied by a written explanation of the Company as to the significance thereof, unless FBR deems such explanation unnecessary. References to the Preliminary Memorandum, the Disclosure Package and/or Final Memorandum with respect to any "comfort" letter referred to in this Section 6 shall include any amendment or supplement thereto at the date of such letter.

(iv) the opinion of Nelson Mullins Riley & Scarborough LLP, dated as of each Secondary Closing Time, relating to the Regulation D Shares or the Option Shares, as applicable, and otherwise to the same effect as the opinion required by subsection (c) of this Section 6.

(l) The Company shall have furnished to FBR such other documents and certificates as to the accuracy and completeness of any statement in both the Disclosure Package and the Final Memorandum or any amendment or supplement thereto, and any additional matters as FBR may reasonably request, as of the Closing Time or any Secondary Closing Time, or as FBR may reasonably request.

(m) The Shares to be resold by FBR to QIBs pursuant to Rule 144A under the Securities Act shall have been designated as PORTAL-eligible securities by PORTAL.

(n) Each Subscription Agreement shall remain in full force and effect and no event shall have occurred giving any party the right to terminate any Subscription Agreement pursuant to the terms thereof; *provided that*, in the event a Subscription Agreement is no longer in full force and effect, FBR shall use its commercially reasonable efforts to reallocate the shares covered by such Subscription Agreement to investors who subscribed for additional Shares under Subscription Agreements that are in full force and effect.

(o) The Company shall have received the opinion of Vinson & Elkins L.L.P. dated as of each Secondary Closing Time to the same effect as the opinion required by subsection (c)(ii) of this Section 6.

7. Termination. The obligations of FBR hereunder shall be subject to termination in the absolute discretion of FBR, at any time prior to the Closing Time or any Secondary Closing Time, if (i) any of the conditions specified in Section 6 shall not have been fulfilled when and as required by this Agreement to be fulfilled, (ii) trading in securities in general on any exchange or national quotation system shall have been suspended or minimum prices shall have been established on such exchange or quotation system, (iii) there has been a material disruption in the securities settlement, payment or clearance services in the United States, (iv) a banking moratorium shall have been declared either by the United States or New York State authorities, or (v) if the United States shall have declared war in accordance with its constitutional processes or there shall have occurred any material outbreak or escalation of hostilities or other national or international calamity or crisis or change in economic, political or other conditions of such magnitude in its effect on the financial markets of the United States as, in the judgment of FBR, to make it impracticable to market the Shares.

If FBR elects to terminate this Agreement as provided in this Section 7, the Company shall be notified promptly by letter or fax.

If the sale to FBR of the Resale Shares, as contemplated by this Agreement, is not carried out by FBR for any reason permitted under this Agreement or if such sale is not carried out because the Company shall be unable to comply with any of the terms of this Agreement, (i)

the Company shall not be under any obligation or liability to FBR under this Agreement (except to the extent provided in Sections 5(k), 5(p) and 8 hereof), and (ii) FBR shall be under no obligation or liability to the Company under this Agreement (except to the extent provided in Section 8 hereof).

8. Indemnity.

(a) The Company agrees to indemnify, defend and hold harmless FBR and its affiliates, and their respective directors, officers, representatives and agents, and any person who controls FBR within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, FBR or any such controlling person may incur under the Securities Act, the Exchange Act or otherwise, insofar as such loss, expense, liability or claim arises out of or is based upon (i) any untrue statement or alleged untrue statement made by the Company herein, (ii) any breach by the Company of any covenant set forth herein, or (iii) any untrue statement or alleged untrue statement of a material fact contained in the Disclosure Package or the Final Memorandum, or arises out of or is based upon any omission or alleged omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except insofar as any such loss, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in and in conformity with information furnished in writing by FBR to the Company expressly for use in such Preliminary Memorandum, the Disclosure Package or Final Memorandum (that information being limited to that described in the last sentence of Section 8(b) hereof).

(b) FBR agrees to indemnify, defend and hold harmless the Company and its directors and officers and any person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, expense, liability or claim (including the reasonable cost of investigation) which, jointly or severally, the Company or any such person may incur under the Securities Act, the Exchange Act or otherwise, insofar as such loss, expense, liability or claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact contained in and made in reliance upon and in conformity with information furnished in writing by FBR to the Company expressly for use in the Preliminary Memorandum, the Disclosure Package or Final Memorandum (or in any amendment or supplement thereof by the Company), such information being limited to the following: information provided by FBR to the Company as disclosed in the paragraph on the cover page immediately preceding FBR's name at the bottom of the page and the second, seventh (solely with respect to the fourth sentence) and eighth paragraphs of the section entitled "Plan of Distribution" in the Disclosure Package and the Final Memorandum.

(c) If any action is brought against any person or entity (each an " Indemnified Party"), in respect of which indemnity may be sought pursuant to Section 8(a) or (b) above, the Indemnified Party shall promptly notify the party obligated to provide such indemnity

(each an "Indemnifying Party") in writing of the institution of such action and the Indemnifying Party shall assume the defense of such action, including the employment of counsel and payment of expenses; provided that the failure so to notify the Indemnifying Party will not relieve the Indemnifying Party from any liability which the Indemnifying Party may have to any Indemnified Party unless and to the extent the Indemnifying Party did not otherwise know of such action and such failure results in the forfeiture by the Indemnifying Party of rights and defenses that would have had material value in the defense. The Indemnified Party(ies) shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless the employment of such counsel shall have been authorized in writing by the Indemnifying Party in connection with the defense of such action or the Indemnifying Party shall not have employed counsel to have charge of the defense of such action within a reasonable time or such Indemnified Party(ies) shall have reasonably concluded (based on the advice of counsel) that counsel selected by the Indemnifying Party has an actual conflict of interest or there may be defenses available to the Indemnified Party(ies) which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party(ies)), in any of which events such fees and expenses shall be borne by the Indemnifying Party and paid as incurred (it being understood, however, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of counsel (in addition to local counsel) for the Indemnified Party in any one action or series of related actions in the same jurisdiction representing the Indemnified Parties who are parties to such action). Anything in this paragraph to the contrary notwithstanding, the Indemnifying Party shall not be liable for any settlement of any such claim or action effected without its written consent. The Indemnifying Party shall have the right to settle any such claim or action for itself and any Indemnified Party so long as the Indemnifying Party pays any settlement payment and such settlement (i) includes a complete and unconditional release of the Indemnified Party from all losses, expenses, claims, damages, injunctions, liability and other obligations with respect to any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of the Indemnified Party.

(d) If the indemnification provided for in this Section 8 is unavailable to an Indemnified Party under subsections (a) and (b) of this Section 8 in respect of any losses, expenses, liabilities or claims referred to therein, then each applicable Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, expenses, liabilities or claims (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and FBR, on the other hand, from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company **,** on the one hand, and of FBR, on the other hand, in connection with the statements or omissions which resulted in such losses, expenses, liabilities or claims, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and FBR, on the other hand, shall be deemed to be in the same proportion as the total

proceeds from the offering (net of initial purchaser discounts, commissions and placement fees, but before deducting expenses) received by the Company bear to the discounts and commissions received by FBR. The relative fault of the Company, on the one hand, and of FBR, on the other hand, shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the Company or by FBR and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages and liabilities referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any claim or action.

(e) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 8 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in subsection (d) above. Notwithstanding the provisions of this Section 8, FBR shall not be required to contribute any amount in excess of the sum of (i) the aggregate amount of any Placement Fee actually received by FBR with respect to the Regulation D Shares and the Placed Option Shares and (ii) the aggregate amount of FBR's discount on the 144A/Regulation S Shares and the Purchased Option Shares (as described in the Final Memorandum). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) The indemnity and contribution agreements contained in this Section 8 and the covenants, warranties and representations of the Company contained in this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of FBR or its affiliates, or their respective directors, officers, representatives and agents, or any person who controls FBR within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, or by or on behalf of the Company or their respective directors and officers or any person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and shall survive any termination of this Agreement or the sale and delivery of the Shares. Each party to this Agreement agrees promptly to notify the other party of the commencement of any litigation or proceeding against it and, in the case of the Company, against any of their respective officers and directors, in connection with the sale and delivery of the Shares, or in connection with the both the Disclosure Package and/or Final Memorandum.

9. Notices. Except as otherwise herein provided, all statements, requests, notices and agreements shall be in writing delivered by facsimile (with receipt confirmed), overnight courier or registered or certified mail, return receipt requested, or by telegram and:

(a) if to FBR, shall be sufficient in all respects if delivered or sent to Friedman, Billings, Ramsey & Co., Inc., 1001 Nineteenth Street North, Arlington, Virginia 22209,

Attention: Compliance Department, (facsimile: 703-312-9698); with a copy to Nelson Mullins Riley & Scarborough LLP, 101 Constitution Avenue, N.W. Suite 900, Washington, DC 20001, Attention: Jonathan H. Talcott (facsimile: 202-712-2856); and

(b) if to the Company, shall be sufficient in all respects if delivered to the Company at the offices of the Company at 12550 Fuqua Street, Houston, Texas 77034, Attention: Chief Financial Officer (facsimile: (713) 852-6350); with a copy to Vinson & Elkins L.L.P., First City Tower, 1001 Fannin Street, Suite 2500, Houston, Texas 77002, Attention: James M. Prince (facsimile: (713) 615-5962).

10. Duties. Nothing in this Agreement shall be deemed to create a partnership, joint venture or agency relationship between the parties. FBR undertakes to perform such duties and obligations only as expressly set forth herein. Such duties and obligations of FBR with respect to the Shares shall be determined solely by the express provisions of this Agreement, and FBR shall not be liable except for the performance of such duties and obligations with respect to the Shares as are specifically set forth in this Agreement. The Company acknowledges and agrees that: (i) the purchase and sale of the Shares pursuant to this Agreement, including the determination of the offering price of the Shares and any related discounts and commissions, is an arm's-length commercial transaction between the Company, on the one hand, and FBR, on the other hand, and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement; (ii) in connection with each transaction contemplated hereby and the process leading to such transaction FBR is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary of the Company or its affiliates, stockholders, creditors or employees or any other party; (iii) FBR has not assumed and will not assume an advisory, agency or fiduciary responsibility in favor of the Company with respect to any of the transactions contemplated hereby or the process leading thereto (irrespective of whether FBR has advised or is currently advising the Company on other matters); and (iv) FBR and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and that FBR has no obligation to disclose any of such interests. The Company acknowledges that FBR disclaims any implied duties (including any fiduciary duty), covenants or obligations arising from its performance of the duties and obligations expressly set forth herein. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against FBR with respect to any breach or alleged breach of agency or fiduciary duty.

11. **GOVERNING LAW; HEADINGS. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER STATE.** The section headings in this Agreement have been inserted as a matter of convenience of reference and are not a part of this Agreement.

12. Parties at Interest. The Agreement herein set forth has been and is made solely for the benefit of FBR and the Company and the controlling persons, directors and officers referred to in Section 8 hereof, and their respective successors, assigns, executors and administrators. No other person, partnership, association or corporation (including a purchaser, in its capacity as such, from FBR) shall acquire or have any right under or by virtue of this Agreement.

13. Counterparts. This Agreement may be signed by the parties in counterparts, which together shall constitute one and the same agreement among the parties.

[SIGNATURE PAGE FOLLOWS]

If the foregoing correctly sets forth the understanding among the Company and FBR, please so indicate in the space provided below for the purpose, whereupon this letter shall constitute a binding agreement between the Company and FBR.

Very truly yours,

ORION MARINE GROUP, INC.

By: /s/ J. Michael Pearson
Name: J. Michael Pearson
Title: President & CEO

[SIGNATURE PAGE TO PURCHASE/PLACEMENT AGREEMENT]

Accepted and agreed to as
of the date first above written:

FRIEDMAN, BILLINGS, RAMSEY & CO., INC.

By: /s/ James R. Kleeblatt
Name: James R. Kleeblatt
Title: Senior Managing Director

[SIGNATURE PAGE TO PURCHASE/PLACEMENT AGREEMENT]

SCHEDULE A

Offering Price	$ 13.500000
Offering Size:	17,500,000
Green Shoe Granted:	3,449,196
Total:	20,949,196

EXHIBIT A

FORM OF REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "*Agreement*") is made and entered into as of [■], 2007, by and between Orion Marine Group, Inc., a Delaware corporation (together with any successor entity thereto, the "*Company*"), and Friedman, Billings, Ramsey & Co., Inc., a Delaware corporation ("*FBR*"), for the benefit of FBR, the purchasers of the Company's common stock, $0.01 par value per share, as participants ("*Participants*") in the private placement by the Company of shares of its common stock, and the direct and indirect transferees of FBR, and each of the Participants.

This Agreement is made pursuant to the Purchase/Placement Agreement (the "*Purchase/Placement Agreement*"), dated as of [■], 2007, by and between the Company and FBR in connection with the purchase and sale or placement of an aggregate of 17,500,000 shares of the Company's common stock (plus an additional 3,449,169 shares to cover additional allotments, if any). In order to induce FBR to enter into the Purchase/Placement Agreement, the Company has agreed to provide the registration rights provided for in this Agreement to FBR, the Participants, and their respective direct and indirect transferees. The execution of this Agreement is a condition to the closing of the transactions contemplated by the Purchase/Placement Agreement.

The parties hereby agree as follows:

1. ***Definitions***

As used in this Agreement, the following terms shall have the following meanings:

Accredited Investor Shares: Shares initially sold by the Company to "accredited investors" (within the meaning of Rule 501(a) promulgated under the Securities Act) as Participants.

Affiliate: As to any specified Person, (i) any Person directly or indirectly owning, controlling or holding, with power to vote, ten percent or more of the outstanding voting securities of such other Person, (ii) any Person, ten percent or more of whose outstanding voting securities are directly or indirectly owned, controlled or held, with power to vote, by such other Person, (iii) any Person directly or indirectly controlling, controlled by or under common control with such other Person, (iv) any executive officer, director, trustee or general partner of such Person and (v) any legal entity for which such Person acts as an executive officer, director, trustee or general partner. An indirect relationship shall include circumstances in which a Person's spouse, children, parents, siblings or mother, father, sister- or brother-in-law is or has been associated with a Person.

Agreement: As defined in the preamble.

Board of Directors: As defined in Section 5(a) hereof.

Business Day: With respect to any act to be performed hereunder, each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York, New York or other applicable places where such act is to occur are authorized or obligated by applicable law, regulation or executive order to close.

Closing Date: [■], 2007 or such other time or such other date as FBR and the Company may agree.

Commission: The Securities and Exchange Commission.

Common Stock: The common stock, $0.01 par value per share, of the Company.

Company: As defined in the preamble.

Controlling Person: As defined in Section 6(a) hereof.

End of Suspension Notice: As defined in Section 5(b) hereof.

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission pursuant thereto.

FBR: As defined in the preamble.

Holder: Each record owner of any Registrable Shares from time to time, including FBR and its Affiliates.

Indemnified Party: As defined in Section 6(c) hereof.

Indemnifying Party: As defined in Section 6(c) hereof.

IPO Registration Statement: As defined in Section 2(b) hereof.

Issuer Free Writing Prospectus: As defined in Section 2(c) hereof.

Liabilities: As defined in Section 6(a) hereof.

NASD: The National Association of Securities Dealers, Inc.

No Objections Letter: As defined in Section 4(t) hereof.

Participants: As defined in the preamble.

Person: An individual, partnership, corporation, trust, unincorporated organization, government or agency or political subdivision thereof, or any other legal entity.

Proceeding: An action, claim, suit or proceeding (including without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or, to the knowledge of the Person subject thereto, threatened.

Prospectus: The prospectus included in any Registration Statement, including any preliminary prospectus at the "time of sale" within the meaning of Rule 159 under the Securities Act and all other amendments and supplements to any such prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference, if any, in such prospectus.

Purchase/Placement Agreement: As defined in the preamble.

Purchaser Indemnitee: As defined in Section 6(a) hereof.

Registrable Shares: The Rule 144A Shares, the Accredited Investor Shares and the Regulation S Shares, upon original issuance thereof, and at all times subsequent thereto, including upon the transfer thereof by the original holder or any subsequent holder (*provided*, in each case that the transferee has duly completed, executed and delivered a Transferee Letter in the form specified in the offering memorandum for the initial issuance of such shares) and any shares or other securities issued in respect of such Registrable Shares by reason of or in connection with any stock dividend, stock distribution, stock split, purchase in any rights offering or in connection with any exchange for or replacement of such Registrable Shares or any combination of shares, recapitalization, merger or consolidation, or any other equity securities issued pursuant to any other pro rata distribution with respect to the Common Stock, until, in the case of any such Rule 144A Share, Accredited Investor Share or Regulation S Share, the earliest to occur of (i) the date on which the resale of such share has been registered pursuant to the Securities Act and it has been disposed of in accordance with the Registration Statement relating to it, (ii) the date on which either it has been transferred pursuant to Rule 144 (or any similar provision then in effect) or is saleable pursuant to Rule 144(k) promulgated by the Commission pursuant to the Securities Act or (iii) the date on which it is sold to the Company.

Registration Default: As defined in Section 2(f) hereof.

Registration Expenses: Any and all expenses incident to the Company's performance of or compliance with this Agreement and certain expenses incident to FBR's performance of or compliance with this Agreement, including, and, with respect to the expenses incident to the Company's performance, without limitation: (i) all Commission, securities exchange, NASD registration, listing, inclusion and filing fees; (ii) all fees and expenses incurred in connection with compliance with international, federal or state securities or blue sky laws (including, without limitation, any registration, listing and filing fees and reasonable fees and disbursements of counsel in connection with blue sky qualification of any of the Registrable Shares and the preparation of a blue sky memorandum and compliance with the rules of the NASD); (iii) all expenses in preparing or assisting in preparing, word processing, duplicating, printing, delivering and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements, certificates and any other documents relating to the performance under and compliance with this Agreement; (iv) all fees and expenses incurred in

connection with the listing or inclusion of any of the Registrable Shares on any securities exchange or The Nasdaq Stock Market, Inc. ® pursuant to Section 4(n) of this Agreement; (v) the fees and disbursements of counsel for the Company and of the independent registered public accounting firm of the Company (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to the performance of this Agreement); (vi) reasonable fees and disbursements of Nelson Mullins Riley & Scarborough, LLP, or one such other counsel, reasonably acceptable to the Company, for the Holders, selected by the Holders holding a majority of the Registrable Shares (such counsel, " *Selling Holders' Counsel*"); and (vii) any fees and disbursements customarily paid in issues and sales of securities (including the fees and expenses of any experts retained by the Company in connection with any Registration Statement); *provided, however*, that Registration Expenses shall exclude brokers' or underwriters' discounts and commissions, if any, relating to the sale or disposition of Registrable Shares by a Holder.

Registration Statement: Any registration statement of the Company that covers the resale of Registrable Shares pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto and all material incorporated by reference or deemed to be incorporated by reference, if any, in such registration statement.

Regulation S: Regulation S (Rules 901-905) promulgated by the Commission under the Securities Act, as such rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such regulation.

Regulation S Shares: Shares initially resold by FBR pursuant to the Purchase/Placement Agreement to "non-U.S. persons" (in accordance with Regulation S) in an "offshore transaction" (in accordance with Regulation S).

Rule 144: Rule 144 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 144A: Rule 144A promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 144A Shares: Shares initially resold by FBR pursuant to the Purchase/Placement Agreement to "qualified institutional buyers" (as such term is defined in Rule 144A).

Rule 158: Rule 158 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 159: Rule 159 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 405: Rule 405 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 415: Rule 415 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 424: Rule 424 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 429: Rule 429 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 433: Rule 433 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Securities Act: The Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder.

Shares: The shares of Common Stock being offered and sold pursuant to the terms and conditions of the Purchase/Placement Agreement.

Shelf Registration Statement: As defined in Section 2(a) hereof.

Suspension Event: As defined in Section 5(b) hereof.

Suspension Notice: As defined in Section 5(b) hereof.

Underwritten Offering: A sale of securities of the Company to an underwriter or underwriters for re-offering to the public.

2. *Registration Rights*

(a) *Mandatory Shelf Registration.* As set forth in Section 4 hereof, the Company agrees to file with the Commission as soon as reasonably practicable following the date of this Agreement (but in no event later than the date that is 120 days after the date of this Agreement) a shelf Registration Statement on Form S-1 or such other form under the Securities Act then available to the Company providing for the resale of any Registrable Shares pursuant to Rule 415 from time to time by the Holders (a "*Shelf Registration Statement*"). The Company shall use its commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective

by the Commission as soon as reasonably practicable. Any Shelf Registration Statement shall provide for the resale from time to time, and pursuant to any method or combination of methods legally available (including, without limitation, an Underwritten Offering, a direct sale to purchasers or a sale through brokers or agents, which may include sales over the internet) by the Holders of any and all Registrable Shares.

(b) *IPO Registration.* If the Company proposes to file a registration statement on Form S-1 or such other form under the Securities Act providing for the initial public offering of shares of Common Stock (the "*IPO Registration Statement*"), the Company will notify in writing each Holder of the filing, within the ten (10) Business Days after the filing thereof, and afford each Holder an opportunity by the time designated in the notice to include in the IPO Registration Statement all or any part of the Registrable Shares then held by such Holder. Each Holder desiring to include in the IPO Registration Statement all or part of the Registrable Shares held by such Holder shall, within twenty (20) days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Shares such Holder wishes to include in the IPO Registration Statement. Any election by any Holder to include any Registrable Shares in the IPO Registration Statement will not affect the inclusion of such Registrable Shares in the Shelf Registration Statement until such Registrable Shares have been sold under the IPO Registration Statement.

(i) *Right to Terminate IPO Registration*. The Company shall have the right to terminate or withdraw the IPO Registration Statement initiated by it referred to in this Section 2(b) prior to the effectiveness of such registration whether or not any Holder has elected to include Registrable Shares in such registration.

(ii) *Selection of Underwriter*. The Company shall have the sole right to select the managing underwriter(s) for its initial public offering, regardless of whether any Registrable Securities are included in the IPO Registration Statement or otherwise.

(iii) *Shelf Registration not Impacted by IPO Registration Statement.* The Company's obligation to file the Shelf Registration Statement pursuant to Section 2(a) hereof shall not be affected by the filing or effectiveness of the IPO Registration Statement.

(c) *Issuer Free Writing Prospectus*. The Company represents and agrees that, unless it obtains the prior consent of Holders of a majority of the Registrable Shares that are registered under a Registration Statement at such time or the consent of the managing underwriter in connection with any Underwritten Offering of Registrable Shares, and each Holder represents and agrees that, unless it obtains the prior consent of the Company and any such underwriter, it will not make any offer relating to the Shares that would constitute an "issuer free writing prospectus," as defined in Rule 433 (an " *Issuer Free Writing Prospectus*"), or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission. The Company represents that any Issuer Free Writing Prospectus prepared by it will not include any information that conflicts with the information contained in any Registration Statement or the related Prospectus and, any Issuer Free Writing Prospectus, when taken together with the information in such Registration Statement and the related Prospectus, will not include any untrue

statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) *Underwriting*. The Company shall advise all Holders of the underwriter for the Underwritten Offering proposed under the IPO Registration Statement. The right of any such Holder's Registrable Shares to be included in the IPO Registration Statement pursuant to Section 2(b) shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Shares in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Shares through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter(s) selected for such underwriting and complete and execute any questionnaires, powers of attorney, indemnities, custody agreements, securities escrow agreements and other documents reasonably required under the terms of such underwriting, and furnish to the Company such information as the Company may reasonably request in writing for inclusion in the Registration Statement; *provided*, *however*, that no Holder shall be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder and such Holder's intended method of distribution and any other representation required by law or reasonably requested by the underwriters. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation on the number of shares to be included, then the managing underwriter(s) may exclude shares (including Registrable Shares) from the IPO Registration Statement and Underwritten Offering, and any shares included in such IPO Registration Statement and Underwritten Offering shall be allocated *first*, to the Company, and *second*, to each of the Holders requesting inclusion of their Registrable Shares in such IPO Registration Statement (on a *pro rata* basis based on the total number of Registrable Shares then held by each such Holder who is requesting inclusion); *provided*, *however*, that the number of Registrable Shares to be included in the IPO Registration Statement shall not be reduced unless all other securities of the Company held by (i) officers, directors, other employees of the Company and consultants; and (ii) other holders of the Company's capital stock with registration rights that are inferior (with respect to such reduction) to the registration rights of the Holders set forth herein, are first entirely excluded from the underwriting and registration; *provided*, *further*, *however*, that Holders of Registrable Shares shall be permitted to include Registrable Shares comprising at least 25% of the total securities included in the Underwritten Offering proposed under the IPO Registration Statement.

By electing to include the Registrable Shares in the IPO Registration Statement, the Holder of such Registrable Shares shall be deemed to have agreed not to effect any public sale or distribution of securities of the Company of the same or similar class or classes of the securities included in the IPO Registration Statement or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to Rule 144 or Rule 144A under the Securities Act, during such periods as reasonably requested (but in no event for a period longer than thirty (30) days prior to and one hundred eighty (180) days following the effective date of the IPO Registration Statement) by the representatives of the underwriters, if an Underwritten Offering, or by the Company in any other registration.

If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the managing underwriter(s),

delivered at least ten (10) Business Days prior to the effective date of the IPO Registration Statement. Any Registrable Shares excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(e) *Expenses*. The Company shall pay all Registration Expenses in connection with the registration of the Registrable Shares pursuant to this Agreement. Each Holder participating in a registration pursuant to this Section 2 shall bear such Holder's proportionate share (based on the total number of Registrable Shares sold in such registration) of all discounts and commissions payable to underwriters or brokers in connection with a registration of Registrable Shares pursuant to this Agreement.

(f) *Executive Bonuses*. If the Company does not file a Registration Statement registering the resale of the Accredited Investor Shares, the Rule 144A Shares, and the Regulation S Shares within 120 days after the Closing Date, other than as a result of the Commission being unable to accept such filings (a "*Registration Default*"), then, for each day the Registration Default continues, each of J. Michael Pearson, President, Chief Executive Officer and Chief Operating Officer and Mark R. Stauffer, Chief Financial Officer and Secretary, shall forfeit 1.0% of any bonus that would otherwise become payable to him in the 2007 fiscal year after the date of this Agreement (or to which he became entitled as a result of performance during the 2007 fiscal year) but excluding any amounts payable under the Transaction Bonus Agreements dated April 2, 2007, whether under an employment agreement with the Company, a bonus plan or any other bonus arrangement, including any bonus compensation for which payment would otherwise be deferred until after 2007. No bonuses, compensation, awards, equity compensation or other amounts shall be payable or granted in lieu of or to make such President, Chief Executive Officer and Chief Operating Officer or Chief Financial Officer and Secretary whole for any such forfeited bonuses.

3. Rules 144 and 144A Reporting

With a view to making available the benefits of certain rules and regulations of the Commission that may at any time permit the sale of the Registrable Shares to the public without registration, the Company agrees to:

(a) use commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date of the first registration statement under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) use commercially reasonable efforts to file with the Commission in a timely manner all reports and other documents required to be filed by the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements);

(c) so long as a Holder owns any Registrable Shares, if the Company is not required to file reports and other documents under the Securities Act and the Exchange Act, it will make available other information as required by, and so long as necessary to permit sales of Registrable

Shares pursuant to, Rule 144A and, commencing at such time as sales are permitted under Rule 144, Rule 144, and in any event shall make available (either by mailing a copy thereof, by posting on the Company's website, or by press release) to each Holder a copy of:

(i) the Company's annual consolidated financial statements (including at least balance sheets, statements of profit and loss, statements of stockholders' equity and statements of cash flows) prepared in accordance with generally accepted accounting principles in the U.S., accompanied by an audit report of the Company's independent accountants, no later than ninety (90) days after the end of each fiscal year of the Company; and

(ii) the Company's unaudited quarterly financial statements (including at least balance sheets, statements of profit and loss, statements of stockholders' equity and statements of cash flows) prepared in a manner substantially consistent with the preparation of the Company's annual financial statements, no later than forty-five (45) days after the end of each fiscal quarter of the Company;

The Company shall hold, a reasonable time after the availability of such financial statements and upon reasonable notice to the Holders and FBR (either by mail, by posting on the Company's website, or by press release), a quarterly investor conference call to discuss such financial statements, which call will also include an opportunity for the Holders to ask questions of management with regard to such financial statements, and will also cooperate with, and make management reasonably available to, FBR personnel in connection with making Company information available to investors; and

(d) at any time after it has become subject to the reporting requirements of the Exchange Act, so long as a Holder owns any Registrable Shares, to furnish to the Holder promptly upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act, (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company, and take such further actions, as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such Registrable Shares without registration.

4. ***Registration Procedures***

In connection with the obligations of the Company with respect to any registration pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect or cause to be effected the registration of the Registrable Shares under the Securities Act to permit the sale of such Registrable Shares by the Holder or Holders in accordance with the Holder's or Holders' intended method or methods of distribution, and the Company shall:

(a) notify FBR and Selling Holders' Counsel, in writing, at least ten (10) Business Days prior to filing a Registration Statement, of its intention to file a Registration Statement with

the Commission and, at least five (5) Business Days prior to filing, provide a copy of the Registration Statement to FBR, its counsel and Selling Holders' Counsel for review and comment; prepare and file with the Commission, as specified in this Agreement, a Registration Statement(s), which Registration Statement(s) shall (x) comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the Commission to be filed therewith and (y) be reasonably acceptable to FBR, its counsel and Selling Holders' Counsel; notify FBR and Selling Holders' Counsel in writing, at least five (5) Business Days prior to filing of any amendment or supplement to such Registration Statement and, at least three (3) Business Days prior to filing, provide a copy of such amendment or supplement to FBR, its counsel and Selling Holders' Counsel for review and comment; promptly following receipt from the Commission, provide to FBR, its counsel and Selling Holders' Counsel copies of any comments made by the staff of the Commission relating to such Registration Statement and of the Company's responses thereto for review and comment; and use its commercially reasonable efforts to cause such Registration Statement to become effective as soon as practicable after filing and to remain effective, subject to Section 5 hereof, until the earlier of (i) such time as all Registrable Shares covered thereby have been sold in accordance with the intended distribution of such Registrable Shares, (ii) there are no Registrable Shares outstanding or (iii) the second anniversary of the initial effective date of such Registration Statement (subject to extension as provided in Section 5(c) hereof); *provided, however,* that the Company shall not be required to cause the IPO Registration Statement to remain effective for any period longer than ninety (90) days following the effective date of the IPO Registration Statement (subject to extension as provided in Section 5(c) hereof); *provided*, *further*, that if the Company has an effective Shelf Registration Statement on Form S-1 under the Securities Act and becomes eligible to use Form S-3 or such other short-form registration statement form under the Securities Act, the Company may, upon twenty (20) Business Days prior written notice to all Holders, register any Registrable Shares registered but not yet distributed under the effective Shelf Registration Statement on such a short-form Shelf Registration Statement and, once the short-form Shelf Registration Statement is declared effective, de-register such shares under the previous Registration Statement or transfer the filing fees from the previous Registration Statement (such transfer pursuant to Rule 429, if applicable) unless any Holder registered under the initial Shelf Registration Statement notifies the Company within fifteen (15) Business Days of receipt of the Company notice that such a registration under a new Registration Statement and de-registration of the initial Shelf Registration Statement would interfere with its distribution of Registrable Shares already in progress;

(b) subject to Section 4(i) hereof, (i) prepare and file with the Commission such amendments and post-effective amendments to each such Registration Statement as may be necessary to keep such Registration Statement effective for the period described in Section 4(a) hereof; (ii) cause each Prospectus contained therein to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 or any similar rule that may be adopted under the Securities Act; and (iii) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the selling Holders thereof;

(c) furnish to the Holders, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other

documents as such Holder may reasonably request, in order to facilitate the public sale or other disposition of the Registrable Shares; the Company consents to the use of such Prospectus, including each preliminary Prospectus, by the Holders, if any, in connection with the offering and sale of the Registrable Shares covered by any such Prospectus;

(d) use its commercially reasonable efforts to register or qualify, or obtain exemption from registration or qualification for, all Registrable Shares by the time the applicable Registration Statement is declared effective by the Commission under all applicable state securities or "blue sky" laws of such jurisdictions as FBR or any Holder of Registrable Shares covered by a Registration Statement shall reasonably request in writing, keep each such registration or qualification or exemption effective during the period such Registration Statement is required to be kept effective pursuant to Section 4(a) and do any and all other acts and things that may be reasonably necessary to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Shares owned by such Holder; *provided, however,* that the Company shall not be required to (i) qualify generally to do business in any jurisdiction or to register as a broker or dealer in such jurisdiction where it would not otherwise be required to qualify but for this Section 4(d) and except as may be required by the Securities Act, (ii) subject itself to taxation in any such jurisdiction, or (iii) submit to the general service of process in any such jurisdiction;

(e) use its commercially reasonable efforts to cause all Registrable Shares covered by such Registration Statement to be registered and approved by such other governmental agencies or authorities as may be necessary to enable the Holders thereof to consummate the disposition of such Registrable Shares;

(f) (i) notify FBR and each Holder promptly and, if requested by FBR or any Holder, confirm such advice in writing (1) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (2) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (3) of any request by the Commission or any other federal, state or foreign governmental authority for (A) amendments or supplements to a Registration Statement or related Prospectus or (B) additional information and (4) of the happening of any event during the period a Registration Statement is effective as a result of which such Registration Statement or the related Prospectus or any document incorporated by reference therein contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (which information shall be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) and (ii) at the request of any such Holder, promptly to furnish to such Holder a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the purchaser of such securities, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading;

(g) except as provided in Section 5, make every reasonable effort to avoid the issuance of, or if issued, to obtain the withdrawal of, any order enjoining or suspending the use or effectiveness of a Registration Statement or suspending of the qualification (or exemption from

qualification) of any of the Registrable Shares for sale in any jurisdiction, as promptly as practicable;

(h) upon written request, furnish to each requesting Holder of Registrable Shares, without charge, at least one conformed copy of each Registration Statement and any post-effective amendment or supplement thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

(i) except as provided in Section 5, upon the occurrence of any event contemplated by Section 4(f)(i)(4) hereof, use its commercially reasonable efforts to promptly prepare a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Shares, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) if requested by the representative of the underwriters, if any, or any Holders of Registrable Shares being sold in connection with such offering, (i) promptly incorporate in a Prospectus supplement or post-effective amendment such information as the representative of the underwriters, if any, or such Holders indicate relates to them or that they reasonably request be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment; *provided, however,* that the Company shall not be required to prepare or file a Prospectus supplement or post effective amendment to name additional selling stockholders therein more than once in any thirty (30) day period;

(k) in the case of an Underwritten Offering, use its commercially reasonable efforts to furnish to the underwriters a signed counterpart, addressed to the underwriters, of: (i) an opinion of counsel for the Company, dated the date of each closing under the underwriting agreement, reasonably satisfactory to the underwriters; and (ii) a "comfort" letter, dated the effective date of such Registration Statement and the date of each closing under the underwriting agreement, signed by the independent public accountants who have certified the Company's financial statements included in such Registration Statement, covering substantially the same matters with respect to such Registration Statement (and the Prospectus included therein) and with respect to events subsequent to the date of such financial statements, as are customarily covered in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other financial matters as the underwriters may reasonably request;

(l) enter into customary agreements (including in the case of an Underwritten Offering, an underwriting agreement in customary form) and take all other action in connection therewith in order to expedite or facilitate the distribution of the Registrable Shares included in such Registration Statement and, in the case of an Underwritten Offering, make representations and warranties to the underwriters in such form and scope as are customarily made by issuers to

underwriters in underwritten offerings and confirm the same to the extent customary if and when requested;

(m) make available for inspection by representatives of the Holders and the representative of any underwriters participating in any disposition pursuant to a Registration Statement and any special counsel or accountants retained by such Holders or underwriters, all financial and other records, pertinent corporate documents and properties of the Company and cause the respective officers, directors and employees of the Company to supply all information reasonably requested by any such representatives, the representative of the underwriters, counsel thereto or accountants in connection with a Registration Statement; *provided, however,* that such records, documents or information that the Company determines, in good faith, to be confidential and notifies such representatives, representative of the underwriters, counsel thereto or accountants are confidential shall not be disclosed by the representatives, representative of the underwriters, counsel thereto or accountants unless (i) the disclosure of such records, documents or information is necessary to avoid or correct a misstatement or omission in a Registration Statement or Prospectus, (ii) the release of such records, documents or information is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, or (iii) such records, documents or information have been generally made available to the public;

(n) use its commercially reasonable efforts (including, without limitation, seeking to cure any deficiencies cited by the exchange or market in the Company's listing or inclusion application) to list or include all Registrable Shares on the New York Stock Exchange or the Nasdaq Global Market;

(o) prepare and file in a timely manner all documents and reports required by the Exchange Act and, to the extent the Company's obligation to file such reports pursuant to Section 15(d) of the Exchange Act expires prior to the expiration of the effectiveness period of the Registration Statement as required by Section 4(a) hereof, the Company shall register the Registrable Shares under the Exchange Act and shall maintain such registration through the effectiveness period required by Section 4(a) hereof;

(p) provide a CUSIP number for all Registrable Shares, not later than the effective date of the Registration Statement;

(q) (i) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, (ii) make generally available to its stockholders, as soon as reasonably practicable, earnings statements covering at least 12 months that satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 (or any similar rule promulgated under the Securities Act) thereunder, but in no event later than ninety (90) days after the end of each fiscal year of the Company and (iii) not file any Registration Statement or Prospectus or amendment or supplement to such Registration Statement or Prospectus to which any Holder of Registrable Shares covered by any Registration Statement shall have reasonably objected on the grounds that such Registration Statement or Prospectus or amendment or supplement does not comply in all material respects with the requirements of the Securities Act, such Holder having been furnished with a copy thereof at least two (2) Business Days prior to the filing thereof;

(r) provide and cause to be maintained a registrar and transfer agent for all Registrable Shares covered by any Registration Statement from and after a date not later than the effective date of such Registration Statement;

(s) in connection with any sale or transfer of the Registrable Shares (whether or not pursuant to a Registration Statement) that will result in the securities being delivered no longer being Registrable Shares, cooperate with the Holders and the representative of the underwriters, if any, to facilitate the timely preparation and delivery of certificates representing the Registrable Shares to be sold, which certificates shall not bear any restrictive transfer legends and to enable such Registrable Shares to be in such denominations and registered in such names as the representative of the underwriters, if any, or the Holders may request at least two (2) Business Days prior to any sale of the Registrable Shares;

(t) in connection with the initial filing of a Shelf Registration Statement and each amendment thereto with the Commission pursuant to Section 2(a) hereof, cooperate with FBR in connection with the filing with the NASD of all forms and information required or requested by the NASD in order to obtain written confirmation from the NASD that the NASD does not object to the fairness and reasonableness of the underwriting terms and arrangements (or any deemed underwriting terms and arrangements) (each such written confirmation, a " *No Objections Letter*") relating to the resale of Registrable Shares pursuant to the Shelf Registration Statement, including, without limitation, information provided to the NASD through its COBRADesk system, and pay all reasonable costs, fees and expenses incident to the NASD's review of the Shelf Registration Statement and the related underwriting terms and arrangements, including, without limitation, all filing fees associated with any filings or submissions to the NASD and the legal expenses, filing fees and other disbursements of FBR and any other NASD member that is the holder of, or is affiliated or associated with an owner of, Registrable Shares included in the Shelf Registration Statement (including in connection with any initial or subsequent member filing);

(u) in connection with the initial filing of a Shelf Registration Statement and each amendment thereto with the Commission pursuant to Section 2(a) hereof, provide to FBR and its representatives, the opportunity to conduct due diligence, including, without limitation, an inquiry of the Company's financial and other records, and make available members of its management for questions regarding information which FBR may request in order to fulfill any due diligence obligation on its part; and

(v) upon effectiveness of the first Registration Statement filed under this Agreement, take such actions and make such filings as are necessary to effect the registration of the Common Stock under the Exchange Act simultaneously with or immediately following the effectiveness of the Registration Statement.

The Company may require the Holders to furnish to the Company such information regarding the proposed distribution by such Holder of such Registrable Shares as the Company may from time to time reasonably request in writing or as shall be required to effect the registration of the Registrable Shares, and no Holder shall be entitled to be named as a selling stockholder in any Registration Statement and no Holder shall be entitled to use the Prospectus forming a part thereof if such Holder does not provide such information to the Company. Each Holder further

agrees to furnish promptly to the Company in writing all information required from time to time to make the information previously furnished by such Holder not misleading.

Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(f)(i)(3)(A) or 4(f)(i)(4) hereof, such Holder will immediately discontinue disposition of Registrable Shares pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus. If so directed by the Company, such Holder will deliver to the Company (at the expense of the Company) all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Shares current at the time of receipt of such notice.

5. ***Black-Out Period***

(a) Subject to the provisions of this Section 5 and a good faith determination by a majority of the independent members of the board of directors of the Company (the "*Board of Directors*") that it is in the best interests of the Company to suspend the use of the Registration Statement, following the effectiveness of a Registration Statement (and the filings with any international, federal or state securities commissions), the Company, by written notice to FBR and the Holders, may direct the Holders to suspend sales of the Registrable Shares pursuant to a Registration Statement for such times as the Company reasonably may determine is necessary and advisable (but in no event for more than an aggregate of ninety (90) days in any rolling twelve (12) month period commencing on the Closing Date or more than sixty (60) days in any rolling ninety (90) day period, except as a result of a review of any post effective amendment by the Commission prior to declaring any post effective amendment to the Registration Statement effective; *provided* the Company has used all commercially reasonable efforts to cause such post effective amendment to be declared effective), if any of the following events shall occur: (i) the representative of the underwriters of an Underwritten Offering of primary shares by the Company has advised the Company that the sale of Registrable Shares pursuant to the Registration Statement would have a material adverse effect on the Company's primary offering; (ii) the majority of the independent members of the Board of Directors of the Company shall have determined in good faith that (A) the offer or sale of any Registrable Shares would materially impede, delay or interfere with any proposed financing, offer or sale of securities, acquisition, merger, tender offer, business combination, corporate reorganization or other significant transaction involving the Company, (B) after the advice of counsel, the sale of Registrable Shares pursuant to the Registration Statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law, and (C) (x) the Company has a bona fide business purpose for preserving the confidentiality of such transaction or information, (y) disclosure would have a material adverse effect on the Company or the Company's ability to consummate such transaction, or (z) renders the Company unable to comply with Commission requirements, in each case under circumstances that would make it impractical or inadvisable to cause the Registration Statement (or such filings) to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis, as applicable; or (iii) the majority of the independent members of the Board of Directors of the Company shall have determined in good faith, after the advice of counsel, that it is required by law, rule or regulation or that it is in the best interests of the

Company to supplement the Registration Statement or file a post-effective amendment to the Registration Statement in order to incorporate information into the Registration Statement for the purpose of (1) including in the Registration Statement any prospectus required under Section 10(a)(3) of the Securities Act; (2) reflecting in the prospectus included in the Registration Statement any facts or events arising after the effective date of the Registration Statement (or of the most recent post-effective amendment) that, individually or in the aggregate, represents a fundamental change in the information set forth therein; or (3) including in the prospectus included in the Registration Statement any material information with respect to the plan of distribution not disclosed in the Registration Statement or any material change to such information. Upon the occurrence of any such suspension, the Company shall use commercially reasonable efforts to cause the Registration Statement to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis or to take such action as is necessary to make resumed use of the Registration Statement compatible with the Company's best interests, as applicable, so as to permit the Holders to resume sales of the Registrable Shares as soon as possible.

(b) In the case of an event that causes the Company to suspend the use of a Registration Statement (a " *Suspension Event*"), the Company shall give written notice (a "*Suspension Notice*") to FBR and the Holders to suspend sales of the Registrable Shares and such notice shall state generally the basis for the notice and that such suspension shall continue only for so long as the Suspension Event or its effect is continuing and the Company is using commercially reasonable efforts and taking all reasonable steps to terminate suspension of the use of the Registration Statement as promptly as possible. The Holders shall not effect any sales of the Registrable Shares pursuant to such Registration Statement (or such filings) at any time after it has received a Suspension Notice from the Company and prior to receipt of an End of Suspension Notice (as defined below). If so directed by the Company, each Holder will deliver to the Company (at the expense of the Company) all copies other than permanent file copies then in such Holder's possession of the Prospectus covering the Registrable Shares at the time of receipt of the Suspension Notice. The Holders may recommence effecting sales of the Registrable Shares pursuant to the Registration Statement (or such filings) following further notice to such effect (an " *End of Suspension Notice*") from the Company, which End of Suspension Notice shall be given by the Company to the Holders and FBR in the manner described above promptly following the conclusion of any Suspension Event and its effect.

(c) Notwithstanding any provision herein to the contrary, if the Company shall give a Suspension Notice pursuant to this Section 5, the Company agrees that it shall extend the period of time during which the applicable Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from the date of receipt by the Holders of the Suspension Notice to and including the date of receipt by the Holders of the End of Suspension Notice and copies of the supplemented or amended Prospectus necessary to resume sales.

6. ***Indemnification and Contribution***

(a) The Company agrees to indemnify and hold harmless (i) each Holder of Registrable Shares and any underwriter (as determined in the Securities Act) for such Holder (including, if

applicable, FBR), (ii) each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) any such Person described in clause (i) (any of the Persons referred to in this clause (ii) being hereinafter referred to as a " *Controlling Person*"), and (iii) the respective officers, directors, partners, employees, representatives and agents of any such Person or any Controlling Person (any Person referred to in clause (i), (ii) or (iii) above may hereinafter be referred to as a "*Purchaser Indemnitee*"), to the fullest extent lawful, from and against any and all losses, claims, damages, judgments, actions, out-of-pocket expenses, and other liabilities (the "*Liabilities*"), including without limitation and as incurred, reimbursement of all reasonable costs of investigating, preparing, pursuing or defending any claim or action, or any investigation or proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to any Purchaser Indemnitee, joint or several, directly or indirectly related to, based upon, arising out of or in connection with any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto), any Prospectus (or any amendment or supplement thereto) or any Issuer Free Writing Prospectus prepared by the Company (or any amendment or supplement thereto), or any preliminary Prospectus or any other document used to sell the Shares, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Liabilities arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to any Purchaser Indemnitee furnished to the Company or any underwriter in writing by such Purchaser Indemnitee expressly for use therein. The Company shall notify the Holders promptly of the institution, threat or assertion of any claim, proceeding (including any governmental investigation), or litigation of which it shall have become aware in connection with the matters addressed by this Agreement which involves the Company or a Purchaser Indemnitee. The indemnity provided for herein shall remain in full force and effect regardless of any investigation made by or on behalf of any Purchaser Indemnitee.

(b) In connection with any Registration Statement in which a Holder of Registrable Shares is participating, such Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, each Person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act and the respective partners, directors, officers, members, representatives, employees and agents of such Person or Controlling Person to the same extent as the foregoing indemnity from the Company to each Purchaser Indemnitee, but only with reference to untrue statements or omissions or alleged untrue statements or omissions made in reliance upon and in strict conformity with information relating to such Holder furnished to the Company in writing by such Holder expressly for use in such Registration Statement (or any amendment thereto), Prospectus (or any amendment or supplement thereto), Issuer Free Writing Prospectus (or any amendment or supplement thereto) or any preliminary Prospectus. Absent gross negligence or willful misconduct, the liability of any Holder pursuant to this paragraph shall in no event exceed the net proceeds received by such Holder from sales of Registrable Shares pursuant to such Registration Statement (or any amendment thereto), Prospectus (or any amendment or supplement thereto), Issuer Free Writing Prospectus (or any amendment or supplement thereto) or any preliminary Prospectus.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnity may be sought pursuant to paragraph (a) or (b) above, such Person (the " *Indemnified Party*") shall promptly notify the Person against whom such indemnity may be sought (the " *Indemnifying Party*") in writing of the commencement thereof (but the failure to so notify an Indemnifying Party shall not relieve it from any liability which it may have under this Section 6, except to the extent the Indemnifying Party is materially prejudiced by the failure to give notice), and the Indemnifying Party, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnifying Party may reasonably designate in such proceeding and shall pay the reasonable fees and expenses actually incurred by such counsel related to such proceeding. Notwithstanding the foregoing, in any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed in writing to the contrary, (ii) the Indemnifying Party failed within a reasonable time after notice of commencement of the action to assume the defense and employ counsel reasonably satisfactory to the Indemnified Party, (iii) the Indemnifying Party and its counsel do not actively and vigorously pursue the defense of such action or (iv) the named parties to any such action (including any impleaded parties) include both such Indemnified Party and Indemnifying Party, or any Affiliate of the Indemnifying Party, and such Indemnified Party shall have been reasonably advised by counsel that, either (x) there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party or such Affiliate of the Indemnifying Party or (y) a conflict may exist between such Indemnified Party and the Indemnifying Party or such Affiliate of the Indemnifying Party (in which case the Indemnifying Party shall not have the right to assume nor direct the defense of such action on behalf of such Indemnified Party; it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all such Indemnified Parties, which firm shall be designated in writing by those Indemnified Parties who sold a majority of the Registrable Shares sold by all such Indemnified Parties and any such separate firm for the Company, the directors, the officers and such control Persons of the Company as shall be designated in writing by the Company). The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent or if there is a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify any Indemnified Party from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in paragraphs (a) and (b) of this Section 6 is for any reason held to be unavailable to an Indemnified Party in respect of any Liabilities referred to therein (other than by reason of the exceptions provided therein) or is insufficient to hold harmless

a party indemnified thereunder, then each Indemnifying Party under such paragraphs, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities (i) in such proportion as is appropriate to reflect the relative benefits of the Indemnified Party on the one hand and the Indemnifying Party(ies) on the other in connection with the statements or omissions that resulted in such Liabilities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Indemnifying Party(ies) and the Indemnified Party, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and any Purchaser Indemnitees on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by such Purchaser Indemnitees and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The parties agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by *pro rata* allocation (even if such Indemnified Parties were treated as one entity for such purpose), or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph 6(d) above. The amount paid or payable by an Indemnified Party as a result of any Liabilities referred to paragraph 6(d) shall be deemed to include, subject to the limitations set forth above, any reasonable legal or other expenses actually incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6, in no event shall a Purchaser Indemnitee be required to contribute any amount in excess of the amount by which the net proceeds received by such Purchaser Indemnitee from sales of Registrable Shares exceeds the amount of any damages that such Purchaser Indemnitee has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. For purposes of this Section 6, each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) FBR or a Holder of Registrable Shares shall have the same rights to contribution as FBR or such Holder, as the case may be, and each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act) the Company, and each officer, director, partner, employee, representative, agent or manager of the Company shall have the same rights to contribution as the Company. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties, notify each party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 6 or otherwise, except to the extent that any party is materially prejudiced by the failure to give notice. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(f) The indemnity and contribution agreements contained in this Section 6 will be in addition to any liability which the Indemnifying Parties may otherwise have to the Indemnified Parties referred to above. The Purchaser Indemnitee's obligations to contribute pursuant to this

Section 6 are several in proportion to the respective number of Shares sold by each of the Purchaser Indemnitees hereunder and not joint.

7. ***Market Stand-off Agreement***

Each Holder hereby agrees that it shall not, to the extent requested by the Company or an underwriter of securities of the Company, directly or indirectly sell, offer to sell (including without limitation any short sale), grant any option or otherwise transfer or dispose of any Registrable Shares or other shares of Common Stock of the Company or any securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company then owned by such Holder (other than to donees or partners of the Holder who agree to be similarly bound) for a period of sixty (60) days following the effective date of an IPO Registration Statement of the Company filed under the Securities Act; *provided*, *however*, that:

(a) the restrictions above shall not apply to Registrable Shares sold pursuant to the IPO Registration Statement;

(b) all executive officers and directors of the Company then holding shares of Common Stock of the Company or securities convertible into or exchangeable or exercisable for shares of Common Stock of the Company enter into agreements that are no less restrictive;

(c) the Holders shall be allowed any concession or proportionate release allowed to any officer or director that entered into agreements that are no less restrictive (with such proportion being determined by dividing the number of shares being released with respect to such officer or director by the total number of issued and outstanding shares held by such officer or director); *provided*, that nothing in this Section 7(c) shall be construed as a right to proportionate release for the executive officers and directors of the Company upon the expiration of the sixty (60) day period applicable to all Holders other than the executive officers and directors of the Company; and

(d) this Section 7 shall not be applicable if a Shelf Registration Statement of the Company filed under the Securities Act has been declared effective prior to the filing of an IPO Registration Statement.

In order to enforce the foregoing covenant, the Company shall have the right to place restrictive legends on the certificates representing the securities subject to this Section 7 and to impose stop transfer instructions with respect to the Registrable Shares and such other securities of each Holder (and the securities of every other Person subject to the foregoing restriction) until the end of such period.

8. ***Termination of the Company's Obligation***

The Company shall have no obligation pursuant to this Agreement with respect to any Registrable Shares proposed to be sold by a Holder in a registration pursuant to this Agreement if,

in the opinion of counsel to the Company, all such Registrable Shares proposed to be sold by a Holder may be sold in a three month period without registration under the Securities Act pursuant to Rule 144 under the Securities Act.

9. ***Limitations on Subsequent Registration Rights***

From and after the date of this Agreement, the Company shall not, without the prior written consent of Holders beneficially owning not less than a majority of the then outstanding Registrable Shares (*provided, however*, that for purposes of this Section 9, Registrable Shares that are owned, directly or indirectly, by an Affiliate of the Company shall not be deemed to be outstanding), enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include such securities in any Registration Statement filed pursuant to the terms hereof, unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of its securities will not reduce the amount of Registrable Shares of the Holders that is included, or (b) to have its securities registered on a registration statement that could be declared effective prior to, or within one hundred eighty (180) days of, the effective date of any Registration Statement filed pursuant to this Agreement.

10. ***Miscellaneous***

(a) *Remedies*. In the event of a breach by the Company of any of its obligations under this Agreement, each Holder, in addition to being entitled to exercise all rights provided herein or, in the case of FBR, in the Purchase/Placement Agreement, or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. Subject to Section 6, the Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) *Amendments and Waivers*. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given, without the written consent of the Company and Holders beneficially owning not less than a majority of the then outstanding Registrable Shares; *provided, however,* that for purposes of this Section 10(b), Registrable Shares that are owned, directly or indirectly, by an Affiliate of the Company shall not be deemed to be outstanding. No amendment shall be deemed effective unless it applies uniformly to all Holders. Notwithstanding the foregoing, a waiver or consent to or departure from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders may be given by such Holder; *provided* that the provisions of this sentence may not be amended, modified or supplemented except in accordance with the provisions of the immediately preceding sentence.

(c) *Notices*. All notices and other communications, provided for or permitted hereunder, shall be made in writing and delivered by facsimile (with receipt confirmed), overnight courier or registered or certified mail, return receipt requested, or by telegram:

(i) if to a Holder, at the most current address given by the transfer agent and registrar of the Shares to the Company; and

(ii) if to the Company, at the offices of the Company at 12550 Fuqua Street, Houston, Texas 77034, Attention: Chief Financial Officer **;** (facsimile: 713-852-6350); with a copy to Vinson & Elkins L.L.P., The Terrace 7, 2801 Via Fortuna, Suite 100, Austin, Texas 78746, Attention Kyle K. Fox (facsimile: 512-236-3340).

(iii) if to FBR, at the offices of FBR at 1001 Nineteenth Street North, Arlington, Virginia 22209, Attention: William Ginivan, Esq. (facsimile 703-469-1140); with a copy (which shall not constitute notice) to Nelson Mullins Riley & Scarborough LLP, 101 Constitution Avenue, N.W., Suite 900, Washington, D.C. 20001, Attention: Jonathan H. Talcott, Esq. (facsimile 202-712-2856).

(d) *Successors and Assigns*. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, including, without limitation and without the need for an express assignment or assumption, subsequent Holders. The Company agrees that the Holders shall be third party beneficiaries to the agreements made hereunder by FBR and the Company, and each Holder shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights hereunder; *provided, however*, that such Holder fulfills all of its obligations hereunder.

(e) *Counterparts*. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) *Headings*. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) ***Governing Law*. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE COURT IN THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING IN NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE**

VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(h) *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties hereto that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(i) *Entire Agreement.* This Agreement, together with the Purchase/Placement Agreement, is intended by the parties hereto as a final expression of their agreement, and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein.

(j) *Registrable Shares Held by the Company or its Affiliates*. Whenever the consent or approval of Holders of a specified percentage of Registrable Shares is required hereunder, Registrable Shares held by the Company or its Affiliates shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(k) *Adjustment for Stock Splits, etc.* Wherever in this Agreement there is a reference to a specific number of shares, then upon the occurrence of any subdivision, combination, or stock dividend of such shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of stock by such subdivision, combination, or stock dividend.

(l) *Survival*. This Agreement is intended to survive the consummation of the transactions contemplated by the Purchase/Placement Agreement. The indemnification and contribution obligations under Section 6 of this Agreement shall survive the termination of the Company's obligations under Section 2 of this Agreement.

(m) *Attorneys' Fees*. In any action or proceeding brought to enforce any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the prevailing party, as determined by the court, shall be entitled to recover its reasonable attorneys' fees in addition to any other available remedy.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ORION MARINE GROUP, INC.

By:
Name:
Title:

FRIEDMAN, BILLINGS, RAMSEY & CO., INC.

By:
Name:
Title:

EXHIBIT B

SUBSTANCE OF OPINION OF COMPANY COUNSEL

May ___, 2007

Friedman, Billings Ramsey & Co., Inc.
1001 Nineteenth Street North, 18th Floor
Arlington, Virginia 22209

Re: Orion Marine Group, Inc.—Common Stock Offering

Ladies and Gentlemen:

We have acted as counsel to Orion Marine Group, Inc., a Delaware corporation (the "***Company***"), in connection with the purchase by you as initial purchaser and the placement by you as Placement Agent ("***FBR***") of an aggregate of 19,044,724 shares (the "***Shares***") of the common stock, par value $.01 per share, of the Company (the "***Common Stock***"), from the Company pursuant to the Purchase/Placement Agreement dated May 2, 2007, by and between the Company and you (the "***Purchase/Placement Agreement***"). This opinion letter is being delivered to you pursuant to Section 6(a) of the Purchase/Placement Agreement. Capitalized terms used but not defined herein have the meanings given to them in the Purchase/Placement Agreement.

In such capacity, we have examined copies of:

the Preliminary Offering Memorandum, dated April 12, 2007 (the "***Preliminary Memorandum***");

the Final Offering Memorandum, dated May 2, 2007 (the "***Final Memorandum***");

the Purchase/Placement Agreement;

the Registration Rights Agreement, dated the date hereof, by and between the Company and FBR (the "***Registration Rights Agreement***");

the Purchaser's Letters and Subscription Agreements completed by the purchasers who buy the Shares or Resale Shares (the "***Purchasers***") in substantially the forms included as Annexes I through IV in the Final Memorandum and accepted by the Company (collectively, the "***Subscription Agreements***");

a specimen of the certificates evidencing the Shares;

a copy of the Amended and Restated Certificate of Incorporation of the Company (the "***Certificate of Incorporation***"), as filed with the Secretary of State of the State of Delaware on May ___, 2007 and certified by the Secretary of State of the State of Delaware as of a recent date and a copy of the Certificate of Incorporation of the Company, as filed with the Secretary of

State of the State of Delaware on October 12, 2004 and certified by the Secretary of State of the State of Delaware on such date, and Certificate of Amendment to Certificate of Incorporation of the Company as filed with the Secretary of State of the State of Delaware on March 22, 2005 and certified by the Secretary of State of the State of Delaware on such date (as amended, the "***Old Certificate of Incorporation***");

a copy of the Amended and Restated Bylaws of the Company (the "***Bylaws***"), certified by the Secretary of the Company to be a true copy thereof;

a copy of the Articles of Incorporation of Orion Marine Group, Inc., a Texas corporation (the "***OMG Certificate***"), as filed with the Secretary of State of the State of Texas on April 9, 2003 and certified by the Secretary of State of the State of Texas as of a recent date;

a copy of the Bylaws of Orion Marine Group, Inc., a Texas corporation (the "***OMG Bylaws***"), certified by the Secretary of the Company to be a true copy thereof;

a copy of the Articles of Organization of OCGP, LLC, a Texas limited liability company (the "***OCGP LLC Articles***"), as filed with the Secretary of State of the State of Texas on June 30, 2003 and certified by the Secretary of State of the State of Texas as of a recent date;

a copy of the Regulations dated June 30, 2003 of OCGP, LLC, a Texas limited liability company (the "***OCGP Regulations***"), certified by the Secretary of the Company to be a true copy thereof;

a copy of the Certificate of Limited Partnership of Orion Construction, L.P., a Texas limited partnership (the "***Orion Construction LP Certificate***"), as filed with the Secretary of State of the State of Texas on June 30, 2003 and certified by the Secretary of State of the State of Texas as of a recent date;

a copy of the Agreement of Limited Partnership dated June 30, 2003 of Orion Construction, L.P., a Texas limited partnership (the "***Orion Construction LP Agreement***"), certified by the Secretary of the Company to be a true copy thereof;

a copy of the Articles of Organization of KFMSGP, LLC, a Texas limited liability company (the "***KFMSGP LLC Certificate***"), as filed with the Secretary of State of the State of Texas on June 30, 2003 and certified by the Secretary of State of the State of Texas as of a recent date;

a copy of the Regulations dated June 30, 2003 of KFMSGP, LLC, a Texas limited liability company (the "***KFMSGP Regulations***"), certified by the Secretary of the Company to be a true copy thereof;

a copy of the Certificate of Limited Partnership of King Fisher Marine Service LP, a Texas limited partnership (the "***King Fisher LP Certificate***"), as filed with the Secretary of State of the State of Texas on July 2, 2003 and certified by the Secretary of State of the State of Texas as of a recent date;

a copy of the Agreement of Limited Partnership June 30, 2003 of King Fisher Marine Service LP, a Texas limited partnership (the " ***King Fisher LP Agreement***"), certified by the Secretary of the Company to be a true copy thereof;

a copy of a certificate from the Secretary of State of the State of Texas as to the foreign qualification of the Company;

unanimous written consents and certified resolutions of the Board of Directors of the Company relating to the authorization of the Purchase/Placement Agreement and sale of the Shares and the Registration Rights Agreement; the records of corporate, limited liability company or limited partnership action, as applicable, of the Company; Orion Marine Group, Inc., OCGP, LLC, Orion Construction, L.P., KFMSGP, LLC and King Fisher Marine Service LP; stock ledgers and ownership records of the Company, Orion Marine Group, Inc., OCGP, LLC, Orion Construction, L.P., KFMSGP, LLC and King Fisher Marine Service LP; in each case that were presented to us by the Company; and the documents expressly described on Annex A attached hereto;

reports, dated as of recent dates, prepared by CT Corporation System purporting to describe all financing statements on file as of the dates thereof in the office of the Secretary of State of the State of Delaware, the Secretary of State of the State of Texas, the Secretary of State of the State of Nevada or the Secretary of State of the State of Florida, as applicable, naming the Company; Orion Marine Group, Inc.; OCLP, LLC; OCGP, LLC; Orion Construction LP; Misener Marine Construction, Inc.; KFMSLP, LLC; KFMSGP, LLC; King Fisher Marine Service, LP; or F. Miller Construction, LLC, or any of them, as debtors; and

copies of the Indemnification Agreements, as amended, by and between the Company and each of the Company's directors.

I. In rendering the opinions expressed below, we have assumed (i) the legal capacity of all natural persons, (ii) the genuineness of all signatures, (iii) the authority of all persons signing each of the Purchase/Placement Agreement and the Registration Rights Agreement on behalf of the parties to such documents (other than the Company), (iv) the authenticity of all documents submitted to us as originals, and (v) the conformity to authentic original documents of all documents submitted to us as copies. We have also assumed that (x) the Purchase/Placement Agreement and the Registration Rights Agreement are valid and binding agreements of the party or parties thereto other than the Company and (y) any laws other than Applicable Law (as defined below) do not affect the terms of such agreements. As to facts material to the opinions expressed herein, we have made no independent investigation of such facts and have relied, to the extent we deem such reliance proper, upon certificates of public officials and officers or other representatives of the Company and of Orion Marine Group, Inc.; OCLP, LLC; OCGP, LLC; Orion Construction LP; Misener Marine Construction, Inc.; KFMSLP, LLC; KFMSGP, LLC; King Fisher Marine Service LP; and F. Miller Construction, LLC (each, a "***Subsidiary***" and together, the "***Subsidiaries***"). We have also assumed, without any independent inquiry or investigation, the truth and accuracy of the representations and

warranties of the Company and FBR included in the Purchase/Placement Agreement, insofar as such representations and warranties are as to factual matters.

As to matters with respect to which an opinion herein is stated to be "to our knowledge", "known to us" or words of similar effect, we have not undertaken any independent examination of facts or the records of any court, tribunal or other body, but have based our opinion in sole reliance upon a certificate of an officer of the Company and upon matters of which attorneys in our Firm who have devoted substantial time to this matter have actual knowledge.

Based on the foregoing and subject to the assumptions, qualifications, limitations and exceptions hereinafter set forth, we are of the opinion that:

(a) The Company is duly incorporated and validly existing as a corporation and is in good standing under the laws of the State of Delaware, with all corporate power and authority to own, lease or operate its current property and to conduct its business as described in the Preliminary Memorandum and Final Memorandum, and to execute, deliver and perform its obligations under the Purchase/Placement Agreement and the Registration Rights Agreement;

(b) The execution, delivery and performance by the Company of each of the Purchase/Placement Agreement and the Registration Rights Agreement have been duly authorized by all necessary corporate action of the Company and each of the Purchase/Placement Agreement and the Registration Rights Agreement has been duly executed and delivered on behalf of the Company;

(c) The authorized capital stock of the Company is as set forth under the caption "Capitalization" in the Preliminary Memorandum and Final Memorandum; all of the issued and outstanding shares of capital stock of the Company have been duly authorized and validly issued, to our knowledge are fully paid and non-assessable, and were not issued in violation of or subject to any preemptive right or other similar right of stockholders arising under the Delaware General Corporation Law, or the Certificate of Incorporation or Bylaws of the Company or, to our knowledge, under any agreement to which the Company is a party;

(d) The issuance and sale of the Shares have been duly authorized by all necessary corporate action of the Company and, when issued in accordance with the provisions of the Purchase/Placement Agreement against payment therefor of the consideration set forth therein, the Shares will be validly issued, fully paid and non-assessable; the issuance, sale and delivery of the Shares by the Company is not subject to any preemptive right, co-sale right, registration right, right of first refusal or other similar right of stockholders arising under the Delaware General Corporation Law, or the Certificate of Incorporation or Bylaws of the Company or, to our knowledge, under any agreement to which the Company is a party, other than the Registration Rights Agreement; the form of certificate evidencing the Shares complies with the requirements of the Delaware General Corporation Law; the Shares satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act;

(e) The execution, delivery and performance by the Company of each of the Purchase/Placement Agreement and the Registration Rights Agreement, the issuance, sale and delivery of the Shares by the Company, the repurchase by the Company of (x) all outstanding shares of preferred stock of the Company and (y) 16,031,394 outstanding shares of Common Stock of the Company with a portion of the net proceeds received by the Company from the sale of the Shares as described in the Final Memorandum, the consummation by the Company of the transactions contemplated by each of the Purchase/Placement Agreement and the Registration Rights Agreement, and compliance by the Company with the terms and provisions thereunder, will

not (i) result in any violation of any provision of the Certificate of Incorporation or Bylaws of the Company, (ii) result in any breach of or constitute a default under (nor constitute any event which with notice, lapse of time, or both would constitute a breach of, or default under) any provision of any agreement set forth on Annex A, (iii) result in any violation by the Company of any Applicable Law (as defined below) or (iv) result in any violation of any judgment, order, writ or decree known to us and to which the Company is subject, except in the case of clauses (ii), (iii) and (iv) for such breaches, defaults or violations that would not reasonably be expected to have a Material Adverse Effect; provided, however, that we express no opinion with respect to federal or state securities laws or other antifraud laws under this paragraph (e);

(f) Each of the Subsidiaries is validly existing as a legal entity and in good standing under the laws of its jurisdiction of organization, with all requisite corporate, limited liability or limited partnership, as the case may be, power and authority to own, lease or operate its current property and to conduct its business as described in the Preliminary Memorandum and Final Memorandum;

(g) The Company is duly qualified and is in good standing as a foreign corporation in the State of Texas;

(h) All of the outstanding equity interests of Orion Marine Group, Inc., OCGP, LLC, Orion Construction, L.P., KFMSGP, LLC, and King Fisher Marine Service LC have been duly authorized and validly issued, to our knowledge are fully paid (as required, in the case of OCGP, LLC, by the OCGP Regulations, in the case of Orion Construction LP, by the Orion Construction LP Agreement, in the case of KFMSGP, LLC, by the KFMSGP Regulations, and in the case of King Fisher Marine Service LP, by the King Fisher LP Agreement) and non-assessable (except as such non-assessability may be affected by the Texas Limited Liability Company Act, as amended (the "***Texas LLC Act***"), or by the Texas Revised Limited Partnership Act, as amended (the "***Texas LP Act***")), and are owned by the Company or another Subsidiary free and clear of any pledge, security interests, liens, encumbrances, charges or claims (A) in respect of which a financing statement under the Uniform Commercial Code of the State of Texas naming such Subsidiary as debtor is on file in the office of the Secretary of State of the States of Texas, or (B) otherwise known to us, without independent investigation, other than (x) those arising under that certain Loan Agreement dated as of October 14, 2004, among the Company and each of the financial institutions which is or may from time to time become a party thereto and Amegy Bank National Association, a national banking association (formerly known as Southwest Bank of Texas N.A.), as agent, as amended by First Amendment to Loan Agreement dated as of December 3, 2004, Second Amendment to Loan Agreement dated as of November 17, 2005 and Third Amendment to Loan Agreement dated as of March 23, 2007 (as amended, the "***Loan Agreement***"), and (y) those created by or arising under the Texas LLC Act or the Texas LP Act;

(i) Assuming (i) the accuracy of the representations and warranties of, and compliance with agreements by, the Company and FBR set forth in the Purchase/Placement Agreement, and (ii) that the purchasers who buy the Resale Shares in Exempt Resales are Eligible Purchasers, (A) the sale of the Resale Shares to FBR by the Company, (B) the Exempt Resales and (C) the sale of the Private Placement Shares to Accredited Investors by the Company, in each case in compliance with and as contemplated under the Purchase/Placement Agreement, are exempt from the registration requirements of the Securities Act;

(j) Assuming (x) the accuracy of the representations and warranties of, and compliance with agreements by, the Company and FBR set forth in the Purchase/Placement

Agreement and (y) that the purchasers who buy the Resale Shares in Exempt Resales are Eligible Purchasers, no Governmental Approval (as defined below) is required in connection with (i) the execution, delivery and performance by the Company of the Purchase/Placement Agreement and the Registration Rights Agreement, (ii) the consummation by the Company of the transactions contemplated thereby, or (iii) the issuance, sale and delivery of the Shares as contemplated thereby, other than (A) such as have been obtained or made, (B) any necessary Governmental Approvals under the securities or Blue Sky laws of the various jurisdictions in which the Resale Shares are being offered by FBR or the Private Placement Shares are being offered by the Company, as to which we do not express any opinion, (C) any with or by federal or state securities regulatory authorities in connection with or pursuant to the Registration Rights Agreement, including without limitation the filing of the registration statement(s) required thereby with the Commission, and (D) the filing of a Form D with the Commission and appropriate state regulatory agencies;

(k) The information in the Preliminary Memorandum and Final Memorandum under the captions "Business–Government Regulations," "Description of Capital Stock," "Shares Eligible For Future Sale," "ERISA Considerations," and "Material U.S. Federal Tax Considerations to Non-U.S. Holders," insofar as it purports to be summaries of the principal provisions of documents referenced therein, matters of law or legal conclusions, has been reviewed by us and is correct in all material respects. The description of the Registration Rights Agreement contained in the Preliminary Memorandum and Final Memorandum, insofar as it purports to be a summary of the principal provisions thereof, is accurate in all material respects;

(l) Neither the Company nor any of its Subsidiaries is, nor upon the sale of the Shares as contemplated in the Purchase/Placement Agreement and the timely application of the net proceeds therefrom as described in the Preliminary Memorandum and Final Memorandum under the caption "Use of Proceeds," will be, an "investment company" (as such term is defined in the Investment Company Act of 1940, as amended);

(m) Except as disclosed in the Preliminary Memorandum and/or Final Memorandum, there are no persons with registration or other similar rights to have any securities registered by the Company or any of the Subsidiaries under the Securities Act arising by operation of Applicable Law, under the Certificate of Incorporation or Bylaws of the Company or, to our knowledge, under any agreement to which the Company is a party or to which its property is subject, other than pursuant to the Registration Rights Agreement; and

(n) Assuming the accuracy of the representations and warranties of the Purchasers contained in the Subscription Agreements, the Company is not, nor upon the sale of the Shares as contemplated in the Purchase/Placement Agreement will be, in violation of the foreign ownership restrictions contemplated by the Foreign Dredge Act of 1906, 46 U.S.C. section 55109, as amended, the Merchant Marine Act of 1920, 46 U.S.C. section 55101, et seq., as amended, or the U.S. vessel documentation laws set forth in 46 U.S.C. section 12101, et seq., as amended.

II. The opinions set forth above are subject in all respects to the following:

1. In rendering the opinions expressed in paragraphs (a), (f) and (g) above with respect to the good standing and foreign qualification of the Company and the Subsidiaries, we have relied solely on certificates of public officials, which certificates are being delivered to you on the date hereof.

2. In rendering the opinions expressed in paragraphs (c) and (h) above to the effect that securities are fully paid, we have relied upon a certificate of an officer of the Company with respect to the full payment of consideration by the stockholders for the issued and outstanding capital stock of the Company and by the Company or another Subsidiary for the equity interests in the applicable Subsidiaries.

3. In rendering the opinion expressed in paragraph (e) above concerning the absence of a breach of contract, we have made no examination of, and express no opinion with respect to, any financial, accounting or similar covenant or provision contained in any agreement or instrument set forth on Annex A.

4. The opinions expressed herein are limited to matters arising under the laws of the State of Texas, the Delaware General Corporation Law and the federal laws of the United States of America, in each case as currently in effect (the "***Applicable Law***"). "***Governmental Approval***" means any consent, approval, license, authorization or validation of, or filing, recording or registration with, any Governmental Authority pursuant to any Applicable Law. "***Governmental Authority***" means any United States federal or State of Texas governmental body or authority. We express no opinion herein as to any laws other than the Applicable Law (subject to the limitations set forth below), and we express no opinion with respect to the application or effect of any other laws.

5. To the extent that any opinion herein relates to compliance with law (including Applicable Law) or Governmental Approvals, our opinion is limited to laws, rules and regulations which in our experience are normally applicable to transactions of the type provided for in the Purchase/Placement Agreement and does not include, and we express no opinion with regard to, and the term "Applicable Law" shall not include, (a) antitrust or trade regulation laws, (b) tax laws, rules and regulations, (c) environmental, laws, rules and regulations, (d) zoning, land use and other laws, rules and regulations of local jurisdictions, (e) labor, employee rights and benefits, including the Employment Retirement Security Act of 1974, as amended, (f) SBIA Laws, or (g) state or federal securities laws (except to the limited extent stated in paragraphs (i) and (j) above).

We express no opinion as to any matter other than as expressly set forth above, and no opinion on any other matter may be inferred or implied herefrom. The opinions expressed herein are given as of the date hereof, and we undertake no, and hereby disclaim any, obligation to advise you of any change in any matter set forth herein.

We are furnishing this opinion letter to you solely for your benefit in connection with the purchase by you as initial purchaser and the placement by you as Placement Agent of the Shares pursuant to the Purchase/Placement Agreement. This opinion letter may not be relied upon by any other person or for any other purpose or circulated, quoted or otherwise referred to without our prior written consent.

Very truly yours,

ANNEX A

1. Loan Agreement.

2. General Agreement of Indemnity dated October 29, 2004 entered into by the Company, Orion Marine Group, Inc., Orion Construction, L.P., King Fisher Marine Service LP, Misener Marine Construction, Inc., OCGP, LLC, OCLP, LLC, KFMSGP, LLC and KFMSLP, LLC in favor of Liberty Mutual Insurance Company on behalf of itself and any other company that is part of or added to the Liberty Mutual Group, severally not jointly, and for which Liberty Mutual Surety underwrites surety business.

3. General Agreement of Indemnity entered into by the Company, ERCON Corporation, John F. Chanslor, Thomas J. Thomas and Irene Thomas in favor of Liberty Mutual Insurance Company on behalf of itself and any other company that is part of or added to the Liberty Mutual Group, severally not jointly, and for which Liberty Mutual Surety underwrites surety business.

EXHIBIT C

DESCRIPTION OF MATTERS TO BE OPINED TO BY VINSON & ELKINS L.L.P.
PURSUANT TO SECTION 6(c)(ii)

The opinion to be delivered to the Company pursuant to Section 6(c)(ii) will opine favorably as to the following matters under applicable U.S. maritime law:

(i) that the U.S. citizen stockholder reference party to a naked total return swap should not be deemed a non-U.S. citizen with respect to the Company's stock, and

(ii) that the Company's stock held of record by a U.S. citizen stockholder party to a naked total return swap should not be deemed to be held by a non-U.S. citizen counterparty.

For purposes of the opinion, a naked total return swap is a total return swap, with the following general parameters:

(i) the reference assets of the swap are a fixed number of Shares (the "Reference Shares");

(ii) the contract does not contain any provisions requiring the reference party to own the Reference Shares or to retain ownership of the Reference Shares;

(iii) the contract does not contain any requirement for delivery of the Reference Shares at the end of the swap period (or at any other time);

(iv) the contract does not subject the Reference Shares to any trust or fiduciary obligations in favor of the counter party; and

(v) the counter party cannot exercise any voting power control, directly or indirectly, through any contract or otherwise, over the Reference Shares.

EXHIBIT D

FORM OF LOCK-UP AGREEMENT

[■], 2007

Friedman, Billings, Ramsey & Co., Inc.
1001 Nineteenth Street North, 18th Floor
Arlington, Virginia 22209

Ladies and Gentlemen:

The undersigned understands and agrees as follows:

1. Friedman, Billings, Ramsey & Co., Inc. ("FBR") proposes to enter into a Purchase/Placement Agreement (the "Agreement") with Orion Marine Group, Inc., a Delaware corporation (the "Company"), providing for (a) the initial purchase by FBR of shares of the Company's common stock, $0.01 par value per share, and the resale of such shares by FBR to certain eligible purchasers, (b) the direct sale by the Company of shares of its common stock to certain accredited investors, and (c) an option for FBR to purchase or place additional shares of the Company's common stock either for resale by FBR to certain eligible purchasers or for direct sale by the Company to certain accredited investors (all of such shares of the Company's common stock are collectively referred to as the "Shares" and the transactions referred to in (a), (b) and (c) above are collectively referred to as the " Offering"), in each case, in transactions exempt from the registration requirements of the Securities Act of 1933, as amended (the " Securities Act"). This lock-up letter agreement (the "Lock-up Agreement") is being delivered to you in connection with the Offering and shall become effective only upon consummation of the Offering.

2. In connection with the Offering and pursuant to the terms of a registration rights agreement to be entered into in connection with the closing of the Offering, the Company has agreed to file with the Securities and Exchange Commission a registration statement providing for the resale of the Shares under the Securities Act (the "Resale Registration Statement").

3. In order to induce FBR to act as the initial purchaser and placement agent in connection with the Offering and in recognition of the benefit that the Offering will confer upon the undersigned and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned hereby agrees that, without the prior written consent of FBR (which consent may be withheld or delayed in FBR's sole discretion), he, she or it will refrain for a period (a) beginning on the date of the Agreement and ending (and including) the date that is 180 days after the date of the closing of the Offering, (b) from the date the Resale Registration Statement that is filed pursuant to the registration rights agreement is declared effective and ending (and including) the date that is 180 days after the effective date of the Resale Registration Statement, and (c) from the date any registration statement relating to an initial public offering of our common stock is declared effective and ending (and including) the date that is 180 days thereafter (each a " Lock-up Period"), except as otherwise provided herein, from (i) offering, pledging, selling, contracting to sell, selling any

option or contract to purchase, purchasing any option or contract to sell, granting any option, right or warrant for the sale of, lending or otherwise disposing of or transferring, directly or indirectly, any equity securities of the Company, or any securities convertible into or exercisable or exchangeable for equity securities of the Company, or (ii) entering into any swap or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of any equity securities of the Company, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of shares of the common stock of the Company or such other securities, in cash or otherwise.

Notwithstanding the foregoing, subject to applicable securities laws and the restrictions contained in the Company's charter, the undersigned may transfer any securities of the Company (including, without limitation, common stock) as follows: (i) pursuant to the exercise and issuance of options; (ii) as a bona fide gift or gifts, provided that the donee or donees thereof agree in writing to be bound by the restrictions set forth herein; (iii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, provided that the trustee of the trust agrees in writing to be bound by the restrictions set forth herein; (iv) as a distribution to the beneficial owners of the undersigned, provided that such beneficial owners agree in writing to be bound by the restrictions set forth herein; (v) as required under any of the Company's benefit plans; (vi) as required by participants in the Company's benefit plans to reimburse or pay U.S. federal income tax and withholding obligations in connection with the vesting of restricted common stock grants; (vii) as collateral for any bona fide loan, provided that the lender agrees in writing to be bound by the restrictions set forth herein; (viii) with respect to sales of securities acquired after the initial closing of the Offering in the open market; (ix) to third parties as consideration for acquisitions, provided that such third parties agree in writing to be bound by the restrictions set forth herein; (x) in connection with awards under the Company's benefit plans; (xi) pursuant to an initial public offering of the Company's common stock; and (xii) to other executive officers and directors and shareholders of the Company. For purposes of this agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin.

For the avoidance of doubt, nothing shall prevent the undersigned from, or restrict the ability of the undersigned to, (i) purchase the Company's common stock on the open market or (ii) exercise any options or other convertible securities granted under any benefit plan of the Company.

4. The undersigned hereby authorizes the Company during any Lock-up Period to cause any transfer agent for the securities covered by this Lock-up Agreement (the "Relevant Securities") to decline to transfer, and to note stop transfer restrictions on the stock register and other records relating to, Relevant Securities for which the undersigned is the record holder and, in the case of Relevant Securities for which the undersigned is the beneficial but not the record holder, agrees during any Lock-up Period to cause the record holder to cause the relevant transfer agent to decline to transfer, and to note stop transfer restrictions on the stock register and other records relating to, such Relevant Securities. The undersigned hereby further agrees that, without the prior written consent of FBR, during any Lock-up Period the undersigned (x) will not file or participate in the filing with the Securities and Exchange Commission of any registration statement, or circulate or participate in the circulation of any preliminary or final prospectus or other disclosure document with respect to any proposed offering or sale of a Relevant Security

and (y) will not exercise any rights the undersigned may have to require registration with the Securities and Exchange Commission of any proposed offering or sale of a Relevant Security.

5. The undersigned acknowledges that FBR is relying on the agreements of the undersigned set forth herein in making its decision to enter into the Agreement and to continue its efforts in connection with the Offering.

6. This Lock-up Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws.

7. This Lock-up Agreement may be executed in one or more counterparts and delivered by facsimile, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-up Agreement and that this Lock-up Agreement constitutes the legal, valid and binding obligation of the undersigned, enforceable in accordance with its terms. Upon request, the undersigned will execute any additional documents reasonably necessary in connection with enforcement hereof. Any obligations of the undersigned shall be binding upon the successors and assigns of the undersigned from the date first above written.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Lock-up Agreement, or caused this Lock-up Agreement to be executed, as of the date first written above.

Very truly yours,

_____

Name:
Title:

_____

_____

Address

Exhibit 10.3

ORION MARINE GROUP, INC.

AMENDED AND RESTATED REDEMPTION AGREEMENT

This Amended and Restated Redemption Agreement (this "***Amendment***"), dated as of May 7, 2007, (i) amends and restates in its entirety the Redemption Agreement (the "***Agreement***"), dated as of March 27, 2007 by and among Orion Marine Group, Inc. (formerly Hunter Acquisition Corp.), a Delaware corporation ("***Company***"), and the holders of the Company's capital stock (the "***Stock***") set forth on Exhibit A hereto (individually, a "***Seller***", and together, the "***Sellers***"), and (ii) is entered into by and among the Company and the Sellers holding at least a majority of the Shares.

RECITALS

WHEREAS, each of the Sellers owns the number of shares of Class A Stock, par value $0.01 per share (" ***Class A Stock***"), and Class B Stock, par value $0.01 per share ("***Class B Stock***" and, together with the Class A Stock owned by the Stockholders, the "***Shares***") in each case as set forth on Exhibit A;

WHEREAS, the Company is proposing to sell equity securities to new investors (the " ***Financing***") pursuant to a Purchase/Placement Agreement to be entered into by and between the Company and Friedman, Billings, Ramsey & Co., Inc. (" ***FBR***;" and such agreement being the "***FBR Agreement***"), and the Company expects to close such Financing within ninety (90) days after the execution of the Agreement;

WHEREAS, upon the terms and conditions set forth herein, each Seller desires to tender, and Company desires to redeem (the " ***Redemption***"), all of such Seller's Shares at the Redemption Price (as defined below);

WHEREAS, the Company and the Sellers also desire to terminate the Securities Purchase and Exchange Agreement, dated as of October 14, 2004 (the "***Purchase Agreement***"), among the Company and the Sellers, the Stockholders' Agreement, dated as of October 14, 2004 (as amended, the " ***Stockholders' Agreement***"), among the Company and the Sellers, the Registration Rights Agreement, dated of October 14, 2004 (the " ***Registration Rights Agreement***"), among the Company and the Sellers, the letter regarding management rights, dated as of October 14, 2004 (the " ***Management Rights Letter***"), from the Company to Austin Ventures VII, L.P. and Austin Ventures VIII, L.P., and the Management Agreement, dated as of October 14, 2004 (the "***Management Agreement***" and, together with the Purchase Agreement, the Stockholders' Agreement, the Registration Rights Agreement and the Management Rights Letter, the "***Terminated Agreements***"), between the Company and Capture 2004, L.P., in each case on the terms, subject to the conditions and with such exceptions set forth below; and

WHEREAS, as a result of developments in the Financing, the undersigned Sellers desire to amend and restate the Agreement in its entirety, which amendment and restatement will be binding on all Sellers upon execution of this Amendment by the Sellers holding at least a majority of the Shares pursuant to Section 7 of the Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

AGREEMENT

1. Closings; Closing Dates. Subject to the terms and conditions herein, the initial closing of the redemption (the " ***Initial Closing***") shall occur promptly (and in any event within three business days) following the closing of the Financing or such other date as agreed to between the Company and the holders of a majority in voting power of the Stock (the "***Initial Closing Date***"). Thereafter, subject to the terms and conditions herein, subsequent closings (each, a "***Subsequent Closing***" and, together with the Initial Closing, each a "***Closing***") shall occur promptly (and in any event within three business days) after the closing of each exercise by FBR of its option to purchase additional shares pursuant to the terms of the FBR Agreement (each, a " ***Subsequent Closing Date***" and, together with the Initial Closing Date, each a "***Closing Date***").

1.1 Effective upon the Initial Closing, except as otherwise set forth in the Employment Agreement dated as of March 27, 2007 between the Company and Russell B. Inserra (the "***Employment Agreement***"), the Company shall pay on the Initial Closing Date the respective Redemption Price, by check or wire transfer, to each Seller, and the Attorney (as defined below) shall surrender and deliver to the Company for cancellation the stock certificates representing (a) all Class A Stock and (b) a number of shares of Class B Stock equal to (i) the net proceeds to the Company from the closing of Financing (after purchaser's discount, placement fees and all other expenses related to the Financing) divided by (ii) the Redemption Price for the Class B Stock, such redeemed Class B Stock to be allocated among the Sellers in accordance with the number of shares of Class B Stock held by them immediately prior to such Initial Closing; provided, that for purposes of the Employment Agreement, the Class B Stock to be redeemed from Mr. Inserra shall be allocated *first*, to the outstanding shares of Class B Stock held by Mr. Inserra on the date hereof (other than the Unvested Shares, as defined in the Employment Agreement), *second*, to the Unvested Shares and *third* to any shares of Class B Stock purchased by Mr. Inserra pursuant to options outstanding on the date hereof. The "***Redemption Price***" shall mean (A) with respect to each Share that is Class A Stock, an amount equal to $1,000 (as adjusted for any stock splits, stock dividends, recapitalizations, combinations or similar transactions with respect to the Class A Stock after the date hereof and on or prior to the Closing Date) plus all accrued or declared but unpaid dividends on such share of Class A Stock to and including the Closing Date, and (B) with respect to each Share that is Class B Stock, an amount equal to the net proceeds per share (after purchaser's discount and placement fees, but before other expenses) to the Company in the Financing.

1.2 Effective upon each Subsequent Closing, except as otherwise set forth in the Employment Agreement, the Company shall pay on such Subsequent Closing Date the respective Redemption Price, by check or wire transfer, to each Seller, and the Attorney (as defined below) shall surrender and deliver to the Company for cancellation the stock certificates representing a number of shares of Class B Stock (not greater than the aggregate number of Shares that are Class B Stock outstanding immediately prior to such Subsequent Closing Date) equal to (i) the net proceeds to the Company from the exercise by FBR of its option to purchase additional shares (after purchaser's discount, placement fees and all other expenses related thereto) divided by (ii) the Redemption Price for the Class B Stock, such redeemed Class B Stock to be allocated among the Sellers in accordance with the number of shares of Class B Stock held by them immediately prior to such Subsequent Closing; provided, that for purposes of the Employment Agreement, the Class B Stock to be redeemed from Mr. Inserra shall be allocated *first*, to the outstanding shares of Class B Stock held by Mr. Inserra on the date hereof (other than the Unvested Shares, as defined in the Employment Agreement), *second*, to the Unvested Shares and *third* to any shares of Class B Stock purchased by Mr. Inserra pursuant to options outstanding on the date hereof.

1.3 At each Closing, for value received, each of the Sellers sells, assigns and transfers unto the Company the Shares redeemed at such Closing set forth opposite such Seller's name on

Exhibit A standing in such Seller's name on the books of the Company and does hereby irrevocably constitute and appoint the Secretary of the Company agent to cancel said Shares on the books of the Company with full power of substitution in the premises.

2. Surrender of Certificates; Power of Attorney. Upon execution of the Agreement, each Seller shall deliver to the Company, as escrow agent, all stock certificates representing the Shares for delivery to the Company and cancellation upon Closing. To the extent such Shares are uncertificated, each Seller hereby authorizes the Company to cancel such Seller's Shares on the books of the Company on the Closing Date. The deposited certificates shall remain in escrow until the earlier of the termination of this Agreement or the Closing. Upon termination of this Agreement, the Company shall promptly deliver the certificates representing any unredeemed Shares to each applicable Seller. At each Closing the escrowed certificates for the Shares redeemed at such Closing shall be cancelled by the Company concurrently with the payment to Sellers of the Redemption Price for such Shares, and the Sellers shall cease to have any further rights or claims with respect to such redeemed Shares. To insure the performance of each Seller with the agreements set forth in this Agreement, each Seller hereby appoints the Secretary of the Company or its designee (the "***Attorney***"), as his, her, or its true and lawful attorney in fact, with full power of substitution and resubstitution, to transfer and deliver to the Company all Shares and certificates representing Shares, subject to the provisions of this Agreement, for cancellation at each Closing concurrently with the payment to Sellers of the Redemption Price for such Shares. The powers granted by each Seller pursuant to the preceding sentence are coupled with an interest and are given to secure the performance of such Seller's commitments under this Agreement. Such powers shall be irrevocable for the term of this Agreement and shall survive the death, incompetency, disability, dissolution or winding up of such Seller. Except as provided above, no Seller shall grant a proxy or power of attorney with respect to the transfer, voting or other control over, or create any right to vote or dispose of any of the Shares without the prior written consent of the Company. Until the termination of this Agreement, no Seller shall transfer any Shares or any interest in any Shares, except pursuant to the terms of this Agreement.

3. Termination of the Terminated Agreements. Immediately prior to, and conditioned upon, the closing of the Financing, each of the Terminated Agreements shall be terminated in their entirety and of no further force or effect; provided, that Sections 8.14 and 9.15 of the Purchase Agreement, Section 9 of the Stockholders' Agreement, the second to last paragraph of the Management Rights Letter and Section 4 of the Management Agreement shall each survive such termination.

4. Termination of the Agreement. The Agreement shall terminate upon the expiration of FBR's option under the FBR Agreement to purchase additional stock from the Company. Sections 3, 5, and 7 through 17 shall survive such termination.

5. Representations and Warranties.

5.1 Seller Representations and Warranties to Company. Each Seller, severally and not jointly, hereby represents and warrants to the Company on the date hereof and on each Closing Date as follows:

5.1.1 Power and Authority. The Seller has the power and authority to execute and deliver this Agreement and to perform such Seller's obligations hereunder and to consummate the transaction contemplated hereby. This Agreement has been duly executed and delivered by the Seller and, assuming the due authorization, execution, and delivery by the Company, constitutes the legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms (subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies).

5.1.2 Ownership. The Seller is the owner, beneficially and of record of, and has good and marketable title to, the Shares, free and clear of any liens, charges, options, pledges, encumbrances, conditions or claims. The Seller has not pledged, assigned or otherwise transferred the Shares. Other than Seller's title to the Shares, the Seller does not hold (beneficially or otherwise) or have any other rights or interest in or to any capital stock of the Company or its subsidiaries, including (without limitation) any options, warrants, subscriptions, rights (including conversion or preemptive rights), obligations or agreements (contingent or otherwise) for the purchase or acquisition of any shares of capital stock of the Company or any of its subsidiaries.

5.1.3 Noncontravention. Neither the execution and delivery of this Agreement by the Seller nor the performance by the Seller of such Seller's or obligations contemplated by this Agreement will: (i) require on the part of the Seller any filing with, or any permit, authorization, consent or approval of, any court, arbitrational tribunal, administrative agency or commission or other governmental or regulatory authority or agency or (ii) result in the imposition of any encumbrance upon, or Security Interest (as defined below) on, the Shares. "***Security Interest***" means any mortgage, pledge, security interest, encumbrance, charge or other lien (whether arising by contract or by operation of law), other than (i) mechanic's, materialmen's, and similar liens, (ii) liens arising under worker's compensation, unemployment insurance, social security, retirement, and similar legislation, (iii) liens on goods in transit incurred pursuant to documentary letters of credit, and (iv) statutory liens with respect to current taxes not yet due and payable, and in each case arising in the ordinary course of business consistent with past practice, including with respect to frequency and amount.

5.1.4 Brokers. The Seller has not dealt with a broker or finder in connection with the transaction contemplated in this Agreement and no broker or other person is entitled to any commission or finder's fee in connection with the Redemption.

5.1.5 Information. The Seller has received from the Company all information that such Seller has requested or deems necessary in connection with Seller's decision to enter into this Agreement and perform Seller's obligations hereunder.

5.2 Company Representations and Warranties to Sellers. The Company represents and warrants to each Seller on the date hereof and on each Closing Date as follows:

5.2.1 Organization. The Company is duly organized, validly existing and in good standing in the State of Delaware.

5.2.2 Authority. The Company has the requisite legal power, authority and capacity to execute, deliver and perform this Agreement. All action of the Company's Board of Directors and its stockholders necessary to authorize the transactions contemplated hereby have been duly and validly taken and all requisite consents of third parties have been obtained. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the Redemption, payment of the aggregate Redemption Price, (i) have not and will not conflict with or result in a breach of the provisions of its Certificate of Incorporation, as amended, or its Bylaws, as amended, (ii) have not resulted, and will not (with or without the lapse of time or the giving of notice or both) result, in any default or breach or give rise to any right of termination, acceleration or cancellation under any of the terms, conditions, or provisions of any note, deed of trust, bond, mortgage, indenture, instrument, agreement, license or permit to which it is a party or by which it or any of its assets may be bound or result in the imposition of any encumbrance upon, or Security Interest on, any of the Corporation's assets, (iii) have not violated, and will not violate, any rule, regulation, judgment, decree or order by which it may be bound; or (iv) have not, and will not, require on the part of the Corporation any

filing with, or any permit, authorization, consent or approval of, any court, arbitrational tribunal, administrative agency or commission or other governmental or regulatory authority or agency.

5.2.3 Validity. This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid and binding obligation enforceable in accordance with its terms (subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies).

5.2.4 Offering Memorandum. Capitalized terms not defined herein have the meanings ascribed to such terms in the FBR Agreement.

(a) The Preliminary Memorandum did not, as of its date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Final Memorandum did not, as of its date, at the Closing Time and each Extended Closing Time (if any) and each Secondary Closing Time (if any), contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty does not apply to any statement in or omission from the Preliminary Memorandum or Final Memorandum made in reliance upon and in conformity with information furnished to the Company in writing by FBR or any Seller expressly for use therein; and

(b) The Preliminary Memorandum included, as of its date, and the Final Memorandum include, as of its date, at the Closing Time, Extended Closing Time (if any) and at each Secondary Closing Time (if any), the information required by Rule 144A, Regulation S and Regulation D;

5.2.5 Solvency. After giving effect to the transactions contemplated by this Agreement, including the payment of the aggregate Redemption Price: (i) the Company's fair value of its property will be greater than its total amount of liabilities, including, without limitation, its contingent liabilities; (ii) the present fair salable value of the Company's assets will be greater than the amount that will be required for the Company to pay the probable liability on its debts as they become absolute and matured; (iii) the Company is not engaged in business or a transaction, and will not be engaged in business or a transaction, for which the Company's property would constitute an unreasonably small capital.

5.2.6 Surplus. The redemption complies with the Delaware General Corporation Laws and the Company's payment of the Redemption Price shall not cause an impairment to the Company's capital. At each Closing Date, the Company shall have sufficient surplus (as determined in accordance with Delaware General Corporation Laws) or net profits for 2006 and/or 2007 to pay the Redemption Price in full.

5.3 Seller Representations and Warranties to other Sellers. Capitalized terms not defined herein have the meanings ascribed to such terms in the FBR Agreement. Each Seller, severally and not jointly, hereby represents and warrants to each other Seller, on the date hereof and on each Closing Date, that to the knowledge of Seller (i) the Preliminary Memorandum did not, as of its date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (ii) the Final Memorandum did not, as of its date, at the Closing Time and each Extended Closing Time (if any) and each Secondary Closing Time (if any), contain an untrue statement of a material fact or omit

to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty does not apply to any statement in or omission from the Preliminary Memorandum or Final Memorandum made in reliance upon and in conformity with information furnished to the Company in writing by FBR or any other Seller expressly for use therein.

6. Conditions to Closing.

6.1 Sellers' Conditions to Closing. The obligation of the Sellers to close the Redemption is subject to the fulfillment on or prior to each Closing Date, to the satisfaction of or waiver by the Sellers holding a majority in voting power of the Shares, of each of the following conditions:

6.1.1 Representations and Warranties. Each representation and warranty made by the Company in Section 5 above shall be true and correct on in all material respects on the Closing Date with the same force and effect as if such representation and warranty had been made on and as of the Closing Date.

6.1.2 Performance. All covenants, agreements and conditions contained in this Agreement to be performed or complied with by the Company on or prior to the Closing Date shall have been performed or complied with by the Company in all material respects.

6.1.3 Consents and Waivers. The Company shall have obtained all consents and waivers necessary to execute this Agreement and any other agreements or instruments contemplated herein and to carry out the transactions contemplated hereby and thereby.

6.1.4 Authorizations. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body that are required in connection with the lawful Redemption pursuant to this Agreement shall have been duly obtained and shall be effective on and as of the Closing.

6.1.5 Compliance Certificate. The Company shall have delivered to the Sellers a certificate signed by the President of the Company, dated the Closing Date, certifying to the fulfillment of the conditions specified above.

6.2 Company's Conditions to Closing. The obligation of the Company to close the Redemption is subject to the fulfillment on or prior to each Closing Date, to the satisfaction of or waiver by the Company, of each of the following conditions:

6.2.1 Representations and Warranties. Each representation and warranty made by the Sellers in Section 5 above shall be true and correct on in all material respects on the Closing Date with the same force and effect as if such representation and warranty had been made on and as of the Closing Date.

6.2.2 Performance. All covenants, agreements and conditions contained in this Agreement to be performed or complied with by the Sellers on or prior to the Closing Date shall have been performed or complied with by the Sellers in all material respects.

6.2.3 Financing Complete. The Company shall have closed the Financing or the additional sale of shares to FBR, as applicable, and received the proceeds therefrom.

6.2.4 Consents and Waivers. The Company shall have obtained all consents and waivers necessary to execute this Agreement and any other agreements or instruments contemplated herein and to carry out the transactions contemplated hereby and thereby.

6.2.5 Authorizations. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body that are required in connection with the lawful Redemption pursuant to this Agreement shall have been duly obtained and shall be effective on and as of the Closing.

7. Form W-9. Each Seller has duly completed and executed the attached Substitute Form W-9.

8. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and may not be modified or amended, except by written agreement of the Company and the Sellers holding at least a majority of the Shares. Any amendment, waiver, discharge or termination not in compliance with this Section 8 shall be void.

9. General Release of Claims. Effective upon each Closing, each Seller, on behalf of itself and its subsidiaries, affiliates, parents, officers, directors, shareholders, employees, agents, attorneys, successors and assigns, both present and former, if any and in each case other than the Company and its subsidiaries (collectively, the *"**Releasing Parties**"*), irrevocably and unconditionally release, acquit, covenant not to sue (directly or derivatively) and forever hold harmless the other Releasing Parties of and from any and all manner of action and actions, cause and causes of action, suits, debts, controversies, damages, judgments, executions, losses, claims, demands and attorneys' fees and expenses whatsoever, (whether asserted or unasserted, known or unknown, foreseeable or unforeseeable, and whether accrued or that may accrue in the future) in contract, tort, law or in equity which the Releasing Parties ever had, now have or may in the future have against the other Releasing Parties based upon, arising out of, relating to, by reason of (i) the Financing, (ii) the transactions contemplated by this Agreement including without limitation the Redemption and (iii) any acts or omissions of the Company or its affiliates in connection with (i) and (ii) above; provided however, that the release, acquittal and covenants not to sue (directly or derivatively) and forever hold harmless in this Section 9 shall not apply to claims based upon, arising out of, relating to, by reason of Section 5.3.

10. Non-waiver. No delay or failure by any party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

11. Independent Counsel. Each party acknowledges and agrees that such party has been represented by and consulted with, or has had reasonable opportunity to be represented by and consulted with, independent counsel of its own choosing throughout all negotiations that preceded the execution and delivery of this Agreement.

12. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

13. Further Assurances. Each party to this Agreement hereby covenants and agrees, without the necessity of any further consideration, to execute and deliver any and all such further documents and take any and all such other actions as may be necessary or appropriate to carry out the intent and purposes of this Agreement and to consummate the transactions contemplated herein.

14. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware.

15. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

16. Binding Effect. Upon the execution hereof by the Company and the Sellers holding at least a majority of the Shares, the provisions of this Amendment and the Agreement shall be binding upon and inure to the benefit of each of the Company and each Seller and their respective successors and assigns.

17. Facsimile Signatures. This Agreement may be executed and transmitted by facsimile, which signature shall be binding upon the parties as if they were original signatures.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

COMPANY:

ORION MARINE GROUP, INC.

By: /s/ J. Michael Pearson
Name: J. Michael Pearson, President

SELLERS:

AUSTIN VENTURES VIII, L.P.

By: AV Partners VIII, LP, its General Partner

By: /s/ Joseph C. Aragona
Joseph C. Aragona, General Partner

AUSTIN VENTURES VII, L.P.

By: AV Partners VII, LP, its General Partner

By: /s/ Joseph C. Aragona
Joseph C. Aragona, General Partner

CAPTURE 2004, L.P.

By: JSB 2004, Inc., its general partner

By: /s/ Barry C. Twomey
Barry C. Twomey, Managing Director

2004 ORION, LLP

By: /s/ Barry C. Twomey
Barry C. Twomey, Managing Director

ORION INCENTIVE EQUITY, LP

By: Capture 2004, L.P., its general partner

By: JSB 2004, Inc., its general partner

By: /s/ Barry C. Twomey
Barry C. Twomey, Managing Director

RUSSELL INSERRA
/s/ Russell B. Inserra
Russell B. Inserra

Signature page to Amended and Restated Redemption Agreement

EXHIBIT A

Class A Stock

Date	Holder	Certificate No.	Number of Shares
10/14/04	2004 Orion LLP	01	1,000
1014/04	Austin Ventures VII, L.P.	02	11,437.5
10/14/04	Austin Ventures VIII, L.P.	03	19,062.5
10/14/04	Russell B. Inserra	04	3,500

Class B Stock

Date	Holder	Certificate No.	Number of Shares
10/14/04	2004 Orion LLP	01	819,000
10/14/04	Austin Ventures VII, L.P.	02	9,380,000
10/14/04	Austin Ventures VIII, L.P.	03	15,631,000
10/14/04	Orion Incentive Equity, L.P.	04	2,520,000
10/14/04	Capture 2004, L.P.	05	3,150,000
10/14/04	Russell B. Inserra	06	3,500,000
5/3/05	Russell B. Inserra	07	750,000
	Russell B. Inserra		50,000[1]

[1] Pursuant to the Employment Agreement of even date herewith between the Company and Mr. Inserra, options to acquire 50,000 shares of Class B Stock will vest on March 31, 2007. Subject to the vesting of such options and Mr. Inserra's exercise of such options and payment of the exercise price therefore on or prior to the Closing Date, the 50,000 shares issuable upon exercise of such options will be subject to redemption under this Agreement.

Exhibit 10.4

LEASE

LEASE AGREEMENT effective as of the 13th day of September, 2006, between **F. Miller Construction, L.L.C.** (I. D. No. _____) as lessee ("Lessee") and **Joe T. Miller, Sr.,**referred to as lessor ("Lessor").

WITNESSETH:

ARTICLE I

LEASED PREMISES

Lessor does hereby demise and lease unto Lessee, and Lessee does hereby hire and take from Lessor those certain premises (the "Leased Premises") described as follows:

> Commencing on the North right-of-way line of U. S. Highway No. 90 a distance of 461.4 feet Southeasterly from intersection of North line of U. S. Highway No. 90 and West line of Section Thirty-six (36), Township Nine (9) South, Range Eight (8) West, La. Mer., thence North 0° 44' West along the East line of property allotted to Mrs. May Thelma Lamb 1400 feet, more or less, to South right-of-way line of Southern Pacific Railroad, thence East along South right-of-way line of Southern Pacific Railroad 453.45 feet to Northwest corner of property allotted to Herman Collins House, thence South 0° 44' East along West line of property allotted to Herman Collins House 800 feet, thence North 80° 56' West 361.4 feet parallel to U. S. Highway No. 90, thence South 0° 44' East 670 feet to North right-of-way line of U. S. Highway No. 90, thence North 80° 56' West along the North side of U. S. Highway No. 90 a distance of 100 feet to the point of commencement.

Lessor has full right and authority to enter into this Lease and to grant to Lessee the estate and all rights purported to be herein granted without the prior consent or approval of any third party.

ARTICLE II

TERM

The primary term of this Lease shall commence the 15th day of September, 2006 and shall continue until the 31st day of August, 2007, subject to all other provisions of this Lease. Lessee shall have the option to renew this Lease for five (5) additional successive renewal terms of one (1) year each, if Lessee gives Lessor written notice by certified or registered mail of its intention to renew at least ninety (90) days prior to the expiration of the primary term, or renewal term, as applicable, of this Lease. If Lessee timely exercises the options to renew granted in this Lease, then this Lease shall continue upon the same terms and provisions contained in this Lease (including rental).

ARTICLE III

RENT

(a) Amount. Lessee shall pay to the Lessor a monthly rental of $3,500.00, in advance, on September 15, 2006 and then on the first day of each month thereafter through August 31, 2007. Rent for any period of early occupancy or for any partial calendar month during the term shall be prorated.

(b) Address for Payment:

Each rental payment shall be made payable to the following person and delivered to it at the following address:

Joe T. Miller, Sr.
3400 Holly Hill Road
Lake Charles, LA 70605

Each person may change the address for payment by notice to Lessee delivered on or before thirty (30) days prior to the rent due date.

ARTICLE IV

UTILITIES

Lessee agrees to pay for all of the utility expenses, including gas, electrical and water, which are related to the Leased Premises are located. Lessee agrees all utilities will be listed in the name of Lessee and billed to Lessee.

ARTICLE V

REAL ESTATE TAXES

Lessee shall pay all taxes, including ad valorem taxes, on the Leased Premises and on Lessee's improvements, equipment and other property on the Leased Premises and shall further pay for its occupational licenses and fees levied by any governmental bodies. PROVIDED, HOWEVER, ad valorem taxes and other taxes shall be prorated for the first and final years of the lease term.

The aforesaid items are to be paid by Lessee are a part of the rent for the Leased Premises, and a default in the payment of same shall be considered as a default in the payment of rental.

ARTICLE VI

MAINTENANCE AND REPAIR

(a) Lessee's Duties. By entry hereunder, Lessee acknowledges that the Leased Premises and appurtenances are in good, clean and sanitary order and repair, and accepts the Leased Premises in the condition delivered. Lessee shall, solely at its cost and expense, maintain the entire Leased Premises, including the roof and the structural components of the Leased Premises, in the same condition or state of repair (reasonable wear and tear excepted) than exists at the commencement of this

Lease. Lessee shall be responsible for maintaining existing exterior and interior walls, doors, and the interior and exterior of the Leased Premises, including all plumbing, electrical systems, piping, fixtures, equipment, heating and air conditioning equipment and shall replace all damaged or broken glass; provided, however, Lessee shall not be responsible for any repairs not occasioned by a casualty in excess of $10,000 per occurrence. In said maintenance, Lessee shall have the right to any warranties obtained by Lessor from subcontractors, materialmen or suppliers that relate to Lessor's construction of the Leased Premises. Lessee covenants and agrees to tender to the Lessor the Leased Premises at the end of the Lease in good clean and sanitary order and repair; and in the same condition as at the commencement of the Lease, reasonable wear and tear only excepted.

(b) Lessor's Duties. The Lessor shall not be responsible for any maintenance of the Leased Premises. If a repair or replacement, not occasioned by a casualty, is required and will exceed $10,000 in cost, Lessor shall have the option to make that repair or replacement or cancel and terminate this lease as of the end of the month in which it is required to be made.

(c) No representation or Warranties. Lessor has made no representations or promises with respect to this Lease, with respect to the Leased Premises or with respect to any matter related thereto, other than as expressly set forth herein.

(d) Indemnity. Lessee hereby agrees to hold Lessor harmless and otherwise indemnify Lessor for any liability to persons or property arising from all defects other than latent

defects in the Leased Premises and/or completed or incomplete repairs which are the obligation of Lessee to undertake.

(e) Access. Lessor shall have the right to reasonable access to the Leased Premises throughout the term of this Lease for the purposes of repair or inspection.

(f) Casualty or Expropriation. If as a result of a casualty to or expropriation of the Leased Premises, the Leased Premises cannot reasonably be occupied and used by Lessee, Lessee may cancel and terminate this Lease on thirty (30) days advance written notice to Lessor.

ARTICLE VII

INSURANCE

Lessee shall, at its own cost and expense, keep and maintain in full force during the term of this Lease, insurance as follows:

(a) Against public liability claims (including Workmen's Compensation Claims), against Lessor and Lessee, and all other claims against Lessor and Lessee as owners and/or landlords resulting from any accident occurring at, on or in any other way related to the Leased Premises, or any part thereof; said insurance to provide coverage covering property damage, bodily injuries, including death resulting therefrom, to the extent of $1,000,000.00 per accident and $1,000,000.00 per person and liability for damage to property of others caused thereby to the extent of $1,000,000.00 per accident;

(b) Against the perils of fire, flood and hazards ordinarily included under the standard extended coverage endorsements cover the full insurable value of the Leased

Premises, which the parties recognize is $750,000 on the date hereof; and,

(c) The Lessor shall be named as an additional insured in any policy maintained pursuant to this Lease, and each such policy shall contain provisions against cancellation except upon thirty (30) days prior notice to Lessor.

Policies and/or certificates of such insurance coverage shall be provided at Lessor's request.

ARTICLE VIII

USE OF LEASED PREMISES

Lessee shall use the Leased Premises exclusively as a construction company office, and Lessee is bound not to use the leased premises for any purpose that is unlawful or that tends to injure or depreciate the property.

Lessee shall comply with all federal, state and/or local laws, rules, regulations and/or orders with respect to the storage, use, discharge and/or removal of any chemical substances, including any "Hazardous Substances," "Pollutants", or "Contaminants" (as such terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA")) in connection with its use of the Leased Premises. The Lessee shall be responsible for the removal of any Hazardous Substances, Pollutants or Contaminants stored in or on the Leased Premises by Lessee during the term of this Lease and/or if required by any federal, state and/or local laws, rules, regulations and/or orders resulting from the Lessee's use of the Leased Premises.

Lessee shall immediately notify Lessor, in writing, of any violation or suspected violation of any federal, state and/or

local law, rule, regulation and/or order dealing with Hazardous Substances, Pollutants or Contaminants.

Lessor and Lessee acknowledge and agree that the Leased Premises have heretofore been occupied by Lessor or an affiliate of Lessor. Notwithstanding any provision to the contrary contained herein, in no event shall Lessee be liable for any acts or omissions of Lessor or any prior tenant or occupant, nor for the presence at the Leased Premises of any Hazardous Substances, Pollutants or Contaminants if not stored in or on the Leased Premises by Lessee during the term of this Lease or if not resulting from the Lessee's use of the Leased Premises.

ARTICLE IX

INDEMNIFICATION

Lessee covenants that it will hold and save Lessor harmless from any and all loss, cost, liability, damage or expense, including without limitation, attorney's fees and disbursements, caused by or arising from or in connection with the injury or death to persons or damage to property in, upon or about the Leased Premises or caused by or arising from or in connection with activities conducted thereon, or any act or omission of Lessee, its agents, employees, contractors, licenses and invitees, including without limitation, injury or death of Lessee's agents, employees, licensees, and invitees and damage to their property; provided, however, that Lessee shall be required to indemnify Lessor only for the negligence of the Lessee, its agents, employees, licensees and invitees, and Lessee shall not be required to indemnify Lessor for any damage or injury of any kind arising out of the negligence of third parties, the Lessor, its agents or employees.

Lessor shall not be liable for any damage to property or persons caused by, or arising out of water coming from the roof, water pipes, boilers, heating pipes, plumbing fixtures, waste pipes or any other source whatsoever whether within or without the Leased Premises.

All properties of Lessee and others, placed or allowed to remain on the Leased Premises by Lessee or with its consent, shall remain on the Leased Premises at the sole risk of Lessee and Lessor shall not have any responsibility therefor or obligation to Lessee or any other party with respect thereto. Lessee shall comply with all applicable insurance and fire prevention regulations.

The obligations of indemnity and assumption of responsibility on the part of Lessee set forth herein shall, to the extent of the obligations therein expressed, shall constitute an assumption of responsibility for the Leased Premises with the meaning of LSA-R.S. 9:3221 or other applicable law.

ARTICLE X

ASSIGNMENT

Lessee shall not assign or sublease the Leased Premises in whole or in part, unless prior written consent of the Lessor is obtained. Such consent shall not be unreasonably withheld, provided that the Lessee shall remain primarily liable for the payment of the rent and the performance of the terms and conditions of this Lease.

ARTICLE XI

SUBORDINATION

This Lease and all of Lessee's rights, title and interest in and under this Lease shall be subject, subordinated and inferior to the lien of any and all mortgages which now exist or which Lessor may in the future place upon the Leased Premises; however, Lessee's quiet enjoyment of the Leased Premises shall not be disturbed provided that Lessee is not in default under this Lease and agrees to attorn to Lessor's successor in title in the event of a foreclosure. If requested by Lessee, the Mortgagor, Lessor and Lessee shall enter into an agreement reflecting the subordination, non-disturbance and attornment provisions of this paragraph.

ARTICLE XII

DEFAULT AND REMEDIES THEREFOR

(a) Default. Any of the following shall constitute a default by Lessee:

(1) Failure to pay any rental, provide the insurance required for this lease or to pay the other expenses or obligations assumed under this Lease within fifteen (15) days after the due date.

(2) Any violation at any time of any other condition of this Lease if such violation continues for thirty (30) days after written notice of such violation is mailed by Lessor to Lessee.

(3) The filing in any court of a petition in bankruptcy, receivership, reorganization, for respite, or for any other debtor's proceedings by or against Lessee.

(4) Any seizure of Lessee's interest in this Lease under any writ of seizure of execution.

(b) Remedies. If any default shall occur, then, in addition, to any other rights which Lessor may have under law or under the provisions of this Lease, Lessor shall have the following options:

(1) To proceed for past due installment only, reserving its rights to proceed later for the remaining installments and to exercise any other option granted by this Lease.

(2) To cancel this Lease and to proceed for past due installments.

(3) To accelerate the rental for unexpired term of the Lease.

However, Lessor agrees that in the event of any default other than the default described in (a)(1) above, Lessor will provide the Lessee with written notice of the default, and Lessee shall have thirty (30) days thereafter within which to correct the default.

Lessee waives any putting in default for any such breach, except as expressly required by this Lease. Failure strictly and promptly to enforce the conditions set forth above shall not operate as a waiver of Lessor's rights. The acceptance of rent by Lessor shall not waive any preceding breach by Lessee of any term or condition of this Lease, other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessor's knowledge of the preceding breach at the time of the acceptance of such rent. Receipt by Lessor of a partial rental payment, even with special endorsement thereon, shall not

constitute a waiver of any of Lessor's rights hereunder. The waiver by Lessor or Lessee of any breach of this Lease shall not be deemed a waiver of any subsequent breach of the same of any other term or condition of this Lease. In the event of the failure of the Lessee to perform any of its obligations under this Lease, Lessor may, but shall not be obligated to, cause such obligations to be performed and shall have the right to collect such sums of money as may be expended by Lessor therefor from Lessee, together with interest at the rate of ten (10%) percent per annum until paid. Such performance by the Lessor shall not constitute a wavier of any default occasioned by Lessee's nonperformance. If Lessor employs an attorney to collect rent or any other sum due by Lessee, or if suit is brought to recover possession of the Leased Premises, or because of the breach of this Lease by Lessee (and a breach shall be established), Lessee shall pay to Lessor all expense reasonably incurred therefor, including a reasonable attorney's fees for such suit or collection.

(c) Default by Lessor. In the event Lessor fails to fulfill any of its obligations under this Lease, Lessee agrees to provide Lessor, and any Mortgagee of the Leased Premises of which Lessee has been notified, with notice of the default and shall allow Lessor, or Mortgagee at Mortgagee's option, twenty (20) days within which said default may be cured. In the event said default is not cured during this period, Lessee shall have the right to enforce any and all remedies granted by this Lease Agreement or by law against Lessor.

ARTICLE XIII

TERMINATION AND HOLDING OVER

Upon termination, Lessee shall deliver the Leased Premises in good condition, ordinary wear and tear accepted. In the event the Lessee holds the Lease over, upon the termination or expiration of this Lease, the holding over shall operate to extend the Lease on a month to month basis and shall thereafter constitute this Lease a lease from month to month. In the event the Lessee does elect to hold the Lease over, either party shall have the right during the holdover period to terminate the continuation of the holding over by giving the other party thirty (30) days written notice. All the other terms and conditions of this Lease shall remain in effect during the holding over period. During the term of this Lease, the Lessor shall have the right to show the Leased Premises for sale, or rent.

ARTICLE XIV

NOTICES

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed as follows:

If to the Lessor:

Joe T. Miller, Sr.
3400 Holly Hill Road
Lake Charles, LA 70605

If to the Lessee:

F. Miller Construction, LLC
Attn: Mr. Mark Stauffer, Vice-President
12550 Fuqua
Houston, TX 77034

ARTICLE XV

BINDING EFFECT

This Lease shall inure to the benefit of and shall be binding upon the Lessor, the Lessee and their respective successors and assigns, subject, however, to the limitations contained in Article XI hereof.

ARTICLE XVI

SEVERABILITY

If any clause, paragraph or part of this Lease, for any reason, be finally adjudged by any court of competent jurisdiction to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this Lease but shall be confined in its operation to the clause, sentence, paragraph or any part thereof directly involved in the controversy in which such judgment has been rendered. The unconstitutionality, invalidity or ineffectiveness of any one or more provisions or covenants contained in this Lease shall not relieve the Lessee from liability to make the payments of rental provided for in this Lease.

ARTICLE XVII

CAPTIONS

The captions or headings in this Lease are for convenience only and in no way define, limit or described the scope or intent of any provision of this Lease.

ARTICLE XVIII

EXECUTION OF COUNTERPARTS

This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one of the same instrument.

ARTICLE XIX

LAW GOVERNING CONSTRUCTION OF AGREEMENT

This Lease is prepared and entered into with the intention that the law of the State of Louisiana shall govern its construction

ARTICLE XX

NET LEASE

This agreement shall be deemed and construed to be a "net lease" and the Lessee shall pay absolutely net during the Lease Term and rent and all other payments required hereunder, free of any deductions, without abatement, diminution or set-off other than those herein expressly provided.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly signed on the dates shown below.

WITNESSES:

_____

Print Name:

_____

_____

Print Name:

_____

_____

Print Name:

_____

_____

LESSOR:

_____

JOE T. MILLER, SR.

DATE:

_____, **2006**

LESSEE:

F. MILLER CONSTRUCTION, LLC

By: _____

Mark Stauffer, Vice-President

DATE:

_____, **2006**

SOLIDARY GUARANTEE

The undersigned, Orion Marine Group Holdings, Inc., herewith guarantees the performance of all of Lessee's obligations under the foregoing Lease, including the payment of all amounts of rent, taxes, maintenance expenses and insurance, solidarily, binding itself in solido, unconditionally and as original promissor.

This _____ day of September, 2006.

ORION MARINE GROUP HOLDINGS, INC.

By: _____

Russell Inserra,
Chief Executive Officer

ACKNOWLEDGMENT

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

BEFORE ME, the undersigned Notary Public, duly commissioned and qualified in and for the aforesaid Parish and State, personally came and appeared _____, who by me being sworn, deposed and said that he witnessed the execution of the foregoing instrument by Mark Stauffer, Vice-President of F. Miller Construction, LLC and Russell Inserra, Chief Executive Officer Orion Marine Group Holdings, Inc., who in their official capacities executed the foregoing instruments of their own free will, act and deed on behalf of those entities for the uses, purposes and considerations therein expressed.

Sworn to and subscribed before me,
this _____ day of September, 2006.

_____

_____

NOTARY PUBLIC

Exhibit 10.5

SOUTHPOINT SQUARE I, LTD.

LEASE

This LEASE AGREEMENT dated September 28, 2006, by and between SOUTHPOINT SQUARE I, LTD., with its principal office at 6821 Southpoint Drive, N., Jacksonville, Florida, 32216 hereinafter called the LESSOR, and Misener Marine Construction, Inc., with its principal office at 5600 West Commerce Street, Tampa, Florida 33616, hereinafter called the LESSEE.

WITNESSETH

The LESSOR hereby leases to the LESSEE and the LESSEE hereby leases from the LESSOR, the following described property, sometimes hereinafter referred to as the leased premises to-wit:

Space designated as Suite 221, 6821 Southpoint Drive, N., Duval County, Jacksonville, Florida 32216, comprising approximately 1,152 square feet.

1. TERM: Lessee to have and to hold above described premises for a term of six (6)months, commencing on October 1, 2006 and terminating on March 31, 2007, on the terms and conditions as set forth herein.

2. USE AND POSSESSION: It is understood that the leased premises are to be used for general office purposes and for no other purpose without prior written consent of Lessor. Lessee shall not use the leased premises for any unlawful purpose or so as to constitute a nuisance (including bringing in pets to the office). The Lessee will exercise all reasonable care in the use of halls, rest rooms, and other parts of the Building used in common with other tenants in the Building, and will not make or permit any disfigurement or detachment or injury to any part of the Premises. The Lessor covenants and agrees to have the leased premises completed and ready for possession on or before the above commencement date, barring strikes, insurrections, Acts of God and other casualties or unforeseen events beyond the control of the Lessor. The Lessee, at the expiration of the term, shall deliver up the leased premises in good repair and condition, damages beyond the control of the Lessee, reasonable use, ordinary decay, wear and tear excepted.

3. RENT: Lessee hereby covenants and agrees to pay the Lessor, a Monthly Base Rent excluding sales and/or use taxes of Two-Thousand and Ninety-Five Dollars ($2,095), payable in advance beginning on the commencement date of this Lease and on the first day of each and every month thereafter, plus 7% Florida State sales tax in the amount of One-Hundred and Forty-Six Dollars and Sixty-Five Cents ($146.65) , for a total monthly rent of Two-Thousand Two-Hundred and Forty-One Dollars and Sixty-Five Cents ($2,241.65) . Rent shall be paid to the Lessor at 6821 Southpoint Drive, N., Jacksonville, Florida 32216. Base rent shall be adjusted annually in the manner set forth in Paragraph Four. Lessor may charge Lessee a late charge of 5% of each rental payment which is not received by the Lessor within five days of the due date, which date being the first day of the month, and that the Lessor may charge the Lessee an additional 15% late fee if the same rental payment is not received by the 10th of the month. If Lessee's possession commences on other than the first day of the month, Lessee shall occupy the leased premises under the terms, conditions, and provisions of this Lease, and the prorate portion of the monthly rent for said month shall be paid and the term of the Lease shall commence on the first day of the month following that which possession is given.

4. RENT ADJUSTMENT: The Lessor shall notify the Lessee of the adjusted monthly rent, in writing, prior to the respective anniversary date on which such rent adjustment occurs. The lessee agrees to pay the adjusted monthly rent together with any applicable taxes as set forth in Paragraph Five, on the first day of each month for the following twelve-month period or for those months remaining in said period after notification by Lessor.

5. SALES AND USE TAX: The Lessee hereby covenants and agrees to pay monthly, as

additional rent, any sales, use or other tax, excluding State and/or Federal Income Tax, now or hereafter imposed upon rents by the United States of America, the State, or any political subdivision thereof, to the Lessor.

6. NOTICE: For the purpose of notice or demand, the respective parties shall be served by certified or registered mail, return receipt requested, addressed to the Lessee at its principal office address as set forth herein and to the Lessor at its mailing address, 6821 Southpoint Drive, N., Jacksonville, Florida 32216.

7. ORDINANCES AND REGULATIONS: The Lessee hereby covenants and agrees to comply with all the rules and regulations of the Board of Fire Underwriters, officers or Boards of the City, County or State having jurisdiction over the leased premises, and with all ordinances regulations of governmental authorities wherein the leased premises are located, at Lessor's sole cost and expense, but only insofar as any of such rules, ordinances and regulations pertain to the manner in which the Lessee shall use the leased premises: the obligation to comply in every other case, and also all cases where such rules, regulations and ordinances require repairs, alterations, changes or additions to the building equipment, or any part of either, being hereby expressly assumed by Lessor, and Lessor covenants and agrees promptly and duly to comply with all such rules, regulations and ordinances with which Lessee has not herein expressly agreed to comply.

Lessee shall not do or suffer to be done, or keep or suffer to be kept, anything in, upon or about the premises which will contravene Lessor's policies insuring against loss or damage by fire or other hazards, or which will prevent Lessor from procuring such policies in companies acceptable to Lessor, or which will cause an increase in the insurance rates upon any portion of the building. If Lessee violates any prohibition provided for in the first sentence of the Section, Lessor may without notice to Lessee, correct the same at Lessee's expense. Lessee agrees to pay to Lessor as Additional Rent on demand the amount of any increase in premiums for insurance resulting from any violation of the first sentence of this paragraph, even if Lessor shall have consented to the doing of, or the keeping of, anything on the premises which constitute such a violation (but the payment of such Additional Rent shall not entitle Lessee to violate the provisions of the first sentence of this Section).

8. SIGNS: The Lessor will provide the Lessee with door and directory signage in accordance with the Lessee's specifications. The Lessee will not place any signs or other advertising matter or material on the exterior or on the interior of the leased premises or on the building in which the leased premises are located without the prior written consent of the Lessor.

9. SERVICES: Lessor covenants and agrees, at Lessor's expense, to furnish the leased premises with: a) janitorial service and trash removal from leased premises five days a week, b) furnishing, supplying and maintaining building common areas and rest room facilities, including water and sewage disposal in the building in which the leased premises are located, c) heating and air conditioning for the comfortable use and occupancy of the leased premises during normal business hours, d) electricity twenty-four hours a day, seven days a week, suitable for the intended use as general office space, including the use of general office equipment (inclusive of computers, typewriting and facsimile machines). Lessor shall provide free parking for Lessee's employees and visitors on Lessor's parking area adjacent to the building in which the leased premises are situated.

Lessee will not interfere with the installation or operation of the interior lighting system, or the heating, ventilating and air conditioning system and will take, or join with Landlord in taking all reasonable measures to conserve energy used in operation of the buildings.

If the Lessee shall require electrical current or install electrical equipment including, but not limited to, electrical heating, refrigeration equipment, or machines or equipment using current which will in any way increase the amount of the electricity usually furnished for use in general office space, Lessee will obtain prior written approval from the Lessor and pay periodically for the additional direct expense involved.

Lessee will reimburse the Lessor for expenses incurred by the Lessor, if any, to provide extraordinary protection for the persons and property of the Lessor or other Lessees of the Lessor

from injury or loss or threat of injury or loss from riot, civil commotion, vandalism, or malicious mischief if and to the extent that such injury or threat is caused by the unusual nature or reputation of Lessee or Lessee's business, occupation, or profession. Nothing in this clause shall be deemed to obligate Lessor to provide such extraordinary protection.

10. ALTERATIONS: Lessee, by occupancy of the finished suite, accepts the leased premises and every part thereof in good repair and condition, ordinary decay and wear and tear excepted. Lessee shall not make or suffer to be made any alterations, additions, or improvements to the leased premises or any part thereof without prior written consent of Lessor, which consent the Lessor covenants and agrees shall not be unreasonably withheld. If the Lessor consents to the proposed alterations, additions, or improvements, the same shall be at Lessee's sole cost and expense, and Lessee shall hold Lessor harmless on account of the cost thereof. Any such alterations shall be made at such times and in such a manner as not to unreasonably interfere with the occupation, use, and enjoyment of the remainder of the building by the other tenants thereof. If required by Lessor, such alterations shall be removed by Lessee upon the termination or sooner expiration of the term of this Lease, and Lessee shall repair damage to the premises caused by such removal, at Lessee's cost and expense. "Modular" furniture and walls that are free standing and unsecured either to the floor or to the existing walls are not considered alterations for the purpose of this lease.

11. QUIET ENJOYMENT:

(a) The Lessor covenants and agrees that Lessee, on paying said monthly rent and performing the covenants herein, shall and may peaceably and quietly hold and enjoy the said leased premises and common areas, including but not limited to parking areas, sidewalks, entrances, exits, lobbies, rest rooms, and lounges for the term aforesaid. Nothing herein shall prohibit Lessor from modifying or altering any common areas so long as a reasonable means of access is provided to the Premises.

(b) Relocation: Lessor shall be entitled to cause Lessee to relocate from the Premises to a comparable space (a "Relocation Space") within the Building at any time after reasonable written notice of Lessor's election (not less than sixty (60) days) is given to Lessee. Any such relocation shall be entirely at the expense of the Lessor or the third party tenant replacing Lessee in the Premises. Such a relocation shall not terminate or otherwise affect or modify this Lease except that from and after the date of such relocation, "Premises" shall refer to the Relocation Space into which Lessee has been moved, rather than the original Premises as herein defined.

12. LESSOR'S RIGHT TO INSPECT AND DISPLAY: The Lessor shall have the right, at reasonable times during the term of this Lease, to enter the leased premises for the purpose of examining or inspecting same and of making such repairs or alterations as the Lessor shall deem necessary. The Lessor shall also have the right to enter the leased premises at reasonable times during the term of this lease, for the purpose of displaying said premises to prospective tenants within ninety days prior to the termination of this Lease. Lessee will not allow to be placed upon the doors of the Premises any new or additional locks without the written consent of the Lessor and without delivering Landlord a duplicate key for the new or additional lock.

13. DESTRUCTION OF PREMISES:

(a) If the leased premises are partially or totally destroyed by fire or other casualties, such as to render them incapable of being used for the purpose intended, both the Lessor and the Lessee shall have the option of terminating this Lease or any renewal thereof, upon giving written notice at any time within thirty days from the date of such destruction, and if the Lease be so terminated, all rent shall cease as of the date of such destruction and any prepaid rent shall be refunded.

(b) If such leased premises are partially damaged by fire or other casualty, or totally destroyed thereby and neither party elects to terminate this Lease within the provisions of paragraph (a) above or (c) below, then the Lessor agrees, at Lessor's sole cost and expense, to restore the leased premises to a kind and quality substantially similar to that immediately prior to such destruction or damage. Said restoration shall be commenced within a reasonable time and completed without delay on the part of the Lessor and in any event shall be accomplished within

ninety days from the date of the fire or other casualty. In such case, all rents paid in advance shall be proportioned as of the date of damage or destruction and all rent thereafter accruing shall be equitably and proportionately suspended and adjusted according to the nature and extent of the destruction or damage, pending completion or rebuilding, restoration, or repair, except that in the event the destruction or damage is so extensive as to make it unfeasible for the Lessee to conduct Lessee's business on the leased premises, the rent shall be completely abated until the leased premises are restored by the Lessor or until the Lessee resumes use and occupancy of the leased premises, whichever shall first occur. The Lessor shall not be liable for any inconvenience or interruption of business of the Lessee's occasioned by fire or other casualty.

(c) If the Lessor undertakes to restore, rebuild, or repair the premises, and such restoration, rebuilding, or repair is not accomplished within ninety days, and such failure does not result from causes beyond the control of the Lessor, the Lessee shall have the right to terminate this lease by written notice to the Lessor within thirty days after expiration of said ninety day period.

(d) Lessor shall not be liable to carry fire, casualty, or extended damage insurance on the person or property of the Lessee or any person or property which may now or hereafter be placed on the leased premises by Lessee.

14. CONDEMNATION: If during the term of this Lease, or any renewal thereof, the whole of the leased premises, or such portion thereof as will make the leased premises unusable for the purpose leased, be condemned by public authority for public use, then, in either event, the term hereby granted shall cease and come to an end as of the date of the vesting of title in such public authority, or when possession is given to such public authority, whichever event last occurs. Upon such occurrence, the rent shall be proportioned as of such date and any prepaid rent shall be returned to the Lessee. The Lessor shall be entitled to the entire award for such taking except for any statutory claim of the Lessee for injury, damage, or destruction of Lessee's business accomplished by such taking. In no event shall the Lessor be liable to the Lessee for any business interruption, diminution in use or for the value of any unexpired term of this Lease.

15. ASSIGNMENT AND SUBLEASE: Excepting assignment and/or sublease to an affiliated, subsidiary, or parent company, the Lessee covenants and agrees not to encumber or assign this Lease or sublet all or any part of the leased premises without the written consent of the Lessor, which consent the Lessor covenants and agrees shall not be unreasonably withheld. Such assignment shall in no way relieve the Lessee from any obligations hereunder for the payment of rents or the performance of the conditions, covenants, and provisions of the Lease.

In no event shall Lessee assign or sublet the leased premises for any terms, conditions, and covenants other than those contained herein. In no event shall this Lease be assigned or be assignable by operation of law or by voluntary or involuntary bankruptcy proceedings or otherwise, and in no event shall this Lease or any right or privileges hereunder be an asset of Lessee under any bankruptcy, insolvency, or reorganization proceedings. Lessor shall not be liable nor shall the leased premises be subject to any mechanics, materialmans or other type liens, and Lessee shall keep the premises and property in which the leased premises are situated free form any such liens and shall indemnify Lessor against and satisfy any such liens which may obtain because of Acts of Lessee notwithstanding the foregoing provision.

16. HOLDOVER: It is further covenanted and agreed that if the Lessee, any assignee, or sublessee shall continue to occupy the leased premises after the termination of this Lease (including a termination by notice under Paragraph twenty three), without prior written consent of the Lessor, such tenancy shall be Tenancy at Sufferance. Acceptance by the Lessor of rent after such termination shall not constitute a renewal of this Lease or a consent to such occupancy nor shall it waive Lessor's right of re-entry or any other right contained herein. The monthly rent during the holdover period shall be at a rate of 150% the monthly rental amount paid in the month immediately preceding the holdover period.

17. SUBORDINATION: Lessee's rights under this lease are and shall always be subordinate to the operation and effect of any mortgage, deed of trust, ground lease, assignment of leases, or other security instrument or operating agreement now or hereafter place or governing the building or

related improvements and land on which the leased premises are located, or any part thereof by Lessor. This clause shall be self-operative, and no further instrument of subordination shall be required. In confirmation thereof, Lessee shall execute such further assistance as may be reasonably required by Lessor or any mortgagee, trustee, beneficiary, ground lessor, or assignee under any such mortgage, deed of trust, ground lease, assignment of leases, or other security instrument. The foregoing notwithstanding, any mortgage, trustee, beneficiary, lessee or assignee may elect that this lease shall have priority over its mortgage, deed of trust, ground lease, or other security instrument and upon notification of such election by any such mortgagee, beneficiary or ground lessor to lessee, this lease shall be deemed to have priority over said mortgage, deed of trust, ground lease, assignment of leases or other security instrument whether this lease is dated prior to or subsequent to the date of such mortgage, deed of trust, ground lease, assignment of leases or other security instrument. Lessee agrees to execute all instruments reasonably requested by any such mortgage, trustee, beneficiary, ground lessor or assignee to confirm such priority of subordination, as the case may be. Lessee hereby attorns to any successors to landlord's interest in this lease, and shall recognize such successor as landlord hereunder. Lessee shall have the right to the peaceable possession of the leased premises for the term of this lease and any extension or renewal thereof and shall not be disturbed in the event of the termination or foreclosure of any mortgage, deed of trust, ground lease, assignment of leases, or security instrument now or hereafter placed or governing the demised premises, such successor in title to the Lessor hereunder shall acknowledge and confirm to the Lessee that the Lessee's right not to be disturbed in the event of the termination or foreclosure of any mortgage, deed of trust, ground lease, assignment of leases, or security instrument now or hereafter placed or governing the demised premises, such successor in title to the Lessor hereunder shall acknowledge and confirm to the Lessee that the Lessee's right to continue to occupy said premises pursuant to the term of this lease shall in no wise be affected by such termination.

Lessor hereby agrees not to disturb the peaceable possession of a Lessee under an Occupancy Lease in accordance with the hereinafter provided provision so long as such Lessee performs its obligations in accordance with such hereinabove provided provision.

18. INDEMNIFICATION: The Lessor shall not be liable for any damage or injury to any person or property whether it be the person or property of the Lessee, the Lessee's employees, agents, guests, invitees or otherwise by reason of Lessee's occupancy of the leased premises or because of fire, flood, windstorm, Acts of God, or for any other reason beyond the control of the Lessor. The Lessee agrees to indemnify and save harmless the Lessor from and against any and all loss, damage, claim, demand, liability, or expense by reason of damage to person or property which may arise or be claimed to have arisen as a result of the occupancy or use of said leased premises by the Lessee or by reason thereof or in connection therewith, or in any way arising on account of any injury or damage caused to any person or property on or in the leased premises, providing, however, that Lessee shall not indemnify as to the loss or damage due to fault of Lessor.

19. RULES: Lessee will faithfully observe and comply with the following rules and regulations and all reasonable modifications thereto adopted from time to time by Lessor. Rules currently in force, until modified by Lessor, include the following:

(a) Lessee will refrain from smoking inside the building at all times and will use designated areas outside the premises for said smoking.

(b) Lessee will not utilize chairs with casters unless placed upon a plastic chair mat to protect the carpet thereunder.

(c) Lessee will move furniture and office equipment to and from the building during the normal workweek, absent written consent from Lessor to allow a move on weekends or holidays. A charge of $100 will be levied for weekend or holiday moves.

(d) Lessee will pay any penalty levied against landlord should Lessee cause a false alarm activating the burglar alarm system in use in the building. The principal cause of false alarms are opening the sliding glass doors anytime between 6:00 P.M. and 8:30 A.M. Monday through Friday and at anytime during the weekends and legal holidays.

20. CONSTRUCTION OF LANGUAGE: The terms lease, lease agreement, or agreement shall be inclusive of each other, also to include renewals, extensions, or modifications to the Lease. Words of any gender used in this Lease shall be held to include any other gender, and words in the singular shall be held to include the plural and the plural to include the singular, when the sense requires. The paragraph headings and titles are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

21. DEFAULT: In the event the Lessee shall default in the payment of rent or any other sums payable by the Lessee herein, and such default shall continue for a period of thirty days after written notice therefore, or if the Lessee shall default in the performance of any covenants or agreements of this Lease and such default shall continue for thirty days after written notice thereof, or if the Lessee should become bankrupt or insolvent or any debtor proceedings be taken by or against the Lessee, then and in addition to any and all other legal remedies and rights, the Lessor may declare the entire balance of the rent for the remainder of the term to be due and payable and may collect the same by distress or otherwise, the Lessor may terminate this Lease and retake possession of the leased premises, or enter the leased premises and relet the same without termination, in which later event the Lessee covenants and agrees to pay any deficiency after Lessee is credited with the rent thereby obtained less all repairs and expenses (including the expenses of obtaining possession), or the Lessor may resort to any two or more of such remedies or rights, and adoption of one or more such remedies or rights shall not necessarily prevent the enforcement of others concurrently or thereafter.

The Lessee also covenants and agrees to pay reasonable attorney's fees, costs and expenses of the Lessor, including court costs, if the Lessor employs an attorney to collect the rent or enforce other rights of the Lessor herein and the Lessor is the prevailing party in such action.

In the event that Lessor shall be in default of this agreement due to lack of providing the services described herein, for a period of thirty days after written notice of such default, the Lessee shall have the option to terminate this agreement at that time and shall be free of all obligations hereunder including the obligation to pay rent.

22. SUCCESSORS AND ASSIGNS: This lease shall bind and inure to the benefit of the successors, assigns, heirs, executors, administrators, and legal representatives of the parties hereto.

23. NON-WAIVER: No waiver of any covenant or condition of this Lease by either party shall be deemed to imply or constitute a further waiver of the same covenant or condition or any other covenant or condition of this Lease, unless there is written approval by and between Lessor and Lessee.

24. AUTOMATIC RENEWAL: This Lease shall stand renewed for successive additional terms equal to the original term of this Lease as set forth in Paragraph One (excluding any lease with a term less than twelve (12) months) unless either party shall, not less than sixty days prior to the end of the term hereof, or not less than sixty days prior to the end of any renewal term, by written notice to the other party, terminate the same. Failure of either parties to serve such written notice of termination on the other party shall extend the term of this Lease for an additional period equal to the original term of this Lease and obligate the Lessee to all the terms and conditions hereof for such renewal term, including the obligation to pay rent thereof, as set forth herein.

25. SECURITY DEPOSIT: The Lessee, concurrently with the execution of this Lease, has deposited with the Lessor the sum of One-Thousand Three Hundred and Twenty Dollars ($1,320.00) already received, the receipt being hereby noted as follows: Check Number: 23268—. Which sum shall be retained by the Lessor as security for the condition of the leased premises and for the faithful performance of the covenants of this Lease. If at any time the Lessee shall be in default in any of the provisions of this Lease, the Lessor shall have the right to use said deposit, or so much thereof as may be necessary in payment of any expenses incurred by the Lessor in and about the curing of any default by said Lessee, and/or in payment of any damages incurred by the Lessor by reason of such default of the Lessee, or at the Lessor's option, the same may be retained by the Lessor in liquidation of part of the damages suffered by the Lessor by reason of default of the Lessee. Upon termination and vacation of the said leased premises, the security

deposit shall be returned to the Lessee after the Lessee has paid all outstanding charges, a final walk-through has been completed, and no damage has been done to the premises.

26. TELEPHONE, ANSWERING AND MISCELLANEOUS SERVICES: Lessor has included one telephone instrument and one-line answering service for the term of the lease agreement and any renewals thereof (cost for additional lines and telephones is based on attached schedule Attachment A). **Lessee shall also pay Lessor $75 per month for T-1 internet services rendered for the term of the lease.** Lessee shall also pay Lessor for services rendered on an as use basis for secretarial or any other services in accordance with the fee schedule Attachment A (rates are subject to periodic change with 30 days prior notice).

In WITNESS WHEREOF, Lessee and Lessor have caused this instrument to be executed as of the date first above written, by their respective officers or parties thereunto duly authorized.

Dated: 9-28-06

Title: Branch Manager

Dated:

Southpoint Square I, Ltd.
(LESSOR)

Witness

Title: Managing General Partner

ADDENDUM

March 15, 2007

To Lease Agreement dated September 28, 2006, by and between SOUTHPOINT SQUARE I, LTD., Lessor, and MISENER MARINE CONSTRUCTION, INC., Lessee, to wit:

It is understood and agreed that the referenced lease is renewed for another six (6) month period commencing April 1, 2007 and terminating on September 30, 2007. And, that the monthly rental rate shall remain the same, specifically, $2,095.00 plus sales tax of $146.65 for a total of $2,241.65.

All other terms and conditions of said Lease shall remain in full force and effect.

In WITNESS WHEREOF, Lessee and Lessor have caused this instrument to be executed as of the date first above written, by their respective officers or parties thereunto duly authorized.

Dated: March 16, 2007

Misener Marine Construction, Inc.

Title: Branch Manager

Southpoint Square I, Ltd.

/s/ [ILLEGIBLE]
Witness

Title: Managing General Partner

ADDENDUM

March 15, 2007

To Lease Agreement dated September 28, 2006, by and between SOUTHPOINT SQUARE I, LTD., Lessor, and MISENER MARINE CONSTRUCTION, INC., Lessee, it wit:

It is understood and agreed that the referenced lease is renewed for another six (6) month period commencing April 1, 2007 and terminating on September 30, 2007. And, that the monthly rental rate shall remain the same, specifically, $2,095.00 plus sales tax of $146.65 for a total of $2,241.65.

All other terms and conditions of said Lease shall remain in full force and effect.

In WITNESS WHEREOF, Lessee and Lessor have caused this instrument to be executed as of the date first above written, by their respective officers or parties thereunto duly authorized.

Dated: March 16, 2007

Misener Marine Construction, Inc.
(LESSEE)

/s/ Michele Moore
Witness

By: /s/ Craig Sivert
Craig Sivert

Title: Branch Manager

Dated: March 19, 2007

Southpoint Square I, Ltd.
(LESSOR)

(Illegible)
Witness

By: /s/ Roberta C. Birch
Roberta C. Birch

Title: Managing General Partner

Exhibit 10.6

LEASE

THE STATE OF TEXAS §

COUNTY OF CALHOUN §

This lease is made and executed by and between the CITY OF PORT LAVACA, TEXAS, a home rule municipality duly incorporated under the laws of he State of Texas, hereinafter called "CITY" and KING FISHER MARINE SERVICE, INC, having their principal place of business in Port Lavaca, Calhoun County, Texas, hereinafter called "LESSEE".

1. GRANT OF LEASE

CITY hereby leases to LESSEE AND LESSEE leases from CITY herein provided a certain 2.637 acre parcel of land located at, Harbor of Refuge, Port Lavaca, Texas particularly described in Exhibit "A" attached hereto and made a part hereof.

2. TERM

The primary term of this lease shall begin on the following date: July 1, 1997 and shall extend for a period of five (5) years or unless sooner terminated by mutual agreement by and between the parties hereto or under and pursuant to the terms of this agreement hereinafter set out.

3. RENTAL CONSIDERATION

LESSEE shall pay CITY as rent therefor during said term the following:

The rent for the leased premises is THIRTEEN THOUSAND TWO HUNDRED NINE AND 72/100 DOLLARS ($13,209.72) per year.

The minimum rental for the primary term is payable in monthly installments commencing on the effective date hereof in the amount of One Thousand One Hundred and 81/100 Dollars ($1,100.81) and continuing on the first day of each month in the same amount for the duration of this lease except that the rental rates each year (beginning January 1 of each year) shall increase by the same percentage as the amount of the percentage increase in the National Consumer Price Index as of January 1 of the previous year.

4. LEASE OPTION

LESSEE is hereby given the express option to renew this lease

agreement as follows: Two (2) additional periods of five (5) years each on the same terms and conditions as contained herein.

In the event LESSEE wishes to exercise its said option for any renewal period, it shall give CITY sixty (60) days notice in writing prior to the termination of each period respectively.

5. UTILITIES

LESSEE agrees to pay all gas, electric, water sewage and other utility charges.

6. RIGHT TO INSPECT

CITY has no duty to inspect said premises to determine the need for repairs or to determine if LESSEE is maintaining the premises and/or any buildings of structures: however, CITY may at any reasonable time enter the premises and inspect the same to determine if LESSEE is complying with the covenants contained in this lease.

7. LAWS AND REGULATIONS

In the use of the premises herein leased, the LESSEE shall conduct its business thereon in compliance with all valid ordinances and/or regulations of the CITY and all laws of the STATE OF TEXAS, UNITED STATES OF AMERICA and/or STATE or FEDERAL regulatory agencies, and/or any amendments thereto.

8. WASTE

LESSEE shall not permit the accumulation of waste or of refuse matter on the premises.

9. ASSIGNMENT

LESSEE shall not without first obtaining the written consent of' CITY, assign, sublet, pledge, mortgage or encumber this lease in whole or in part or sublet the premises or any part thereof. This covenant shall be binding upon the legal representatives of LESSEE and upon every person to whom LESSEE'S interest under this lease passes by operation of law, if any. No consent on the part of the CITY shall operate as a release of the duties of LESSEE unless said release is in writing and specifically states LESSEE has been relieved of its duties and obligations included in this agreement.

10. SHOW PREMISES

During the twelve (12) months prior to termination this lease CITY may show the premises to prospective tenants, during business hours upon reasonable notice to LESSEE.

11. CONSTRUCTIVE EVICTION

LESSEE shall not be entitled to claim a constructive eviction from the premises unless; 1) LESSEE shall have first notified CITY in writing of the condition or conditions given rise hereto and 2) if the complaints be justified, CITY shall have failed within a reasonable time after receipt of such notice to remedy such condition.

12. LIEN

LESSEE hereby gives and grants to CITY a landlord's lien on all goods, wares, merchandise and fixtures belonging to LESSEE, located on said premises, to secure the payment of the rentals herein agreed to be paid, and any and all other sums of money to become due and owing by LESSEE to CITY under the terms of this agreement. This lien shall be subordinate to any security agreement, mortgage, bond or debenture LESSEE executes and/or delivers encumbering the subjects of this Section.

13. INDEMNIFICATION AND LIABILITY

LESSEE covenants and agrees to indemnify and save CITY harmless from all damages, claims and demands of any person or persons by reason of the operation and conduct of the business of LESSEE on the leased premises and for any condition existing on the leased premises under control of LESSEE and in any suit or action for damages arising from the negligence of LESSEE in this respect, in which action CITY is included or made a defendant, and LESSEE agrees to assume all of the burden, cost and expense of the defense or settlement of suitor causes of action, including attorney's fee in the defense or settlement of such action, or claim, and will well and truly pay all judgment which may be obtained against CITY, as provided for in this paragraph.

14. INSURANCE

LESSEE further covenants and agree that it will at all times during the term of this lease, or any extension thereof, at its own expense, maintain and keep in force liability insurance insuring

LESSEE in the amount of FIVE HUNDRED THOUSAND DOLLARS ($500,000.00) per accident, TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000.00) per person for injury to any one person or any one occurrence and TWENTY-FIVE THOUSAND DOLLARS ($25,000.00) for property damage, against loss, liability or damage which may result from accident or casualty whereby any person or persons whomsoever may be injured or killed or sustain property damage on the leased premises. LESSEE shall furnish an endorsement naming CITY as an additional insured.

15. PEACEFUL POSSESSION

CITY covenants that LESSEE shall peaceably and quietly have, hold and enjoy the premises herein mentioned subject to provisions of this lease and mortgages, liens or deeds of trust created thereafter.

16. REDELIVERY

Upon the termination of this lease, from whatever cause, LESSEE shall deliver to CITY peaceable possession of the entire premises, in as good condition as it was received, except deterioration by ordinary wear and tear, and/or damage by fire or acts of God.

17. HOLDING OVER

In the event LESSEE should hold over or be permitted to hold over or occupy said premises after the expiration of the term of said lease, or after the termination hereof pursuant to the provisions herein contained, such holding over by LESSEE shall not be deemed a renewal or extension of this lease in any way, but LESSEE shall after such termination, be deeded a tenant wholly at the will of CITY.

18. REMEDIES ON DEFAULT

The debt created herein can be matured and the lease herein granted can be terminated by CITY in the following circumstances:

a) Should default be made by LESSEE in the payment of any payment and should default continue for a period of thirty (30) days, then CITY may mail notice of such default and thirty (30) days after the date of mailing of such notice of default to LESSEE then in such event CITY may declare all of said rent for the entire term of said lease due and payable and/or terminate the lease and

all rights of LESSEE to possession under the terms of this lease and it shall be lawful for CITY, its agents or assigns to enter upon the said premises and or part thereof either with or without process of law without incurring any legal responsibility therefor. in the event said power to terminate is exercised by CITY, it shall not constitute an election or waiver of any right of CITY.

b) If LESSEE shall breach any other condition or neglect or refuse to perform any of the covenants and/or agreements herein contained, or in case the said LESSEE shall assign or sublet the premises or any part thereof to any person, firm or corporation without the written consent of CITY, then in any of those events CITY may give written notice of said breach or attempted breach setting out the nature thereof, and if the same is not corrected within thirty (30) days after such notice, then CITY can mature the indebtedness created by this lease and the same will be immediately due and payable and CITY can terminate this lease and re-enter said premises as provided in (a) above.

19. DAMAGED PREMISES

In case of loss or damage to the premises herein leased by storm water or any other cause whatsoever, so that use thereof by LESSEE is impossible, if CITY does not deem it advisable, in its sole and unlimited discretion, to repair or replace the land and/or improvements herein lease, CITY shall, within thirty (30) days after the loss from any of the foregoing causes, notify LESSEE in writing of CITY'S election not to repair or replace said land and/or improvements, in which event LESSEE may repair the premises or terminate the lease with regard to the payment of rentals and the term hereof, and for any other purposes, SAVE AND EXCEPT, that LESSEE shall have a continuing duty to deliver up to the CITY possession of the premises in as good condition as is reasonably possible under all the circumstances then existing. If said land and/or improvements are seriously damaged by storm waters or any cause as aforesaid, the CITY, if it deems it advisable in its sole and unlimited discretion to do so, may repair or replace said land, using reasonable diligence in so doing to the end that the entire premises may be placed in a tenantable condition as soon as it

reasonably possible after such loss or damage in which event this lease shall continue in full force and effect; PROVIDED, HOWEVER, that during the term that such premises are not in tenantable condition, the LESSEE shall be relieved of its obligation to pay the rental thereon until such premises are again rendered tenantable.

20. REMOVAL OF CERTAIN ITEMS

LESSEE shall upon the expiration of this lease remove all property placed on said premises by LESSEE, save and except any permanent improvements so attached to the premises that their removal will cause permanent damages to the premises.

21. RELATIONSHIP

It is strictly understood that the only relationship between the parties hereto is LESSOR-LESSEE and the parties have no intention of entering a partnership or joint venture or any other similar relationship by virtue of this agreement.

22. WAIVERS

CITY'S waiver of breach of one covenant and condition of this lease is not a waiver or breach of others or of a subsequent breach of the one waived. CITY'S acceptance of rent installations after breach is not a waiver of the breach except of the breach of the covenant to pay the rent installment or installments accepted.

23. RECEIVERSHIP

Appointment of a receiver to take possession of LESSEE'S assets, LESSEE'S general assignment for benefit of creditors, or LESSEE'S insolvency or taking or suffering action under the Bankruptcy Act is a breach of this lease.

24. DOCKING RIGHTS

In addition to the land area contained in the metes and bounds description, the LESSEE shall have exclusive docking rights insofar and only insofar as the City of Port Lavaca has authority to grant exclusive docking rights, along the entire water frontage of the leased area. The exclusive docking privilege shall be subject to any existing tariff then on file with the proper authorities. Also, any vessel in distress or unable to navigate safely may tie up to the leased area temporarily and until the vessel can be towed

away or moved at the direction of a duly authorized representative of the City of Port Lavaca.

25. ENVIRONMENTAL CLAUSE

1. Definitions. For the purposes of this Lease Agreement, the parties agree that, unless the context otherwise specifies or requires, the following terms shall have the meaning herein specified:

(a) "Governmental Authority" shall mean the United States, the state, the county, the city, or any other political subdivision in which the Premises are located, and any other political subdivision, agency or instrumentality exercising jurisdiction over Lessee or the Premises.

(b) "Governmental Requirements" shall mean all laws, ordinances, rules, and regulations of any Governmental Authority applicable to Lessee or the premises.

(c) "Hazardous Materials" shall mean (a) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (b) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9501 et seq.) (" CERCLA") as amended from time to time, and regulations promulgated thereunder; (c) asbestos; (d) polychlorinated biphenyls; (3) underground storage tanks, whether empty, filled or partially filled with any substance, (f) any substance the presence of which on the premises is prohibited by any Governmental Requirements; and (g) any other substance which by any Governmental Requirements

requires special handling or notification of any federal, state or local governmental entity in its collection, storage, treatment, or disposal.

(d) "Hazardous Materials Contamination" shall mean the contamination of the premises, facilities, soil groundwater, air or other elements on or of the premises by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on or of any other property as a result of Hazardous Materials at any time emanating from the premises.

2. Prior to executing this Lease Agreement Lessor and Lessee have conducted a surface inspection of the premises and agree that the premises appear to be free of any Hazardous Materials Contamination.

3. Lessee's Covenants. Lessee agrees to (a) not allow the release of any Hazardous Materials on, onto or from the leased premises that could result in (i) a violation of any Governmental Requirements or in the creation of liability or obligations, including without limitation, notification, deed recondition, or remediation, under any Governmental Requirements, or (ii) a diminution in value of the leased premises, and Lessee further agrees not to handle, use, or otherwise manage, and to cause occupants not to manage, any Hazardous Material in violation of any Governmental Requirements or in any but a reasonable and prudent manner so as to prevent the release or threat of release of any Hazardous Material on, onto, or from the leased premises;

(b) give notice to Lessor immediately upon Lessee's acquiring knowledge of the presence of any Hazardous Matarials on the premises or of any Hazardous Materials Contamination with full description thereof; (c) promptly comply with any Governmental Requirements requiring the removal, treatment or disposal of such Hazardous Materials or Hazardous Materials Contamination and provide Lessor with satisfactory evidence of such compliance; (d)

provide Lessor, within thirty (30) days after demand by Lessor, with a bond, letter of credit or similar financial assurance evidencing to Lessor's satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of such Hazardous Materials or Hazardous Materials Contamination and discharging any assessments which may be established on the premises as a result thereof; and (e) allow Lessor access to the premises for purposes of inspection for Hazardous Materials Contamination.

4. Indemnification With Regard to Hazardous Waste. Lessee shall defend, indemnify and hold harmless Lessor from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, attorneys' fees and expenses, and remedial costs), suits, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future be paid, incurred or suffered by or asserted against Lessor by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the premises or any Hazardous Materials or any Hazardous Materials Contamination or arise out of or result of the environmental condition of the premises or the applicability of any Governmental Requirements relating to Hazardous Materials (including, without limitation, CERCLA or any federal, state or local so-called "Superfund" or "Superlien" laws, statute, law ordinance, code, rule, regulation, order or decree), unless caused by Lessor. The representations, covenants, warranties and indemnifications contained in this section shall survive the termination of this Lease Agreement.

5. Lessor's Right to Remove Hazardous Materials. Lessor shall have the right but not the obligation, without in any way limiting Lessor's other rights and remedies under this Lease Agreement, to enter onto the premises or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any Hazardous

Materials or Hazardous Materials Contamination on the premises following receipt of any notice from any person or entity asserting the existence of any Hazardous Materials or Hazardous Materials Contamination pertaining to the premises or any part thereof which, if true, could result in an order, suit, imposition of a lien on the premises. All costs and expenses paid or incurred by Lessor in the exercise of any such rights shall be payable by Lessee upon demand.

26. SUCCESSORS

This lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors in interest, heirs, executors, administrators and assigns, except as herein otherwise provided.

27. LIMITED WARRANTY

CITY hereby warrants that it has done nothing to encumber the title to said premises except to grant an easement over the entire premises to the United States of America, this easement is made subject thereto and the laws of the United States of America covering harbors of refuge.

28. PARAGRAPH HEADINGS

The paragraph headings in this lease are intended for convenience only and shall not be taken into consideration in any construction or interpretation of this lease or any of its provisions.

29. TERMS, SINGULAR AND PLURAL

The terms of CITY and LESSEE and the pronouns used herein in referring to CITY and LESSEE shall always mean and include the proper gender and the applicable singular or plural for the party or parties herein named.

30. NOTICE

Any notice required by this lease shall be sent to the respective party as follows:

CITY:

CITY OF PORT LAVACA
P.O. BOX 105
PORT LAVACA, TEXAS 77979
ATTENTION: CITY MANAGER

LESSEE:

King Fisher Marine Service, Inc
P.O. Box 108
Port Lavaca, Texas 77979

31. INGRESS AND EGRESS

CITY reserves for itself, the right of unlimited ingress and egress (at any time and under any circumstances) across said premises either from land or the water and/or for the purpose or patrolling, inspecting, maintaining, repairing, and operating all utilities located on said premises or the harbor. Right of ingress and egress along existing or constructed roadways, is also reserved to CITY and its assigns for the purpose of crossing said premises at any time and under any condition to reach any other City-owned leased area, ramp, dock or tract which is located on the harbor. CITY shall not have the right, however, without LESSEE'S written consent, to permit, license, or allow traffic over the herein leased premises to and from any privately owned tract or tracts.

32. SPECIAL PROVISIONS

a) It is expressly understood that LESSEE will obtain written approval from CITY through its Port Commission on any construction plans for docks, wharves, bulkhead or any other improvements on leased premises and all maintenance thereto will be the sole responsibility of LESSEE.

b) The property subject of this lease may be used by Lessee for its own fabrication, supply, tender and/or storage site and Lessee shall be allowed to charge other users for similar activities conducted on the site.

c) Lessee may now use and improve an existing road across contiguous city property for the purpose of entering and/or leaving the leased property, Lessee may obtain necessary fill dirt from the leased property so long as it uses proper dirt removing and sloping techniques. Extension of utility services to the leased premises shall be responsibility of the Lessee. Lessee shall be allowed to create and maintain a 12 foot channel along the leased premises.

This Agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Agreement are performable in Calhoun County, Texas.

This Agreement constitutes the sole and only Agreement of the parties to the Agreement and supersedes any prior understanding or written or oral agreements between the parties respecting the subject matter of this Agreement.

This lease shall be effective upon signatures by the parties concerned.

In WITNESS WHEREOF, this agreement has been signed, sealed and delivered in duplicate originals, this 23rd day of June, 1997.

THE CITY OF PORT LAVACA, TEXAS

By: /s/ [ILLEGIBLE]
MAYOR

ATTEST:

/s/ Barbara Gibson
CITY SECRETARY

KING FISHER MARINE SERVICE INC.

/s/ Waymon Boyd
WAYMON BOYD, PRESIDENT

THE STATE OF TEXAS §

COUNTY OF CALHOUN §

BEFORE ME, the undersigned authority, on this day personally appeared TINEY BROWNING, Mayor of the City of Port Lavaca, Texas, a home rule municipality duly incorporated under the laws of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 23rd day of June, 1997.

/s/ Charlotte Flowers
NOTARY PUBLIC IN AND FOR
CALHOUN COUNTY, TEXAS

MY COMMISSION EXPIRES: 4/6/98

THE STATE OF TEXAS §

COUNTY OF CALHOUN §

BEFORE ME, the undersigned authority, on this day personally appeared WAYMON BOYD, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 20th day of June, 1997.

/s/ Laveme Miller
NOTARY PUBLIC IN AND FOR
CALHOUN COUNTY, TEXAS

MY COMMISSION EXPIRES: 09/16/98

2.637 Acres

Part of Maximo Sanchez Survey,
A-35, Calhoun County, Texas.

STATE OF TEXAS §

COUNTY OF CALHOUN §

FIELDNOTE DESCRIPTION of a tract or parcel of land containing 2.637 acres situated in and a part of the Maximo Sanchez Survey, A-35, Calhoun County, Texas. Said 2.637 acres is also described as being in and a part of the City of Port Lavaca Harbor of Refuge tract described in Volume 305. pages 1195-1197 Deed Records of Calhoun County, Texas, This 2.637 acres is more fully described by metes and bounds as follows:

BEGINNING at a point in the North line of the East-West Basin of the Harbor Refuge for a Southwest corner of the herein described 2.637 acres. Said point bears S 07° 20' 28" E, 435.6 feet and N 82° 39' 32" E, 540.0 feet from a l 1/2 inch iron pipe in concrete found in the South line of Pinta Street marking the Northeast corner of Farmland Industries' 5.0 acre lease tract of record in Volume 261, page 551 of the Deed Records of Calhoun County, Texas.

THENCE, N 07° 20' 28" W for *a* distance of 150.0 feet to a point for the Northwest corner of this 2.637 acres being described;

THENCE, N 82° 39' 32" E for a distance of 264.01 feet to a point in the West line of a 40.0 feet wide road reserve for the Northeast corner of the tract;

THENCE, S 00° 25' 14" E with the said West line of a 40.0 feet wide road reserve for a distance of 220.5 feet to a point of angle to the left;

THENCE, S 34° 22' 00" E continuing with the Southwest line of the said 40.0 feet wide road reserve for a distance of 427.79 feet to a point for the Southeast corner of the herein described 2.637 acres;

THENCE, S 82° 39' 32" W for a distance of 281.84 feet to a point in the East line of the North-South Basin of the Harbor of Refuge for a Southwest corner;

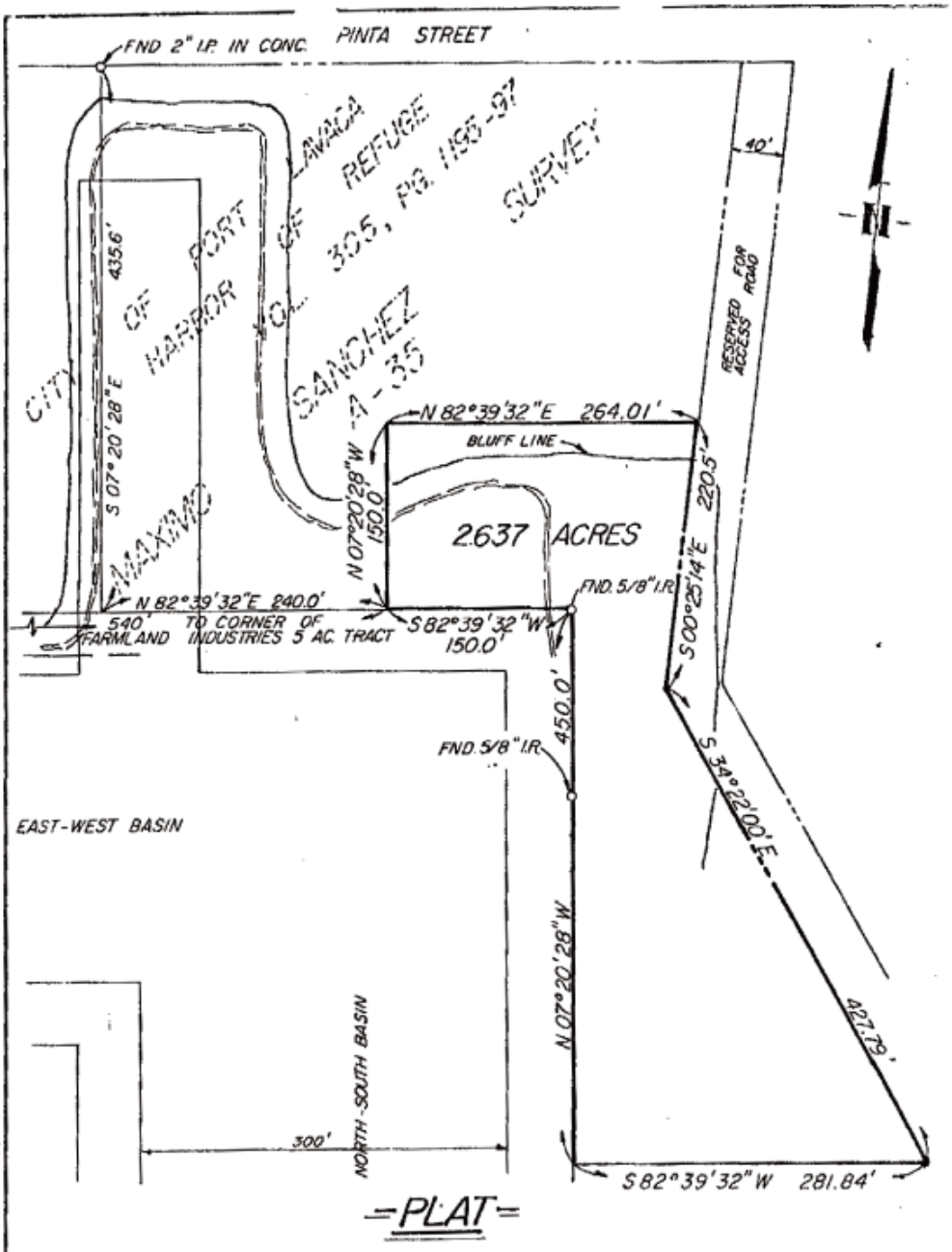
THENCE, N 07° 20' 28" W with the said East line of North-South Basin for a distance of 450.0 feet to a 5/8 inch iron rod found marking the Northeast corner of the said Harbor of Refuge Basin and an interior corner of this 2.637 acres being described;

THENCE, S 82° 39' 32" W with the North line of the East-West Basin for a distance of 150.0 feet to the PLACE OF BEGINNING; CONTAINING within these metes and bounds 2.637 acres situated in and a part of the Maximo Sanchez Survey, A-35, Calhoun County, Texas.

The foregoing FIELDNOTES were prepared from an actual on the ground survey made under my direction and supervision in February 1981, and from calculations made in my office in June 1981, and is true and correct to the best of my knowledge and belief.

/s/ David W. Gann

David W. Gann
Registered Public Surveyor
No. 3816



=PLAT=

I, DAVID W. GANN, A REGISTERED PUBLIC SURVEYOR, DO HEREBY CERTIFY THAT THE PLAT SHOWN HEREON REPRESENTS THE RESULTS OF AN ON THE GROUND SURVEY MADE UNDER MY DIRECTION AND SUPERVISION IN JUNE 1981, AND THAT ALL CORNERS ARE AS SHOWN HEREON.

STATE OF TEXAS
DAVID W. GANN
3816
REGISTERED PUBLIC SURVEYOR

DAVID W. GANN
REGISTERED PUBLIC SURVEYOR
NO. 3816

ENGINEERS G & W SURVEYORS

Survey plat showing [illegible] and a part of the [illegible]

P. O. BOX 108 159 HWY 316 (77979)
PORT LAVACA, TEXAS
77979-0108
PHONE 361 552-6751
FAX 361 552-1200
or 361 552-1209

2-9794

KING FISHER MARINE SERVICE, INC.

DREDGING MARINE CONSTRUCTION

April 8, 2002

Port Lavaca Port Commission
City of Port Lavaca
P. O. Box 105
Port Lavaca, TX 77979

Attention: Ms. Barbara Gibson
City Secretary

RE: Harbor of Refuge, Lease of 2.63 Acres and 3.98 Acres of Land BID PROPPOSAL DUE JUNE 12, 2002 at 10:30 A.M.

Dear Ms. Gibson,

Please accept this letter to lease the above referenced tracts of land, exercising our 1 st of two options for 5 years each. We realize that our lease will be issued under the same conditions as the original lease and will be at the current prevailing rate, with our 2 nd option renewing in the year 2007.

TRACT I:

2.63 acres of land, more or less, situated in and being a part of the Maximo Sanchez Survey, A-35, Calhoun County, Texas being in and a part of the City of Port Lavaca Harbor of Refuge Tract described in Vol. 305, Page 1195 of the Deed of Records Calhoun County, Texas and

TRACT II:

3.98 acres of land, more or less, situated in and being a part of the Maximo Sanchez Survey, A-35, Calhoun County, Texas being in and a part of the City of Port Lavaca Harbor of Refuge Tract described in Vol. 305, Page 1195 of the Deed of Records Calhoun County, Texas.

If additional information is needed, please feel free to call me any time.

Sincerely,

King Fisher Marine Service, Inc.

Wayne Boyd
President

WB/tb

Exhibit 10.7

LAND SUBLEASE AGREEMENT

This AGREEMENT (hereinafter this "Lease"), made as of the 1 st day of May, 2007, by and between Signet Maritime Corporation, a Delaware corporation ("LESSOR"), at 1500 Main Street, TX 78632 USA, Telephone (361) 776-7500 and Orion Construction L.P. ("LESSEE") 12550 Fuqua St., Houston Texas, 77034 Telephone (713) 852-6500.

RECITALS

A. Lessor is the current lessor of certain property located at 1500 Main Street on Farm Road 1069 in Ingleside, San Patricio County, State of Texas, described on Exhibit "A" attached hereto and referred to herein as the "Leased Premises".

B. Lessee desires to establish on Leased Premises facilities to support Lessee's marine construction business.

C. Lessor has agreed to lease the Leased Premises to Lessee, and Lessee has agreed to lease the Leased Premises from Lessor, pursuant to the terms and conditions set forth hereafter.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. Lease. Subject to the terms and conditions hereof, Lessor leases to Lessee and Lessee rents from Lessor the Leased Premises for the Term hereof. Lessor covenants with Lessee that the Lessor is the lessee from the owner vested with the title to the Leased Premises and has full right and lawful authority to sublease the Leased Premises to Lessee. Lessor represents and warrants that: i) Lessee's use of the Leased Premises will not violate any recorded use restrictions or encroach upon any existing property rights; and ii) Lessor has secured all consents to the lease to Lessee of the Leased Premises, if any, required from third parties (including, for example, required consents from mortgage holders or Lessor's business partners). This Lease shall encompass only the surface estate and shall expressly exclude any and all rights to the minerals or water rights underneath the surface estate.

2. Term. Subject to the provisions of paragraph 1 above, the start of this Lease shall commence on a date mutually agreed by both parties not later than May 1, 2007 ("Commencement Date") and will be confirmed in writing by a letter from Lessee to Lessor. The initial period of this lease shall be for twenty-four (24) months from the

Commencement Date. The Lessee may extend this lease for up to two (2) one year extension periods after the initial period subject to agreement by Lessor and Lessee to the rent and other terms and conditions to apply during such extension periods. Lessee must give Lessor written notice of Lessee's desire to so extend the lease by giving the Lessor sixty (60) days written notice prior to the expiration of the initial period and the first extension period if applicable. The initial period and any extension periods are referred to herein collectively as the "Term" of this Lease. This Lease will terminate without further notice to Lessee when the Term, as it may be extended, expires, and any holding over by the Lessee after the Term will not constitute a renewal of the Lease or grant to Lessee any rights under the Lease or to the Leased Premises. If the Lessee holds over and continues in possession of the Leased Premises after the Term, as it may be extended, Lessee will be considered to be occupying the leased Premises at will, subject to all of the terms of this Lease.

3. Rent.

A. Tangible Compensation: Rent for the Leased Premises is established as Six Thousand Dollars ($6,000) per month, paid on a monthly basis in arrears not later than the fifth (5th) day after the end of the month in question. Total anticipated rent from this Lease is $144,000 for the two year initial period of the lease. Rent shall be increased by the amount of any increases in taxes, insurance, or other costs incurred by Lessor in connection with the Leased Premises during the Term hereof. Said increase shall be on a pro-rata basis of the Leased Premises to the total Lessor's property, unless tax, insurance or other cost increase is solely due to improvements made by the Lessor. Lessor shall furnish Lessee verification of any such tax, insurance or other cost increases through current and previous statements and other documentation.

B. Intangible Compensation: In addition to cash rent the Lessee will provide the following intangible benefits to the Lessor.

1. The Lessor's core business being marine vessel towing, the Lessee will give the Lessor a first right of refusal to perform the Lessee's towing needs provided the Lessor can perform such work at a rate equal to or less than the market rate in effect for the area and service in question and that the Lessor can meet the towing schedule required by the Lessee. The Lessor would maintain insurance coverage for towing services reasonably acceptable to Lessee's insurance company's requirements. This is commonly known as the right-of-first-refusal.

2. The Lessee's core business being marine construction, the Lessor will give the Lessee a first right of refusal to perform marine construction for the Lessor on the same basis as in (1) above. Furthermore, the Lessee will assist the Lessor in procuring design services and construction materials and will give preferential pricing to the Lessor for marine construction at the Lessor's facilities adjacent to the Leased Premises.

B. Potential Compensation: Due to the adjacent residential property, the Lessee may be required to install a "privacy" fence along part of the south side of the Leased Premises. Said fence will be installed only if directed by the City of Ingleside

Zoning and Planning Commission due to complaints by the adjacent property owner(s). Said fence will be either 6' chain link with opaque slats or 6' solid wood. Length of fence not to exceed 500 feet. Lessee will leave fence on leased property at termination of the lease.

4. Condition and Use of Leased Premises. The Leased Premises are leased to Lessee strictly on an AS IS, WHERE IS WITH ALL FAULTS basis. Lessor makes no representations or warranties as to condition, suitability, or freedom from defects, obstructions, or hazards of the Leased Premises or any waterways, docks, anchorages, or slips adjacent thereto. Lessee acknowledges that it has made a full inspection of the Leased Premises and such other property and has accepted the Leased Premises and such other property in their current condition. Lessee may use the Leased Premises only for support and storage of material, assembly and fabrication of materials and other work associated with the Lessee's business of marine construction. Lessee shall be responsible for obtaining all permits required to utilize the Leased Premises as intended.

5. Access; Interference.

Lessor shall provide Lessee with access to the Leased Premises on a 24 hour a day, seven (7) days per week basis, for individuals, vehicles, and construction materials and equipment, as may be reasonably required by Lessee for the purpose of executing the Lessee's business and which shall not cause damage or deterioration to the Leased Premises, such access to be from the existing entrance on the Lease Premises from Highway 1069. No expansion of such entrance shall be allowed without prior written consent of Lessor. The Lessee shall have his own entrance gate at said entrance controlled solely by the Lessee.

6. Utilities. The Lessee may use existing utility connections and services on the Lease Premises. Lessee shall pay for connection fees and use fees for all electricity, telephone service, water, sewer, waste removal and all other such utilities or services used or consumed by Lessee on the Leased Premises.

7. Taxes. Lessor shall pay all real and personal property taxes assessed, levied or to become a lien on the Leased Premises. Lessee shall reimburse Lessor on demand for any such taxes levied or assessed with respect to any improvements the Lessee makes to the Leased Premises or Lessee's activities thereon.

8. Maintenance and Repair. Lessee shall be responsible for maintaining the Leased Premises in good condition throughout the term of this lease. Lessee shall use reasonable care and diligence to keep and maintain the Leased Premises orderly and free from waste, and shall deliver the same to Lessor in the same condition that existed on the Commencement Date, reasonable wear and tear and damage by the elements excepted.

9. Alterations and Improvements. Lessee shall be entitled to undertake alterations, additions and improvements to the Lease Premises during the term of this Lease, subject to Lessor's prior written approval and to the terms and provisions contained in this Lease. Except as may otherwise be provided for herein, all improvements of any kind constructed or placed by Lessee on the Leased Premises shall be the property of Lessee unless Lessee shall be in default under this Lease, and shall be removed by Lessee on the expiration of the Lease, at the Lessee's sole expense unless said alterations and improvements are accepted by the Lessor.

Lessee shall keep the Leased Premises free and clear of any and all construction, mechanics', materialsmen's and other liens for or arising out of or in connection with work and labor done, services performed or materials used or furnished for or in connection with any work or construction by, for, or permitted by Lessee on the Leased Premises. Lessee shall at all times promptly and fully pay or discharge any and all such claims on which any such liens may be based, and Lessee shall also indemnify Lessor and the Leased Premises against all such liens and suits or other proceedings relating thereto. Lessee shall have the right to contest in good faith and with adequate reserves the correctness or validity of any of the aforementioned liens, so long as Lessor's interest in the Leased Premises and this Lease is not jeopardized. If Lessee fails to timely take either such action, then Lessor may pay the lien claim, and any amounts so paid, including expenses and interest, shall be paid by lessee to Lessor within (10) days after Lessor has invoiced Lessee therefor.

10. Insurance and Indemnity.

A. Release and Indemnity Obligations. (I) ALL PROPERTY KEPT, STORED OR MAINTAINED IN OR ON THE LEASED PREMISES BY LESSEE SHALL BE SO KEPT, STORED OR MAINTAINED AT THE RISK OF THE LESSEE ONLY.

(ii) LESSEE SHALL RELEASE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE LESSOR GROUP AND OR ANY THIRD PARTY WHOM LESSOR IS CONTRACTUALLY OBLIGATED TO INDEMNIFY FOR SUCH MATTERS, AND THEIR RESPECTIVE INSURERS AND SUBROGEES FROM AND AGAINST ANY CLAIMS AND OTHER LOSSES ON ACCOUNT OF OR FOR ILLNESS, INJURY, OR DEATH TO THE EMPLOYEES AND OTHER PERSONNEL OF THE LESSEE GROUP OR ITS CONTRACTORS AND SUBCONTRACTORS OF ANY TIER, OR FOR LOSS, DAMAGE, OR LOSS OF USE OF PROPERTY OF THE LESSEE GROUP OR ITS CONTRACTORS OR SUBCONTRACTORS OF ANY TIER, OR FOR POLLUTION OR CONTAMINATION (INCLUDING CLEANUP COSTS, COSTS OF REMOVAL, REMEDIATION, PROPERTY DAMAGE, AND FINES AND PENALTIES) EMANATING FROM LESSEE'S EQUIPMENT, VESSELS, OR OTHER PROPERTY OR RESULTING FROM LESSEE'S OPERATIONS OR USE OF THE LEASED PREMISES.

(iii) LESSOR SHALL RELEASE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE LESSEE GROUP AND THEIR INSURERS AND SUBROGEES FROM AND AGAINST ANY CLAIMS OR OTHER LOSSES, ON ACCOUNT OF OR FOR ILLNESS, INJURY, OR DEATH TO EMPLOYEES AND OTHER PERSONNEL OF THE LESSOR GROUP OR FOR LOSS, DAMAGE, OR LOSS OF USE OF PROPERTY OF THE LESSEE GROUP OTHER THAN THE LEASED PREMISES.

(iv) THE PARTIES HERETO SHALL RELEASE, PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE OTHER PARTY AND ITS GROUP, AND THEIR INSURERS AND SUBROGEES FROM AND AGAINST ANY CLAIMS OR OTHER LOSSES, ON ACCOUNT OF OR FOR ILLNESS, INJURY, OR DEATH TO EMPLOYEES AND OTHER PERSONNEL OR FOR LOSS, DAMAGE, OR LOSS OF USE OF PROPERTY OF ANY ENTITIES NOT INCLUDED WITHIN SUBSECTIONS (III) OR (IV) ABOVE, TO THE EXTENT IN EACH CASE (I.E., IN THE SAME DEGREE) THAT SUCH PERSONAL INJURY OR DEATH OR LOSS, DAMAGE, OR LOSS OF USE OF PROPERTY IS CAUSED BY THE NEGLIGENCE OR OTHER LEGAL FAULT OF THE INDEMNIFYING PARTY OR ITS GROUP.

(v) THE RELEASE AND INDEMNITY PROVISIONS SET FORTH IN THIS LEASE SHALL APPLY TO ALL CLAIMS AND OTHER LOSSES WHICH ARISE DIRECTLY OR INDIRECTLY OUT OF OR INCIDENT TO OR CONNECTED WITH THIS LEASE OR BREACH OF ANY TERMS OR CONDITIONS OF THIS LEASE. EXCEPT AS EXPRESSLY PROVIDED HEREIN TO BE TO THE EXTENT OF THE NEGLIGENCE OR OTHER FAULT OR STRICT LIABILITY OF A PARTY, SUCH RELEASE AND INDEMNITY PROVISIONS SHALL APPLY REGARDLESS OF WHETHER CAUSED OR CONTRIBUTED TO BY NEGLIGENCE OR OTHER FAULT (INCLUDING SOLE, JOINT, CONCURRENT OR GROSS NEGLIGENCE) ANY OF THE PARTIES SO RELEASED OR INDEMNIFIED OR THEIR CONTRACTORS OR SUBCONTRACTORS OF ANY TIER OR ANY OTHER THEORY OF LEGAL LIABILITY, INCLUDING STRICT LIABILITY, DEFECT IN PREMISES, MATERIALS, OR EQUIPMENT, OR THE UNSEAWORTHINESS OR OTHER FAULT OF ANY VESSEL, OR ANY OTHER ANTICIPATED OR UNANTICIPATED EVENT OR CONDITION, AND REGARDLESS OF WHETHER PRE-EXISTING THE EXECUTION OF THIS LEASE. THE PARTIES RELEASED OR INDEMNIFIED HEREIN SHALL HAVE THE RIGHT TO PARTICIPATE IN THE DEFENSE OF ANY INDEMNIFIED CLAIMS AT THEIR OWN EXPENSE.

(vi) THE RELEASES AND INDEMNITIES CONTAINED HEREIN SHALL BE SUPPORTED BY INSURANCE, BUT SHALL NOT BE LIMITED BY THE LIMITS THEREOF. IF IT IS JUDICIALLY DETERMINED THAT THE MONETARY LIMITS OR SCOPE OF COVERAGE OF THE INSURANCES REQUIRED UNDER

THIS LEASE OR OF THE RELEASE OR INDEMNITY PROVISIONS VOLUNTARILY ASSUMED UNDER THIS AGREEMENT EXCEED THE MAXIMUM MONETARY LIMITS OR SCOPE PERMITTED UNDER APPLICABLE LAW, IT IS AGREED THAT SAID INSURANCE REQUIREMENTS OR RELEASE OR INDEMNITY PROVISIONS SHALL AUTOMATICALLY BE AMENDED TO CONFORM TO THE MAXIMUM MONETARY LIMITS AND SCOPE PERMITTED UNDER SUCH LAW AND EITHER OF THE PARTIES HERETO MAY APPLY FOR REFORMATION OF THIS LEASE ACCORDINGLY.

(vii) THE RELEASE AND INDEMNITY PROVISIONS SET FORTH IN THIS LEASE THAT APPLY TO AN EVENT OR CONDITION THAT OCCURS DURING THE TERM OF THIS LEASE SHALL SURVIVE AND NOT BE AFFECTED BY THE EXPIRATION OR TERMINATION OF THIS LEASE. THE PARTIES RELEASED OR INDEMNIFIED SHALL BE ENTITLED TO REASONABLE ATTORNEYS FEES AND COSTS INCURRED IN SUCCESSFULLY ASSERTING OR ENFORCING THE RELEASES AND INDEMNITY PROVISIONS SET FORTH IN THIS LEASE AGAINST THE INDEMNITOR.

(viii) AS USED IN THIS LEASE, THE TERM "LESSOR GROUP" SHALL MEAN INDIVIDUALLY AND COLLECTIVELY LESSOR AND ITS PARENTS, SUBSIDIARIES, AFFILIATES, AND INTERRELATED COMPANIES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, AND REPRESENTATIVES. AS USED IN THIS LEASE, THE TERM "LESSEE GROUP" SHALL MEAN INDIVIDUALLY AND COLLECTIVELY LESSEE AND ITS PARENTS, SUBSIDIARIES, AFFILIATES, AND INTERRELATED COMPANIES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, AND REPRESENTATIVES. AS USED IN THIS LEASE, THE TERMS "LOSSES" AND "CLAIMS" SHALL EACH MEAN ALL AND ANY LOSSES, COSTS, CLAIMS, DEMANDS, LIABILITIES, CAUSES OF ACTION, SUITS, PROCEEDINGS, JUDGMENTS, AWARDS OR DAMAGES, INCLUDING REASONABLE ATTORNEY'S FEES AND EXPENSES INCLUDING FEES OF EXPERT WITNESSES AND COSTS OF DEFENSE, FOR OR IN CONNECTION AN EVENT, CONDITION, OR RISK IN QUESTION.

B. Lessee's Insurance. Lessee shall, during the entire term of the Lease, keep in full force and effect (i) a policy of commercial general liability insurance for bodily injury and property damage with respect to the Leased Premises and the business operated by Lessee and/or any subcontractors or suppliers doing business on the Leased Premises, (ii) full form hull and machinery on American Institute Time Hull Clauses and protection and indemnity insurance on SP-23 form or equivalent covering any vessels owned or chartered, time or bareboat, by Lessee and docked at or operating at the Leased Premises, (iii) automobile liability coverage, and (iv) workers' compensation and employer's liability insurance including Longshoremen's and Harbor Workers'

Compensation coverage, borrowed servant, and voluntary compensation coverage. Lessee shall cause Lessor and the owner of the Leased Premises to be named as additional named insureds on the Lessee's commercial general liability policy, hull and machinery, protection and indemnity, and automobile liability policies. The commercial general liability, protection and indemnity, and automobile liability polices shall have limits of liability of not less than Ten Million Dollars ($10,000,000.00) per occurrence, single limit coverage, whether primary limits or in combination with excess or umbrella coverage. Such policies shall be further endorsed to provide that they are primary insurance as respects such additional named insureds, regardless of any excess or other insurance clauses therein. Such policies shall further include contractual liability insurance covering Lessee's indemnity obligations hereunder and pollution coverage. All policies, including the workers' compensation and employer's liability policies shall include a full waiver of subrogation in favor of such named additional assureds and provide that such named additional assureds shall not be liable for premiums. All deductibles and self insured retentions shall be in amounts satisfactory to Lessor and shall be for the sole account of Lessee. All such policies shall be occurrence as opposed to claims made policies and shall not contain annual or other aggregates. The insurers on all such policies shall be rated A or better by A.M. Best & Co. Lessee shall furnish Lessor prior to the Commencement Date with a certificate or certificates of insurance or other acceptable evidence that such insurance is in force at all times during the tenancy of this Lease. Lessee shall be given thirty (30) (or ten (10) days if cancellation is for non - payment of premiums) days prior written notice of any cancellation, nonrenewal, or material modifications of such policies.

(c) The insurance requirements of this Lease are separate and independent covenants and it is the express intention of the parties that insurance available to either party shall not be primary to nor need be exhausted before the parties are required to honor their Release and Indemnity obligations under this Lease.

12. Eminent Domain.

A. Total Condemnation. If the whole of the Leased Premises shall be taken by any public authority under the power of eminent domain, then the term of this Lease shall cease as of the day possession shall be taken by such public authority, with a proportionate refund by Lessor up to that day of such rent as may have been paid in advance.

B. Partial Condemnation. In the event a portion of the Leased Premises is taken under the power of eminent domain and the remainder of the Leased Premises shall not be suitable for the use envisioned by the Lessee, or if the remainder of the property is not one undivided parcel, Lessee shall have the right to terminate this Lease as of the date of such taking by giving to Lessor written notice of such termination within fifteen (15) days after Lessee has been notified that the property has been so taken. In the event of such partial taking and Lessee does not so terminate this Lease, then the Lease shall

continue in full force and effect as to the part not taken, and the Rent shall not be affected.

C. Lessor's and Lessee's Damages. Notwithstanding anything hereinbefore contained to the contrary, the Lessor shall include separately the Lessee's reasonable damages for the loss of use of the Leased Premises in any and all condemnation proceedings. All amounts awarded during the condemnation proceedings for the Lessee's damages shall be paid to the Lessee upon receipt of payment by the Lessor.

13. Bankruptcy. Neither this Lease nor any interest herein, nor any estate hereby created, shall pass to any trustee or receiver or assignee for the benefit of creditors of Lessee, or otherwise by operation of law, so as to jeopardize Lessor's interest herein.

14, Quiet Enjoyment. So long as Lessee keeps and performs all the of the covenants and conditions contained herein, Lessee shall have continued possession and use of the Leased Premises, free and clear of any claims against Lessor and all persons claiming under, by or through Lessor. The liability of Lessor to Lessee for any default by Lessor under the terms of this Lease shall be limited to Lessee's actual direct, but not consequential, damages therefor and shall be recoverable only from the interest of Lessor in the Leased Premises, and Lessor shall not be personally liable for any deficiency. From time to time, Lessee shall furnish to any party designated by Lessor, within ten (10) days after Lessor has made a request therefor, a certificate signed by Lessee confirming and containing such factual certifications and representations as to this Lease as Lessor may reasonably request.

15. Subletting and Assignment. Lessee shall not sublet the Leased Premises or assign or transfer this Lease or any interest herein, without Lessor's prior written consent. Notwithstanding the foregoing, Lessee may assign this Lease without consent, provided Lessee remains primarily liable, to a wholly owned affiliate, or to a successor in connection with a merger, consolidation or sale of the business or assets or Lessee, in which event Lessee shall give Lessor prior written notice of the proposed merger, consolidation or sale. Lessor may transfer any portion of the Leased Premises and any of its rights under this Lease. If Lessor assigns its rights under this Lease, then Lessor shall thereby be released from any further obligations hereunder, provided that the assignee assumes Lessor's obligations hereunder in writing. Lessee shall attorn to any party succeeding to Lessor's interest in the Leased Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease, or otherwise, upon such party's request, and should execute such agreements confirming such attornment as such party may reasonably request.

16. Default of Lessee. In the event of any failure of Lessee (i) to maintain in full force and effect any of the insurances required under Section 10(b) hereof or otherwise fail to perform any of the covenants and agreements contained in said Section 10(b), or (ii) to pay any amounts due hereunder within fifteen (15) days after the date when due, or (iii) to perform any other of the terms, conditions or covenants of this

Lease for more than thirty (30) days after written notice of such default shall have been received by Lessee, or if Lessee shall abandon the Leased Premises, or suffer this Lease to be taken under any writ of execution, then Lessor shall have the immediate right to pursue all rights and remedies it may have under law, including the right to terminate this Lease without prejudice to Lessor's right to recover the unpaid rentals due for the remainder of the Term of this Lease, all without being obligated to release or otherwise take any steps to mitigate damages. In the event of any default by the Lessee under the terms of this Lease and Lessor instituting any court proceedings with respect to such default, Lessee shall be responsible for the payment of the Lessor's reasonable attorney's fees, expenses, and court costs with respect to such court proceedings if Lessor is the prevailing party.

17. Waiver. The provisions of this Lease may be amended, modified, or waived only in writing signed by both parties. One or more waivers of any covenant or condition by Lessor shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Lessor to or any act of Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar act by Lessee.

18. Notices. All notices, demands and requests required or permitted to be given under the provisions of this Lease shall be in writing and shall be deemed given (a) when personally delivered to the party to be given such notice or other communication, (b) on the business day that such notice or other communication is sent by facsimile or similar electronic device, fully prepaid, which facsimile or similar electronic communication shall promptly be confirmed by written notice, (c) on the third business day following the date of deposit in the United States mail if such notice or other communication is sent by United States mail and the postage thereon is fully prepaid, or (d) on the business day following the day such notice or other communication is sent by reputable overnight courier, to the following:

If to Lessor: J. Barry Snyder
Signet Maritime Corporation
1500 Main Street
Ingleside, Texas 78362
Telephone (361) 776-7500

If to Lessee: Robert Lewis, Vice-President
Orion Construction L.P
12550 Fuqua St.
Houston, Texas 77034
Telephone (713) 852-6500.

Or to such other address as the parties may designate in writing.

19. Construction. Nothing contained herein shall be deemed or construed by the parties hereto, nor by any party, as creating the relationship of principal and agent or partnership or of joint venture between the parties hereto, it being understood and agreed that not any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of Lessor and Lessee.

20. Partial Invalidity. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall be valid and be enforced to the fullest extent permitted by law.

21. Successors. All rights and liabilities herein given to, or imposed upon, the respective parties shall extend to and bind the respective legal representatives, successors and assigns of the parties.

22. Signage. Lessee shall be entitled to display signage on the Leased Premises as permitted by the applicable local laws or ordinances.

23. Environmental Provisions.

(i). Substance. The term "Hazardous Substances" used in this Lease shall mean any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other materials expected to be on the Leased Premises, is potentially injurious to the public health, safety or welfare, the environment or the Leased Premises.

(ii). Reportable Use. Lessee shall not engage in any activity in, on or about the Leased Premises which constitutes a Reportable Use (as Hereinafter defined) of Hazardous Substances without the express written consent of Lessor and compliance in a timely manner (at Lessee's sole cost and expense) with all applicable laws. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage of, transportation, or disposal of Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with any governmental authority. Notwithstanding the foregoing, Lessee shall be permitted, without Lessor's prior consent, but in compliance with all applicable laws, to use any ordinary and customary materials reasonably required to be used by Lessee in the normal course of Lessee's business on the Leased Premises, so long as such use is not a Reportable Use and does not expose the Leased Premises or neighboring properties to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may (but without any obligation to do so), condition its consent to the use or presence of any Hazardous Substance, activity or storage tank by Lessee

upon Lessee giving Lessor such additional assurances as Lessor, in its reasonable discretion, deems necessary to protect itself, the public, the Leased Premises and the environment against damage, contamination or injury and/or liability therefrom or therefor, including but not limited to, the installation (and removal on or before Lease's expiration or earlier termination) of reasonably necessary protective modifications to the Leased Premises (such as concrete encasements) and/or the deposit of security in an amount reasonably determined by Lessor to be held by Lessor under this Lease for assurance thereof.

24. Governing Law. This Lease shall be construed in accordance with the laws of the State of Texas. Any disputes under or in connection with this Lease shall be heard solely in the state and federal courts sitting in San Patricio County or as close thereto as the same may be located.

25. Entire Agreement. The headings of this Lease are used for convenience of reference only, and shall not be used in the interpretation or construction of this Lease. This Lease constitutes the entire agreement between Lessor and Lessee regarding the subject matter hereof and supersedes all oral or statements, representations, understanding, promises, and commitments, and agreements relating hereto, all of which are deemed to be merged herein and may not be relied upon by either party.

IN WITNESS WHEREOF, Lessor and Lessee have executed this LAND SUBLEASE AGREEMENT on the day and year first above written.

Signed and Acknowledged:

/s/ [ILLEGIBLE]
Witness

/s/ [ILLEGIBLE]
Witness

LESSOR:

Signet Maritime Corporation

/s/ J. Barry Snyder
J. Barry Snyder
President

LESSEE:

Orion Construction, L.P

/s/ Robert W. Lewis
Robert W. Lewis
Vice President

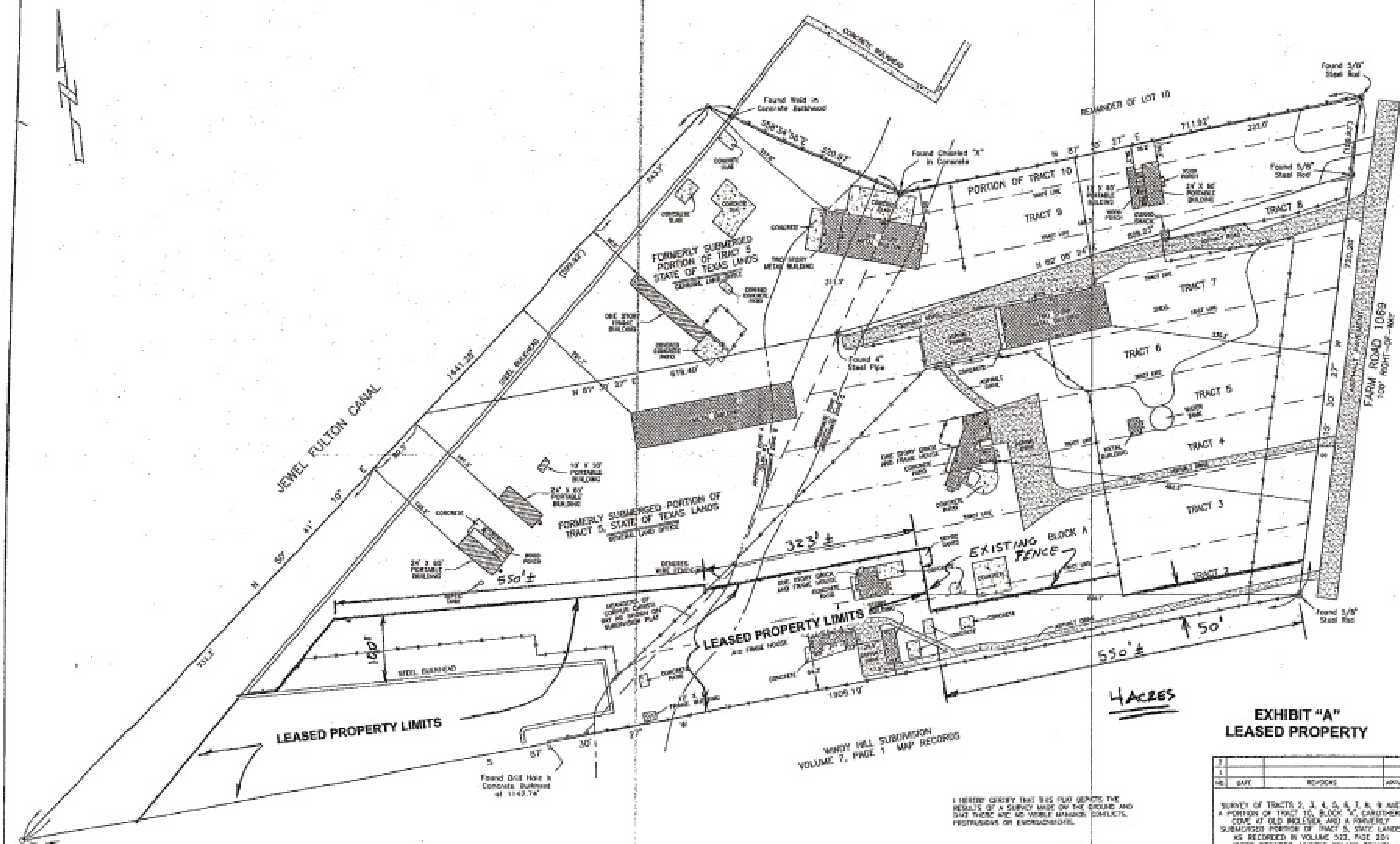


EXHIBIT "A"
LEASED PROPERTY

NO.	DATE	REVISIONS	APPV'D
2			
1			

SURVEY OF TRACTS 2, 3, 4, 5, 6, 7, 8, 9 AND A PORTION OF TRACT 10, BLOCK "A", CARUTHERS COVE AT OLD INGLESIDE, AND A FORMERLY SUBMERGED PORTION OF TRACT 5, STATE LANDS AS RECORDED IN VOLUME 522, PAGE 201 (DEED RECORDS, NUECES COUNTY, TEXAS)

HAAS SURVEYING

I HEREBY CERTIFY THAT THIS PLAT DEPICTS THE RESULTS OF A SURVEY MADE ON THE GROUND AND THAT THERE ARE NO VISIBLE MANMADE CONFLICTS, PROTRUSIONS OR ENCROACHMENTS.

Michael Haas
Registered Professional Land Surveyor

Surveyed on the ground December 22, 2006.

4/9/07
BFT

All information hereon is for the use of the Buyer, Title Company, and Lender in connection with this transaction only

Exhibit 10.8

HUNTER ACQUISITION CORP.

2005 STOCK INCENTIVE PLAN

Section 1. PURPOSE

1.1 Purpose. The purpose of the Hunter Acquisition Corp. 2005 Stock Incentive Plan (the " **Plan**") is to provide a means through which Hunter Acquisition Corp., a Delaware corporation (the "**Company**"), may attract able persons to serve as employees, directors, or consultants of the Company or its subsidiaries and to provide a means whereby those individuals upon whom the responsibilities of the successful administration and management of the Company rest, and whose present and potential contributions to the welfare of the Company are of importance, may acquire and maintain stock ownership, thereby strengthening their concern for the welfare of the Company. A further purpose of the Plan is to provide such individuals with additional incentive and reward opportunities designed to enhance the profitable growth of the Company. Accordingly, the Plan provides for granting Incentive Stock Options, options that do not constitute Incentive Stock Options, Restricted Stock Awards, or any combination of the foregoing, as is best suited to the circumstances of the particular employee, consultant, or director as provided in the Plan.

Section 2. DEFINITIONS

2.1 Definitions. Whenever the following capitalized words or phrases are used, the following definitions will be applicable throughout the Plan, unless specifically modified by any Section:

(a) "**Affiliate**" means, with respect to any person, any other person directly or indirectly controlling, controlled by, or under common control with such other person.

(b) "**Award**" means, individually or collectively, any Option or Restricted Stock Award.

(c) "**Board**" means the board of directors of the Company.

(d) "**Change of Control Value**" means the amount determined in accordance with Section 9.4.

(e) "**Class B Stock**" means the Class B Stock, $0.01 par value, of the Company or any security into which such Class B Stock may be changed by reason of any transaction or event of the type described in Section 9.

(f) "**Code**" means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code will be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(g) "**Committee**" means a committee of the Board that is selected by the Board as provided in Section 4.1.

(h) "**Company**" means Hunter Acquisition Corp., a Delaware corporation.

(i) "**Consultant**" means any person who is not an Employee or Director and who is providing services to the Company or any parent or subsidiary corporation (as defined in section 424 of the Code) as an advisor, consultant, or other non-common law employee.

(j) "**Corporate Change**" means either (i) the Company will not be the surviving entity in any merger, share exchange, or consolidation (or survives only as a subsidiary of an entity), (ii) the Company sells, leases, or exchanges, or agrees to sell, lease, or exchange, all or substantially all of its assets to any other person or entity, (iii) the Company is to be dissolved and liquidated, (iv) any person or entity, including a "group" as contemplated by Section 13(d)(3) of the 1934 Act, acquires or gains ownership or control (including, without limitation, power to vote) of more than 50% of the outstanding shares of the Company's voting stock (based upon voting power), or (v) at such time as the Company becomes a reporting company under the 1934 Act, as a result of or in connection with a contested election of Directors, the persons who were Directors of the Company before such election will cease to constitute a majority of the Board; provided, however, that a Corporate Change will not include (A) any reorganization, merger, consolidation, sale, lease, exchange, or similar transaction, which involves solely the Company and one or more entities wholly-owned, directly or indirectly, by the Company immediately prior to such event or (B) the consummation of any transaction or series of integrated transactions immediately following which the record holders of the voting stock of the Company immediately prior to such transaction or series of transactions continue to hold 50% or more of the voting stock (based upon voting power) of (1) any entity that owns, directly or indirectly, the stock of the Company, (2) any entity with which the Company has merged, or (3) any entity that owns an entity with which the Company has merged.

(k) "**Director**" means (i) an individual elected to the Board by the stockholders of the Company or by the Board under applicable corporate law who either is serving on the Board on the date the Plan is adopted by the Board or is elected to the Board after such date and (ii) for purposes of and relating to eligibility for the grant of an Award, an individual elected to the board of directors of any parent or subsidiary corporation (as defined in section 424 of the Code) of the Company.

(l) "**Employee**" means any person in an employment relationship with the Company or any parent or subsidiary corporation (as defined in section 424 of the Code).

(m) "**Fair Market Value**" means, as of any specified date, (i) the mean of the high and low sales prices of the Class B Stock either (A) if the Class B Stock is traded on the National Market System of the NASDAQ, as reported on the National Market System of NASDAQ on that date (or if no sales occur on that date, on the last preceding date on which such sales of the Class B Stock are so reported), or (B) if the Class B Stock is listed on a national securities exchange, as reported on the stock exchange composite tape on that date (or if no sales occur on that date, on the last preceding date on which such sales of the Class B Stock are so reported); (ii) if the Class B Stock is not traded on the National Market System of the NASDAQ or a national securities exchange but is traded over the counter at the time a determination of its

fair market value is required to be made under the Plan, the average between the reported high and low or closing bid and asked prices of Class B Stock on the most recent date on which Class B Stock was publicly traded; (iii) in the event Class B Stock is not publicly traded at the time a determination of its value is required to be made under the Plan, the amount determined by the Committee in its discretion in such manner as it deems appropriate; or (iv) on the date of an initial public offering of common stock, the offering price under such initial public offering.

(n) "**Forfeiture Restrictions**" will have the meaning assigned to such term in Section 8.2.

(o) "**Holder**" means an Employee, Consultant, or Director who has been granted an Award.

(p) "**Incentive Stock Option**" means an incentive stock option within the meaning of section 422 of the Code.

(q) "**1934 Act**" means the Securities Exchange Act of 1934, as amended.

(r) "**Nonstatutory Stock Option**" means Options that do not constitute Incentive Stock Options.

(s) "**Option**" means an Award granted under Section 7 and includes both Incentive Stock Options and options that do not constitute Incentive Stock Options.

(t) "**Option Agreement**" means a written agreement between the Company and a Holder with respect to an Option, including the accompanying "Notice of Grant of Stock Option."

(u) "**Plan**" means Hunter Acquisition Corp. 2005 Stock Incentive Plan, as amended from time to time.

(v) "**Restricted Stock Agreement**" means a written agreement between the Company and a Holder with respect to a Restricted Stock Award, including the accompanying "Notice of Grant of Restricted Stock."

(w) "**Restricted Stock Award**" means an Award granted under Section 8.

(x) "**Rule 16b-3**" means SEC Rule 16b-3 promulgated under the 1934 Act, as such may be amended from time to time, and any successor rule, regulation, or statute fulfilling the same or a similar function.

(y) "**Stock Appreciation Right**" will have the meaning assigned to such term in Subsection 7.4(d).

2.2 Number and Gender. Wherever appropriate in the Plan, words used in the singular will be considered to include the plural, and words used in the plural will be

considered to include the singular. The masculine gender, where appearing in the Plan, will be deemed to include the feminine gender.

2.3 Headings. The headings of Sections and Subsections in the Plan are included solely for convenience, and, if there is any conflict between such headings and the text of the Plan, the text will control. All references to Sections and Subsections are to this document unless otherwise indicated.

Section 3. EFFECTIVE DATE AND DURATION OF THE PLAN

3.1 Effective Date. The Plan will become effective upon the date of its adoption by the Board, provided that the Plan is approved by the stockholders of the Company within 12 months after such adoption. Notwithstanding any provision in the Plan, in any Option Agreement, or in any Restricted Stock Agreement, no Option will be exercisable and no Restricted Stock Award will vest prior to such stockholder approval.

3.2 Duration of Plan. No further Awards may be granted under the Plan after ten years from the date the Plan is adopted by the Board. The Plan will remain in effect until all Options granted under the Plan have been exercised, forfeited, assumed, substituted, satisfied or expired and all Restricted Stock Awards granted under the Plan have vested or been forfeited.

Section 4. ADMINISTRATION

4.1 Composition of Committee. The Plan will be administered by a committee of, and appointed by, the Board. In the absence of the Board's appointment of such Committee to administer the Plan, the Board will serve as the Committee. Notwithstanding the foregoing, from and after the date upon which the Company becomes a "publicly held corporation" (as defined in section 162(m) of the Code and applicable interpretive authority under the Code), the Plan will be administered by a committee of, and appointed by, the Board that will be comprised solely of two or more outside Directors (within the meaning of the term "outside directors" as used in section 162(m) of the Code and applicable interpretive authority under the Code and within the meaning of "Non-Employee Director" as defined in Rule 16b-3).

4.2 Powers. Subject to the express provisions of the Plan, the Committee will have authority, in its discretion, to determine which Employees, Consultants, or Directors will receive an Award, the time or times when such Award will be made, whether an Incentive Stock Option or Nonstatutory Stock Option will be granted, and the number of shares to be subject to each Option or Restricted Stock Award. In making such determinations, the Committee will take into account the nature of the services rendered by the respective Employees, Consultants, or Directors, their present and potential contribution to the Company's success, and such other factors as the Committee in its discretion will deem relevant.

4.3 Additional Powers. The Committee will have such additional powers as are delegated to it by the other provisions of the Plan. Subject to the express provisions of the Plan, this will include the power (a) to construe the Plan and the respective agreements executed under the Plan, (b) to prescribe rules and regulations relating to the Plan, (c) to determine the terms, restrictions, and provisions of the agreement relating to each Award, including such terms, restrictions, and provisions as will be requisite in the judgment of the Committee to cause

designated Options to qualify as Incentive Stock Options, and (d) to make all other determinations necessary or advisable for administering the Plan. The Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or in any agreement relating to an Award in the manner and to the extent it will deem expedient to carry it into effect. The determinations of the Committee on the matters referred to in this Section will be conclusive and binding on all persons.

Section 5. STOCK SUBJECT TO THE PLAN

5.1 Stock Offered. Subject to the limitations set forth in Section 5.2, the stock to be offered pursuant to the grant of an Award may be (a) authorized but unissued Class B Stock or (b) previously issued and outstanding Class B Stock reacquired by the Company. Any of such shares that remain unissued and are not subject to outstanding Awards at the termination of the Plan will cease to be subject to the Plan, but until termination of the Plan the Committee will at all times make available a sufficient number of shares to meet the requirements of the Plan.

5.2 Plan and Individual Limitations on Shares. Subject to adjustment in the same manner as provided in Section 9 with respect to shares of Class B Stock subject to Options then outstanding, the aggregate number of shares of Class B Stock that may be issued under the Plan will not exceed 4,000,000 shares. Notwithstanding any provision in the Plan to the contrary, the maximum number of shares of Class B Stock that may be subject to Awards granted under the Plan to any one individual during any calendar year may not exceed 4,000,000 shares (as adjusted from time to time in accordance with the provisions of the Plan). Shares will be deemed to have been issued under the Plan only (a) to the extent actually issued and delivered pursuant to an Award or (b) to the extent an Award is settled in cash. To the extent that an Award lapses or the rights of its Holder terminate, any shares of Class B Stock subject to such Award will again be available for the grant of an Award. From and after the date upon which the Company becomes a "publicly held corporation" (as defined in section 162(m) of the Code and applicable interpretive authority under the Code), the limitation set forth in the preceding sentences will be applied in a manner that will permit compensation generated under the Plan to constitute "performance-based" compensation for purposes of section 162(m) of the Code, including, without limitation, counting against such maximum number of shares, to the extent required under section 162(m) of the Code and applicable interpretative authority under the Code, any shares subject to Options that are canceled or repriced.

Section 6. GRANT OF AWARDS

6.1 Eligibility for Award. Awards may be granted only to persons who, at the time of grant, are Employees, Consultants, or Directors.

6.2 Grant of Awards. The Committee may from time to time in its discretion grant Awards to one or more Employees, Consultants, or Directors determined by it to be eligible for participation in the Plan in accordance with the provisions of Section 6.1. An Award may be granted on more than one occasion to the same person, and, subject to the limitations set forth in the Plan, such Award may include an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, or any combination thereof.

Section 7. STOCK OPTIONS

7.1 Option Period. The term of each Option will be as specified by the Committee at the date of grant.

7.2 Limitations on Vesting and/or Exercise of Option. An Option will be vested and/or exercisable in whole or in part and at such times as determined by the Committee and set forth in the Notice of Grant and Option Agreement. The Committee in its discretion may provide that an Option will be vested or exercisable upon (a) the attainment of one or more performance goals or targets established by the Committee, which are based on (i) the price of a share of Class B Stock, (ii) the Company's earnings per share, (iii) the Company's market share, (iv) the market share of a business unit of the Company designated by the Committee, (v) the Company's sales, (vi) the sales of a business unit of the Company designated by the Committee, (vii) the net income (before or after taxes) of the Company or a business unit of the Company designated by the Committee, (viii) the cash flow return on investment of the Company or any business unit of the Company designated by the Committee, (ix) the earnings before or after interest, taxes, depreciation, and/or amortization of the Company or any business unit of the Company designated by the Committee, (x) the economic value added, or (xi) the return on stockholders' equity achieved by the Company; (b) the Holder's continued employment as an Employee with the Company or continued service as a Consultant or Director for a specified period of time; (c) the occurrence of any event or the satisfaction of any other condition specified by the Committee in its sole discretion; or (d) a combination of any of the foregoing. Each Option may, in the discretion of the Committee, have different provisions with respect to vesting and/or exercise of the Option.

7.3 Special Limitations on Incentive Stock Options.

(a) An Incentive Stock Option may be granted only to an individual who is an Employee at the time the Option is granted.

(b) No Incentive Stock Option will be granted to an individual if, at the time the Option is granted, such individual owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or of its parent or subsidiary corporation, within the meaning of section 422(b)(6) of the Code, unless (i) at the time such Option is granted the option price is at least 110% of the Fair Market Value of the Class B Stock subject to the Option and (ii) such Option by its terms is not exercisable after the expiration of five years from the date of grant.

(c) If an Option is designated as an Incentive Stock Option in the Notice of Grant of Stock Option, to the extent that such Option (together with all Incentive Stock Options granted to the Optionee under the Plan and all other stock option plans of the Company and its parent and subsidiaries) becomes exercisable for the first time during any calendar year for shares having a Fair Market Value greater than $100,000, the portion of each such Incentive Stock Option that exceeds such amount will be treated as a Nonstatutory Stock Option. For purposes of this Subsection, Options designated as Incentive Stock Options are taken into account in the order in which they were granted, and the Fair Market Value of Class B Stock is determined as of the time the Option with respect to such Class B Stock is granted. If the Code

is amended to provide for a different limitation from that set forth in this Subsection, such different limitation will be deemed incorporated in the Plan effective as of the date required or permitted by such amendment to the Code. If the Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Subsection, the Optionee may designate which portion of such Option the Optionee is exercising. In the absence of such designation, the Optionee will be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion will be issued upon the exercise of the Option.

(d) An Incentive Stock Option (i) will not be transferable otherwise than by will or the laws of descent and distribution and (ii) will be exercisable during the Holder's lifetime only by such Holder or his guardian or legal representative.

(e) The price at which a share of Class B Stock may be purchased upon exercise of an Incentive Stock Option will not be less than 100% of the Fair Market Value of a share of Class B Stock on the date such Option is granted.

7.4 Option Agreement.

(a) Each Option will be evidenced by an Option Agreement in such form and containing such provisions not inconsistent with the provisions of the Plan as the Committee from time to time will approve, including, without limitation, provisions to qualify an Incentive Stock Option under section 422 of the Code and provisions relating to vesting and exercisability. The terms and conditions of the Options and respective Option Agreements need not be identical. Subject to the consent of the Holder, the Committee may, in its sole discretion, amend an outstanding Option Agreement from time to time in any manner that is not inconsistent with the provisions of the Plan (including, without limitation, an amendment that accelerates the time at which the Option, or a portion of the Option, may be exercisable).

(b) Each Option Agreement will specify the effect of termination of (i) employment, (ii) the consulting, advisory, or other non-common law employee relationship, or (iii) membership on the Board, as applicable, on the vesting and/or exercisability of the Option.

(c) An Option Agreement may provide for the payment of the option price, in whole or in part, by the delivery of a number of shares of Class B Stock (plus cash if necessary) having a Fair Market Value equal to such option price. Moreover, an Option Agreement may provide for a "cashless exercise" of the Option through procedures satisfactory to, and approved by and in the sole discretion of, the Committee. Generally, and without limiting the Committee's absolute discretion, a "cashless exercise" will only be permitted at such times in which the shares underlying this Option are publicly traded.

(d) An Option Agreement may provide for the surrender of the right to purchase shares under the Option in return for a payment in cash or shares of Class B Stock or a combination of cash and shares of Class B Stock equal in value to the excess of the Fair Market Value of the shares with respect to which the right to purchase is surrendered over the option price for such shares (" **Stock Appreciation Right**"), on such terms and conditions as the

Committee in its sole discretion may prescribe. In the case of any such Stock Appreciation Right that is granted in connection with an Incentive Stock Option, such right will be exercisable only when the Fair Market Value of the Class B Stock exceeds the price specified for such Class B Stock in the Option or the portion of the Option to be surrendered.

7.5 Option Price, Payment, and Exercise. Subject to Subsections 7.3(b) and 7.3(e) with respect to Incentive Stock Options, the price at which a share of Class B Stock may be purchased upon exercise of an Option will be determined by the Committee. The Option or portion of the Option may be exercised by delivery of an irrevocable notice of exercise to the Secretary of the Company, except as may otherwise be provided in the Option Agreement. The purchase price of the Option or portion of the Option will be paid in full in the manner prescribed by the Committee. Separate stock certificates will be issued by the Company for those shares acquired pursuant to the exercise of an Incentive Stock Option and for those shares acquired pursuant to the exercise of a Nonstatutory Stock Option.

7.6 Stockholder Rights and Privileges. The Holder will be entitled to all the privileges and rights of a stockholder only with respect to such shares of Class B Stock as have been purchased under the Option and for which certificates of stock have been registered in the Holder's name.

7.7 Options and Rights in Substitution for Stock Options Granted by Other Corporations. Options and Stock Appreciation Rights may be granted under the Plan from time to time in substitution for stock options held by individuals employed by corporations who become Employees, Consultants, or Directors as a result of a merger, consolidation, or other business combination of the employing corporation with the Company or any subsidiary.

Section 8. RESTRICTED STOCK AWARDS

8.1 Restricted Stock Agreement. At the time any Award is made under this Section, the Company and the Holder will enter into a Restricted Stock Agreement setting forth each of the matters contemplated by the Plan and such other matters as the Committee may determine to be appropriate. The terms and provisions of the respective Restricted Stock Agreements need not be identical.

8.2 Forfeiture Restrictions. Shares of Class B Stock that are the subject of a Restricted Stock Award will be subject to restrictions on disposition by the Holder and an obligation of the Holder to forfeit and surrender the shares to the Company under certain circumstances (the " **Forfeiture Restrictions**"). The Forfeiture Restrictions will be determined by the Committee in its sole discretion, and the Committee may provide that the Forfeiture Restrictions will lapse upon (a) the attainment of one or more performance goals or targets established by the Committee, which are based on (i) the price of a share of Class B Stock, (ii) the Company's earnings per share, (iii) the Company's market share, (iv) the market share of a business unit of the Company designated by the Committee, (v) the Company's sales, (vi) the sales of a business unit of the Company designated by the Committee, (vii) the net income (before or after taxes) of the Company or a business unit of the Company designated by the Committee, (viii) the cash flow return on investment of the Company or any business unit of the Company designated by the Committee, (ix) the earnings before or after interest, taxes,

depreciation, and/or amortization of the Company or any business unit of the Company designated by the Committee, (x) the economic value added, or (xi) the return on stockholders' equity achieved by the Company; (b) the Holder's continued employment as an Employee with the Company or continued service as a Consultant or Director for a specified period of time; (c) the occurrence of any event or the satisfaction of any other condition specified by the Committee in its sole discretion; or (d) a combination of any of the foregoing. Each Restricted Stock Award may, in the discretion of the Committee, have different Forfeiture Restrictions.

8.3 Other Terms and Conditions. Class B Stock awarded pursuant to a Restricted Stock Award will be represented by a stock certificate registered in the name of the Holder of such Restricted Stock Award. Unless otherwise provided in the Restricted Stock Agreement, the Holder will have the right to receive dividends with respect to Class B Stock subject to a Restricted Stock Award, to vote Class B Stock subject to such Restricted Stock Agreement, and to enjoy all other stockholder rights, except that (a) the Holder will not be entitled to delivery of the stock certificate until the Forfeiture Restrictions have lapsed, (b) the Company will retain custody of the stock until the Forfeiture Restrictions have lapsed, (c) the Holder may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of the stock until the Forfeiture Restrictions have lapsed, and (d) a breach of the terms and conditions established by the Committee pursuant to the Restricted Stock Agreement will cause a forfeiture of the Restricted Stock Award. At the time of such Award, the Committee may, in its sole discretion, prescribe additional terms, conditions, or restrictions relating to Restricted Stock Awards, including, but not limited to, rules pertaining to the termination of employment or service as a Consultant or Director (by retirement, disability, death, or otherwise) of a Holder prior to lapse of the Forfeitures Restrictions. Such additional terms, conditions, or restrictions will be set forth in the Restricted Stock Agreement made in conjunction with the Award. Subject to the consent of the Holder and the restriction set forth in the last sentence of Section 8.4 below, the Committee may, in its sole discretion, amend an outstanding Restricted Stock Agreement from time to time in any manner that is not inconsistent with the provisions of the Plan.

8.4 Committee's Discretion to Accelerate Vesting of Restricted Stock Awards. The Committee may, in its discretion and as of a date determined by the Committee, fully vest any or all Class B Stock awarded to a Holder pursuant to a Restricted Stock Award, and, upon such vesting, all restrictions applicable to such Restricted Stock Award will lapse as of such date. Any action by the Committee pursuant to this Section may vary among individual Holders and may vary among the Restricted Stock Awards held by any individual Holder. Notwithstanding the preceding provisions of this Section, from and after the date upon which the Company becomes a "publicly held corporation" (as defined in section 162(m) of the Code and applicable interpretive authority under the Code), the Committee may not take any action described in this Section with respect to a Restricted Stock Award that has been granted after such date to a "covered employee" (within the meaning of Treasury Regulation section 1.162-27(c)(2)) if such Award has been designed to meet the exception for performance-based compensation under section 162(m) of the Code.

8.5 Payment for Restricted Stock. The Committee will determine the amount and form of any payment for Class B Stock received pursuant to a Restricted Stock Award, provided that, in the absence of such a determination, a Holder will not be required to

make any payment for Class B Stock received pursuant to a Restricted Stock Award, except to the extent otherwise required by law.

Section 9. RECAPITALIZATION OR REORGANIZATION

9.1 No Effect on Board's or Stockholders' Power. The existence of the Plan and the Awards granted under the Plan will not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize (a) any adjustment, recapitalization, reorganization, or other change in the Company's capital structure or its business, (b) any merger, share exchange, or consolidation of the Company or any subsidiary, (c) any issue of debt or equity securities ranking senior to or affecting Class B Stock or the rights of Class B Stock, (d) the dissolution or liquidation of the Company or any subsidiary, (e) any sale, lease, exchange, or other disposition of all or any part of the Company's assets or business, or (f) any other corporate act or proceeding.

9.2 Adjustment in the Event of Stock Subdivision, Consolidation, or Dividend. The shares with respect to which Options may be granted are shares of Class B Stock as presently constituted, but if, and whenever, prior to the expiration of an Option theretofore granted, the Company will effect a subdivision or consolidation of shares of Class B Stock or the payment of a stock dividend on Class B Stock without receipt of consideration by the Company, the number of shares of Class B Stock with respect to which such Option may thereafter be exercised (a) in the event of an increase in the number of outstanding shares, will be proportionately increased, and the purchase price per share will be proportionately reduced, and (b) in the event of a reduction in the number of outstanding shares, will be proportionately reduced, and the purchase price per share will be proportionately increased. Any fractional share resulting from such adjustment will be rounded up to the next whole share.

9.3 Adjustment in the Event of Recapitalization or Corporate Change.

(a) If the Company recapitalizes, reclassifies its capital stock, or otherwise changes its capital structure (a " **recapitalization**"), the number and class of shares of Class B Stock covered by an Option theretofore granted will be adjusted so that such Option will thereafter cover the number and class of shares of stock and securities to which the Holder would have been entitled pursuant to the terms of the recapitalization if, immediately prior to the recapitalization, the Holder had been the holder of record of the number of shares of Class B Stock then covered by such Option.

(b) If a Corporate Change occurs, then no later than (i) 10 days after the approval by the stockholders of the Company of a Corporate Change, other than a Corporate Change resulting from a person or entity acquiring or gaining ownership or control of more than 50% of the outstanding shares of the Company's voting stock, or (ii) 30 days after a Corporate Change resulting from a person or entity acquiring or gaining ownership or control of more than 50% of the outstanding shares of the Company's voting stock, the Committee, acting in its sole discretion and without the consent or approval of any Holder, will effect one or more of the following alternatives, which alternatives may vary among individual Holders and which may vary among Options held by any individual Holder:

(i) Accelerate the vesting of any Options (or any portion of any Option) then outstanding;

(ii) Accelerate the time at which some or all of the Options (or any portion of the Options) then outstanding may be exercised so that such Options (or any portion of such Options) may be exercised for a limited period of time on or before a specified date (before or after such Corporate Change) fixed by the Committee, after which specified date all unexercised Options and all rights of Holders under such Options will terminate;

(iii) Require the mandatory surrender to the Company by selected Holders of some or all of the outstanding Options (or any portion of such Options) held by such Holders (irrespective of whether such Options (or any portion of such Options) are then vested or exercisable under the provisions of the Plan) as of a date, before or after such Corporate Change, specified by the Committee, in which event the Committee will then cancel such Options (or any portion of such Options) and cause the Company to pay each Holder an amount of cash per share equal to the excess, if any, of the Change of Control Value of the shares subject to such Option over the exercise price(s) under such Options for such shares;

(iv) Make such adjustments to Options (or any portion of such Options) then outstanding as the Committee deems appropriate to reflect such Corporate Change (provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary to one or more Options (or any portion of such Options) then outstanding); or

(v) Provide that the number and class of shares of Class B Stock covered by an Option (or any portion of such Option) theretofore granted will be adjusted so that such Option will thereafter cover the number and class of shares of stock or other securities or property (including, without limitation, cash) to which the Holder would have been entitled pursuant to the terms of the agreement of merger, consolidation, or sale of assets or dissolution if, immediately prior to such merger, consolidation, or sale of assets or dissolution, the Holder had been the holder of record of the number of shares of Class B Stock then covered by such Option.

9.4 Change of Control Value. For purposes of Subsection 9.3(b)(iii) above, the "Change of Control Value" will equal the amount determined in one of the following clauses, whichever is applicable:

(a) The per share price offered to stockholders of the Company in any such merger, consolidation, sale of assets, or dissolution transaction;

(b) The price per share offered to stockholders of the Company in any tender offer or exchange offer whereby a Corporate Change takes place; or

(c) If such Corporate Change occurs other than pursuant to a tender or exchange offer, the fair market value per share of the shares into which such Options being

surrendered are exercisable, as determined by the Committee as of the date determined by the Committee to be the date of cancellation and surrender of such Options.

In the event that the consideration offered to stockholders of the Company in any transaction described in this Section or in Section 9.3 above consists of anything other than cash, the Committee will determine in its discretion the fair cash equivalent of the portion of the consideration offered that is other than cash.

9.5 Other Adjustments. In the event of changes in the outstanding Class B Stock by reason of recapitalizations, mergers, consolidations, reorganizations, liquidations, combinations, split-ups, split-offs, spin-offs, exchanges, issuances of rights or warrants, or other relevant changes in capitalization or distributions to the holders of Class B Stock occurring after the date of grant of any Award and not otherwise provided for by this Section, (a) such Award and any agreement evidencing such Award will be subject to adjustment by the Committee in its discretion as to the number and price of shares of Class B Stock or other consideration subject to such Award, and (b) the aggregate number of shares available under the Plan and the maximum number of shares that may be subject to Awards to any one individual may be appropriately adjusted by the Committee, whose determination will be conclusive and binding on all parties.

9.6 Stockholder Action. If any event giving rise to an adjustment provided for in this Section requires stockholder action, such adjustment will not be effective until such stockholder action has been taken.

9.7 No Adjustment Except as Provided in the Plan. Except as expressly provided in the Plan, the issuance by the Company of shares of stock of any class or securities convertible into shares of stock of any class for cash, property, labor, or services, upon direct sale, upon the exercise of rights or warrants to subscribe for such shares or other securities, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, and in any case whether or not for fair value, will not affect, and no adjustment by reason thereof will be made with respect to, the number of shares of Class B Stock subject to Awards theretofore granted or the purchase price per share, if applicable.

Section 10. AMENDMENT AND TERMINATION OF THE PLAN

10.1 Termination of Plan. The Board in its discretion may terminate the Plan at any time with respect to any shares of Class B Stock for which Awards have not theretofore been granted.

10.2 Amendment of Plan. The Board will have the right to alter or amend the Plan or any part of the Plan from time to time; provided that no change in any Award theretofore granted may be made that would impair the rights of the Holder without the consent of the Holder; and provided, further, that the Board may not, without approval of the stockholders, amend the Plan to (a) increase the maximum aggregate number of shares that may be issued under the Plan or (b) change the class of individuals eligible to receive Awards under the Plan.

Section 11. MISCELLANEOUS

11.1 No Right To An Award. Neither the adoption of the Plan nor any action of the Board or of the Committee will be deemed to give an Employee, Consultant, or Director any right to be granted an Option, any right to a Restricted Stock Award, or any other rights under the Plan except as may be evidenced by an Option Agreement or a Restricted Stock Agreement duly executed on behalf of the Company, and then only to the extent and on the terms and conditions expressly set forth in such Agreement.

11.2 Unfunded Plan. The Plan will be unfunded. The Company will not be required to establish any special or separate fund or to make any other segregation of funds or assets to insure the payment of any Award.

11.3 No Employment/Consulting/Membership Rights Conferred. Nothing contained in the Plan will (a) confer upon any Employee or Consultant any right with respect to continuation of employment or of a consulting, advisory, or other non-common law relationship with the Company or any subsidiary or (b) interfere in any way with the right of the Company or any subsidiary to terminate any Employee's employment or any Consultant's consulting, advisory, or other non-common law relationship at any time. Nothing contained in the Plan will confer upon any Director any right with respect to continuation of membership on the Board.

11.4 Compliance with Other Laws. The Company will not be obligated to issue any Class B Stock pursuant to any Award granted under the Plan at any time when the shares covered by such Award have not been registered under the Securities Act of 1933, as amended, and such other state and federal laws, rules, or regulations as the Company or the Committee deems applicable and, in the opinion of legal counsel to the Company, there is no exemption from the registration requirements of such laws, rules, or regulations available for the issuance and sale of such shares. No fractional shares of Class B Stock will be delivered, nor will any cash in lieu of fractional shares be paid.

11.5 Withholding. The Company will have the right to deduct or cause to be deducted in connection with all Awards any taxes required by law to be withheld and to require any payments required to satisfy applicable withholding obligations.

11.6 No Restriction on Corporate Action. Nothing contained in the Plan will be construed to prevent the Company or any subsidiary from taking any corporate action that is deemed by the Company or such subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Award made under the Plan. No Employee, Consultant, Director, beneficiary, or other person will have any claim against the Company or any subsidiary as a result of any such action.

11.7 Restrictions on Transfer. An Award (other than an Incentive Stock Option, which will be subject to the transfer restrictions set forth in Section 7.3) will not be transferable otherwise than (a) by will or the laws of descent and distribution, (b) with the consent of the Committee or (c) as expressly set forth in such Award.

11.8 Governing Law. The Plan will be construed in accordance with the laws of the State of Delaware.

HUNTER ACQUISITION CORP.

NOTICE OF GRANT OF STOCK OPTION

Pursuant to the terms and conditions of the Hunter Acquisition Corp. 2005 Stock Incentive Plan, attached as Appendix A (the "**Plan**"), and the associated Stock Option Agreement, attached as Appendix B (the "**Option Agreement**"), you are hereby granted an option (this "**Option**") to purchase shares of Stock (as defined in the Option Agreement) under the conditions set forth below, in the Option Agreement, and in the Plan.

Type of Option: Check one (and only one) of the following:

☐ **Incentive Stock Option** (This Option **is** intended to be an Incentive Stock Option (as defined in the Plan).)

☐ **Nonstatutory Stock Option** (This Option **is not** intended to be an Incentive Stock Option (as defined in the Plan).)

Optionee: _____

Date of Grant: _____, 20___

Number of Shares: _____

Option Price: $ _____ per share.

Note: In the case of an Incentive Stock Option, the Option Price must be at least 100% (or, in the case of a 10% shareholder of the Company, 110%) of the Fair Market Value (as defined in the Plan) of a share of Stock on the Date of Grant.

Expiration Date: _____, 20___.

Note: In the case of an Incentive Stock Option, this date cannot be more than ten years (or in the case of a 10% shareholder of the Company, more than five years) from the Date of Grant.

Vesting Schedule: As long as Optionee's Service (as defined in the Option Agreement) is continuous, Optionee will acquire (a) a 20% Vested Interest (as defined in the Option Agreement) in the shares subject to this Option on the first anniversary of the Date of Grant and (b) an additional 1/60 Vested Interest (as defined in the Option Agreement) in such shares upon the completion of each full month following the first anniversary of the Date of Grant until Optionee acquires a 100% Vested Interest in the shares.

Note: Optionee's acquisition of a Vested Interest will accelerate upon certain events associated with a Corporate Change (as defined in the Plan) in accordance with Section 4.2 of the Option Agreement.

By your signature and the signature of the Company's representative below, you and the Company hereby acknowledge your receipt of this Option granted on the Grant Date indicated above, which has been issued to you under the terms and conditions of the Plan and the Option Agreement. You further acknowledge receipt of the copy of the Plan and Option Agreement and agree to all of the terms and conditions of the Plan and the Option Agreement, which are incorporated in this Option by reference.

Note: To accept the grant of this Option, you must execute this form and return an executed copy to _____ (the "Designated Recipient") by _____. Failure to return the executed copy to the Designated Recipient by such date will render this Option invalid.

HUNTER ACQUISITION CORP.

By: _____
Title: _____

ACCEPTED BY:

OPTIONEE

Signature: _____
Date: _____

DESIGNATED RECIPIENT

By: _____
Date Received: _____

Attachments: Appendix A — Hunter Acquisition Corp. 2005 Stock Incentive Plan
Appendix B — Stock Option Agreement

APPENDIX A

HUNTER ACQUISITION CORP.
2005 STOCK INCENTIVE PLAN

(See Attached)

APPENDIX B

STOCK OPTION AGREEMENT

(See Attached)

HUNTER ACQUISITION CORP.
2005 STOCK INCENTIVE PLAN

STOCK OPTION AGREEMENT

THIS AGREEMENT is made as of the Date of Grant set forth in the Notice of Grant of Stock Option (" **Notice of Grant**") between Hunter Acquisition Corp., a Delaware corporation (the "**Company**"), and Optionee in order to carry out the purposes of the Hunter Acquisition Corp. 2005 Stock Incentive Plan (the "**Plan**") by affording Optionee the opportunity to purchase shares of Class B Stock of the Company, and in consideration of the mutual agreements and other matters set forth in this Agreement, in the Notice of Grant, and in the Plan, the Company and Optionee hereby agree as follows:

Section 1. DEFINITIONS

1.1 Definitions. Wherever used in this Agreement, the following words and phrases when capitalized will have the meanings ascribed below, unless the context clearly indicates to the contrary, and all other capitalized terms used in this Agreement, which are not defined below, will have the meanings set forth in the Plan.

(a) "**Act**" means the Securities Act of 1933, as amended.

(b) "**Agreement**" means this stock option agreement between Optionee and the Company.

(c) "**Cause**" means "cause" as defined in Optionee's employment or service agreement or in the absence of such an agreement or such a definition, "Cause" will mean a determination by the Committee that Optionee (i) has engaged in personal dishonesty, willful violation of any law, rule, or regulation (other than minor traffic violations or similar offenses), or breach of fiduciary duty involving personal profit, (ii) is unable to satisfactorily perform or has failed to satisfactorily perform Optionee's duties and responsibilities for the Company or any Affiliate, (iii) has been convicted of, or plead nolo contendere to, any felony or a crime involving moral turpitude, (iv) has engaged in negligence or willful misconduct in the performance of his duties, including, but not limited to, willfully refusing without proper legal reason to perform Optionee's duties and responsibilities, (v) has materially breached any corporate policy or code of conduct established by the Company or any Affiliate as such policies or codes may be adopted from time to time, (vi) has violated the terms of any confidentiality, nondisclosure, intellectual property, nonsolicitation, noncompetition, proprietary information and inventions, or any other agreement between Optionee and the Company related to Optionee's Service, or (vii) has engaged in conduct that is likely to have a deleterious effect on the Company or any Affiliate or their legitimate business interests, including, but not limited to, their goodwill and public image.

(d) "**Date of Grant**" means the date set forth as the Date of Grant in the Notice of Grant.

(e) "**Expiration Date**" means the date set forth as the Expiration Date in the Notice of Grant.

(f) "**For Cause Option Share Repurchase Option**" means the right of the Company to repurchase, upon the termination of Optionee's Service, the Option Shares granted to Optionee as set forth in Section 5.2.

(g) "**Involuntary Termination**" means a termination of Optionee's Service, which (i) is not initiated in whole or in part by Optionee, (ii) is not a termination as a result of disability or death, and (iii) is not consented to by Optionee.

(h) "**Notice of Grant**" means the Notice of Grant of Stock Option accompanying the Agreement.

(i) "**Option**" means the right and option to purchase shares of Stock on the terms set forth in this Agreement, the Notice of Grant, and the Plan.

(j) "**Optionee**" means the person to whom this Option is granted as specified in the Notice of Grant.

(k) "**Option Share Repurchase Option**" means the right of the Company to repurchase, upon the termination of Optionee's Service, the Option Shares granted to Optionee as set forth in Section 5.2.

(l) "**Option Shares**" means the Stock purchased pursuant to the exercise of the Option.

(m) "**Service**" means Optionee's service in his status as Employee, Consultant, or Director, as applicable, or status as employee, consultant, or director of a corporation, or parent or subsidiary of such corporation, assuming or substituting a new option for this Option; provided, however, in the case of an Incentive Stock Option, "Service" means only Optionee's service in his status as an Employee or status as an employee of a corporation, or parent or subsidiary of such corporation, assuming or substituting a new option for this Option.

(n) "**Stock**" means shares of Class B Stock.

(o) "**Vested Interest**" means the vested interest determined in accordance with Section 4 of this Agreement.

(p) "**Vesting Schedule**" means the Vesting Schedule specified in the Notice of Grant.

1.2 Number and Gender. Wherever appropriate in this Agreement, words used in the singular will be considered to include the plural, and words used in the plural will be considered to include the singular. The masculine gender, where appearing in this Agreement, will be deemed to include the feminine gender where appropriate.

1.3 Headings of Sections and Subsections. The headings of Sections and Subsections in this Agreement are included solely for convenience. If there is any conflict between such headings and the text of the Plan, the text will in all cases control. All references to Sections and Subsections are to this document unless otherwise indicated.

Section 2. GRANT OF OPTION AND PURCHASE PRICE

2.1 Grant of Option. The Company hereby grants to Optionee the Option to purchase all or any part of the shares subject to the Option on the terms and conditions set forth in this Agreement and in the Notice of Grant and the Plan. The number of shares subject to purchase under the Option are set forth in such Optionee's Notice of Grant. The Notice of Grant and the Plan are incorporated in this Agreement by reference as a part of this Agreement.

2.2 Purchase Price. The purchase price of the Stock purchased pursuant to the exercise of this Option (" **Option Shares**") will be the price per share as set forth in the Notice of Grant.

Section 3. EXERCISE OF OPTION

3.1 Exercise of Option. Subject to the earlier expiration of this Option as provided in Section 3.2 or 3.3, and subject to the exercise restrictions set forth in Section 3.4, this Option may be exercised, by written notice to the Company at its principal executive office addressed to the attention of its Chief Executive Officer, at any time and from time to time after the Date of Grant, but this Option will be exercisable only for the portion of this Option in which Optionee has acquired a Vested Interest in accordance with Section 4 of this Agreement.

3.2 Effect of Termination of Service on Exercisability. Except as provided in Sections 3.5 and 3.6, this Option may be exercised only while Optionee remains in Service and will terminate and cease to be exercisable upon Optionee's termination of Service, *except* as follows:

(a) Termination on Account of Disability. If Optionee's Service terminates by reason of disability (within the meaning of section 22(e)(3) of the Code), this Option may be exercised by Optionee (or Optionee's estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Optionee) at any time during the period of one year following such termination, but only as to the portion of this Option in which Optionee had a Vested Interest as of the date Optionee's Service so terminates.

(b) Termination on Account of Death. If Optionee dies while in Service, Optionee's estate, or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Optionee, may exercise this Option at any time during the period of one year following the date of Optionee's death, but only as to the portion of this Option in which Optionee had a Vested Interest as of the date of Optionee's death.

(c) Involuntary Termination not for Cause. If Optionee's Service terminates as an Involuntary Termination for any reason other than as described in Subsection 3.2(a) or 3.2(b), unless such Service is terminated for Cause, this Option may be

exercised by Optionee at any time during the period of three months following such Involuntary Termination, or by Optionee's estate (or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of the death of Optionee) during a period of one year following Optionee's death if Optionee dies during such three-month period, but in each such case only as to the portion of this Option in which Optionee had a Vested Interest as of the date Optionee's Service so terminates. The Committee may, in its sole discretion, advise Optionee in writing, prior to a termination of Optionee's Service that would not otherwise be an Involuntary Termination other than for Cause, that such termination will be treated for purposes of this Subsection as an Involuntary Termination and for a reason other than Cause.

3.3 Term of Option. This Option will not be exercisable in any event after the Expiration Date.

3.4 Restrictions on Exercise.

(a) Non-Transferability of Option. Notwithstanding any provision of this Section to the contrary, the Option may be exercised, during the lifetime of Optionee, only by Optionee or Optionee's guardian or legal representative and may not be assigned or transferred in any manner except by will or by the laws of descent and distribution.

(b) Compliance with Securities Law. Notwithstanding any provision of this Agreement to the contrary, the grant of the Option and the issuance of Stock will be subject to compliance with all applicable requirements of federal, state, or foreign law with respect to such securities and with the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (i) a registration statement under the Act is at the time of exercise of the Option in effect with respect to the shares issuable upon exercise of the Option or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Act. THE OPTIONEE IS CAUTIONED THAT THE OPTION MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, THE OPTIONEE MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option will relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority has not been obtained. As a condition to the exercise of the Option, the Company may require the Optionee to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

3.5 Extension if Exercise Prevented by Law. Notwithstanding Section 3.2, if the exercise of the Option within the applicable time periods set forth in Section 3.2 is

prevented by the provisions of Subsection 3.4(b), the Option will remain exercisable until 30 days after the date the Optionee is notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. The Optionee should consult with the Optionee's own tax advisor as to the tax consequences of any such delayed exercise.

3.6 Extension if Optionee Subject to Section 16(b). Notwithstanding Section 3.2, if a sale within the applicable time periods set forth in Section 3.2 of shares acquired upon the exercise of the Option would subject the Optionee to suit under Section 16(b) of the 1934 Act, the Option will remain exercisable until the earliest to occur of (i) the 10th day following the date on which a sale of such shares by the Optionee would no longer be subject to such suit, (ii) the 190th day after the Optionee's termination of Service, or (iii) the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. The Optionee should consult with the Optionee's own tax advisor as to the tax consequences of any such delayed exercise.

3.7 Method of Payment.

(a) Methods of Payment Authorized. Subject to Subsection 3.7(b), the purchase price of shares as to which this Option is exercised will be paid in full at the time of exercise (i) in cash (including check, bank draft, or money order payable to the order of the Company), (ii) in whole shares of Stock having a Fair Market Value equal to the purchase price, (iii) by cashless exercise as described in Subsection 3.7(b)(ii), or (iv) any combination of the above. No fraction of a share of Stock will be issued by the Company upon exercise of an Option or accepted by the Company in payment of the purchase price thereof; rather, Optionee will provide a cash payment for such amount as is necessary to effect the issuance and acceptance of only whole shares of Stock.

(b) Limitations on Methods of Payment.

(i) Payment in Stock. Subsection 3.7(a) notwithstanding, the Option may not be exercised in shares of Stock (A) to the extent such exercise would constitute a violation of the provisions of any law, regulation, or agreement restricting the redemption of the Company's Stock or (B) unless such shares either have been owned by the Optionee for more than six months or were not acquired through an option issued by the Company.

(ii) Cashless Exercise. Optionee (or the person permitted to exercise this Option in the event of Optionee's death or disability) may direct, in a properly executed written notice, that the exercise of this Option be effected as a "cashless exercise." A "cashless exercise" means the assignment in a form acceptable to the Company of the proceeds of a sale or loan with respect to some or all of the shares of Stock acquired upon the exercise of the Option pursuant to a program or procedure approved by the Company (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System) or an immediate sale to the Company respecting all or any part of the shares of Stock to which Optionee is entitled upon

exercise of this Option pursuant to an extension of credit by the Company, on an interest-free basis, to Optionee of the purchase price (in such event, immediately following such sale, Optionee will deliver to the Company funds sufficient to satisfy such extension of credit). The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to decline to approve or terminate any such program or procedure. Generally, and without limiting the Company's absolute discretion, a "cashless exercise" will only be permitted at such times in which the shares underlying this Option are publicly traded.

3.8 Issuance of Certificate. Subject to Section 5.1, a certificate or certificates evidencing the shares of Stock acquired pursuant to this Option will be issued by the Company to, and registered in the name of, Optionee (or any other person permitted to exercise this Option pursuant to the terms of the Plan and Agreement). The Company may at any time place legends referencing any restrictions on all certificates representing shares of Stock subject to the provisions of this Agreement. Unless and until a certificate or certificates representing such shares will have been issued by the Company to Optionee, Optionee (or any other person permitted to exercise this Option pursuant to the terms of the Plan and this Agreement) will not be or have any of the rights or privileges of a stockholder of the Company with respect to shares acquirable upon an exercise of this Option.

Section 4. VESTING

4.1 Vesting of Shares. Subject to Sections 4.2 and 4.3, Optionee will acquire a Vested Interest in this Option in accordance with the Vesting Schedule set forth in the Notice of Grant. Notwithstanding Optionee's acquisition of a Vested Interest pursuant to this Section, no Option or portion of an Option will be exercisable by Optionee prior to or after the time provided in Section 3 or in any manner except as provided in Section 3.

4.2 Acceleration of Vesting upon Certain Events Associated with a Corporate Change. Unless otherwise provided in the Notice of Grant, Optionee will acquire a Vested Interest in the Option prior to the time stated in Section 4.1 as follows:

(a) If Optionee's Service terminates as an Involuntary Termination other than for Cause within 12 months following the effective date of a Corporate Change, Optionee will acquire, effective as of the effective date of the termination of Optionee's Service, a 100% Vested Interest in the shares subject to this Option.

4.3 Termination of Optionee's Service. Upon termination of Optionee's Service for any reason, including, but not limited to, death and disability, Optionee will cease to acquire as of the date of such termination any additional Vested Interest in the shares subject to this Option. Optionee will forfeit his Vested Interest in any unexercised portion of this Option effective immediately upon Optionee's termination of his Service for Cause (as determined by the Committee notwithstanding that Cause may not be a reason expressed by the Company for such termination). In the event of such a forfeiture, Optionee will, upon demand by the Company, promptly surrender to the Company the unexercised portion of this Option. If Optionee's Service is terminated either (a) during the first 12 months after the Date of Grant or (b) at any time with Cause, then all Option Shares shall be subject to the For Cause Option Share

Repurchase Option under Section 5.2(a). If Optionee's Service is terminated in any other manner, then the Option Shares shall be subject to the Option Share Repurchase Option under Section 5.2(a).

Section 5. STATUS OF STOCK AND RESTRICTIONS

5.1 Status of Stock. With respect to the status of the Stock, at the time of execution of this Agreement Optionee understands and agrees to all of the following:

(a) Optionee understands that at the time of the execution of this Agreement the shares of Stock to be issued upon exercise of this Option have not been registered under the Act or any state securities law and that the Company does not currently intend to effect any such registration. In the event exemption from registration under the Act is available upon an exercise of this Option, Optionee (or the person permitted to exercise this Option in the event of Optionee's death or disability), if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to ensure compliance with applicable securities laws.

(b) Optionee agrees that the shares of Stock that Optionee may acquire by exercising this Option will be acquired for investment without a view to distribution, within the meaning of the Act, and will not be sold, transferred, assigned, pledged, or hypothecated in the absence of an effective registration statement for the shares under the Act and applicable state securities laws or an applicable exemption from the registration requirements of the Act and any applicable state securities laws. Optionee also agrees that the shares of Stock that Optionee may acquire by exercising this Option will not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable securities laws, whether federal or state.

(c) Optionee agrees that (i) the Company may refuse to register the transfer of the shares of Stock purchased under this Option on the stock transfer records of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable securities law and (ii) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Stock purchased under this Option.

5.2 Share Repurchase Options.

(a) Grant of Share Repurchase Options. Subject to Section 4.3, upon the termination of Optionee's Service either (i) during the first 12 months after the Date of Grant or (ii) at any time for Cause, the Company will have the right to repurchase all Option Shares issued pursuant to this Agreement under the terms and subject to the conditions set forth in this Section (the " **For Cause Option Share Repurchase Option**"). Subject to Section 4.3, upon the termination of Optionee's Service in any other manner the Company will have the right to repurchase the Option Shares issued pursuant to this Agreement under the terms and subject to the conditions set forth in this Section (the " **Option Share Repurchase Option**").

(b) Exercise of Share Repurchase Options. The Company may exercise the For Cause Option Share Repurchase Option by written notice to Optionee within 90 days after termination of Optionee's Service. If the Company fails to give notice within such

90 day period, the For Cause Option Share Repurchase Option will expire unless the Company and Optionee have agreed in writing, prior to the end of such 90 day period, to extend the time for the exercise of the For Cause Option Share Repurchase Option. The For Cause Option Share Repurchase Option may be exercised by the Company, if at all, for any or all of the Option Shares. The Company may exercise the Option Share Repurchase Option by written notice to Optionee within 12 months after termination of Optionee's Service. If the Company fails to give notice within such 12-month period, the Option Share Repurchase Option will expire unless the Company and Optionee have agreed in writing, prior to the end of such 12-month period, to extend the time for the exercise of the Option Share Repurchase Option. The Option Share Repurchase Option may be exercised by the Company, if at all, for any or all of the Option Shares.

(c) Payment for Option Shares and Return of Option Shares to Company . The purchase price per share of Option Shares being repurchased by the Company pursuant to the For Cause Option Share Repurchase Option will be an amount equal to Optionee's original purchase price per share as set forth in the Notice of Grant, as adjusted pursuant to Section 9 of the Plan (the " **For Cause Option Share Repurchase Price**"). The Company will pay the aggregate For Cause Option Share Repurchase Price to Optionee in cash within 60 days after the date of the written notice to Optionee of the Company's exercise of the For Cause Option Share Repurchase Option. For purposes of the foregoing, cancellation of any indebtedness of Optionee to the Company associated with the purchase of the shares will be treated as payment to Optionee in cash to the extent of the unpaid principal and any accrued interest canceled. The shares being repurchased will be delivered to the Company by Optionee at the same time as the delivery of the For Cause Option Share Repurchase Price to Optionee. The purchase price per share of Option Shares being repurchased by the Company pursuant to the Option Share Repurchase Option will be an amount equal to the Fair Market Value of the Stock determined, at the Company's option, either as of the time of the termination of Optionee's Service or as of the time of such repurchase (the "**Option Share Repurchase Price**"). The "Fair Market Value" of the Stock shall mean the value per share determined in good faith by the Board of Directors of the Company. The Company will pay the aggregate Option Share Repurchase Price to Optionee in cash within 60 days after the date the Company sends the Optionee written notice of the Company's exercise of the Option Share Repurchase Option. For purposes of the foregoing, cancellation of any indebtedness of Optionee to the Company associated with the purchase of the shares will be treated as payment to Optionee in cash to the extent of the unpaid principal and any accrued interest cancelled. The shares being repurchased will be delivered to the Company by Optionee at the same time as the delivery of the Option Share Repurchase Price to Optionee.

(d) Assignment of For Cause Option Share Repurchase Option and Option Share Repurchase Option . The Company will have the right to assign the For Cause Option Share Repurchase Option and Option Share Repurchase Option at any time, whether or not such option is then exercisable, to one or more persons or entities as may be selected by the Company.

5.3 Company's Right of First Refusal.

(a) If, at any time, Optionee has exercised this Option and purchased Stock, Optionee agrees that if Optionee thereafter intends to transfer any or all of the Option Shares, Optionee will first give the Company notice in writing of such proposed transfer. Such notice (the " **Notice**") will contain (i) the name and address of Optionee and the proposed transferee, (ii) the terms and conditions of such transfer, including, in the event that any third party offer has been received by Optionee and Optionee intends to accept such offer, the purchase price, and if such price is to be paid in whole or in part in consideration other than cash, a full and complete description of such non-cash consideration, and (iii) an offer (the " **Required Offer**") to sell such Option Shares to the Company at a price per share equal to the proposed consideration for the transfer of such Option Shares. The Committee will determine the fair cash equivalent of any proposed consideration that is other than cash. At any time during the 30-day period immediately following the delivery of the Notice to the Company, the Company will have the exclusive right and option, but not the obligation, to accept the Required Offer and proceed with the purchase of such Option Shares pursuant to such Required Offer. In the event the Company does not exercise its rights as set forth in this Section, Optionee will be free to transfer such Option Shares under the terms and conditions stated in the Notice; provided, however, that if such transfer does not take place within 60 days following the delivery of the Notice to the Company, the terms of this Section must once again be followed prior to the transfer of the Option Shares. Any Option Shares that are transferred pursuant to the preceding provisions of this Section will continue to be subject to the right of first refusal set forth in this Section subsequent to any such transfer. If at any time a proposed transfer by Optionee applies to less than all of the Option Shares of Optionee, the right of first refusal in this Agreement granted to the Company will remain in full force and effect as to the remainder of such Option Shares, regardless of whether it is exercised with respect to such initial portion. Optionee may not pledge or otherwise encumber any of the Option Shares without the written consent of the Company.

(b) The right of first refusal stated in this Agreement will survive the termination of this Agreement. The Company also has the right to assign the right of first refusal stated in this Agreement. The right of first refusal stated in this Agreement will not apply to transfers of Option Shares pursuant to the laws of descent and distribution; provided, however, that any such Option Shares will be subject to the right of first refusal set forth in this Section subsequent to any such transfer. The right of first refusal stated in this Agreement will not apply to the exchange of Option Shares pursuant to a plan of merger, consolidation, recapitalization, or reorganization of the Company, but any stock, securities, or other property received in exchange therefor will be subject to the right of first refusal set forth in this Agreement; provided, however, that any such stock or securities received in any such merger, consolidation, recapitalization, or reorganization will not be subject to the right of first refusal set forth in this Section if the stock or securities received in such merger, consolidation, recapitalization, or reorganization are registered under the 1934 Act. A dissolution or liquidation of the Company will not trigger the right of first refusal set forth in this Agreement; provided, however, that a dissolution or a liquidation of the Company within one year following the sale of all or substantially all of the assets of the Company in exchange for stock or securities will be considered a reorganization of the Company. The right of first refusal set forth in this Section will terminate on the date upon which the Company (or a successor to the Company) first

becomes publicly held. For purposes of the preceding sentence, the Company (or a successor to the Company) will be considered "publicly held" if the securities that are of the same class as the Stock (or the securities for which the Stock are exchanged as described in this Section or pursuant to the Plan) will be registered under Section 12 of the 1934 Act.

(c) The Company shall not be required to (i) transfer on its books any Option Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of Option Shares, or otherwise to accord voting, dividend or liquidation rights to, any transferee to whom Option Shares have been transferred in contravention of this Agreement. Notwithstanding the foregoing provisions of subsections (a) and (b), with advance written consent of the Company, Option Shares may be transferred to Permitted Transferees (as defined below) of the Optionee. The terms of the Option Shares shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Optionee. A " **Permitted Transferee**" means (i) the spouse of the Optionee, (ii) a trust, or family partnership, the sole beneficiary of which is the Optionee, the spouse of or, any person related by blood or adoption to, the Optionee; provided, that any such transfers to a Permitted Transferee do not conflict with or constitute a violation of state or federal securities laws, the Permitted Transferee grants to the Optionee an irrevocable proxy coupled with an interest to vote all of the Stock so transferred and the Permitted Transferee agrees in writing to be bound by the terms of this Agreement.

5.4 Lock-Up Period. Optionee hereby agrees that, if so requested by the Company or any representative of the underwriters (the " **Managing Underwriter**") in connection with any registration of the offering of any securities of the Company under the Act, Optionee will not sell or otherwise transfer any Option Shares or other securities of the Company during the 180-day period (or such other period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) (the " **Market Standoff Period**") following the effective date of a registration statement of the Company filed under the Act. Such restriction will apply only to the first registration statement of the Company to become effective under the Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period.

5.5 Legends. The Company may at any time place legends referencing any restrictions imposed on the shares pursuant to Section 5, and any applicable federal, state or foreign securities law restrictions on all certificates representing shares of Stock subject to the provisions of this Agreement. The Optionee will, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to the Option in the possession of the Optionee in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include, but are not limited to, the following:

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED

UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 OR RULE 701 UNDER THE ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THESE SECURITIES REASONABLY SATISFACTORY TO THE COMPANY, STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT."

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE SET FORTH IN AN AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED HOLDER, OR SUCH HOLDER'S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION."

If this Option is designated an Incentive Stock Option in the Notice of Grant: "THE SHARES EVIDENCED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON EXERCISE OF AN INCENTIVE STOCK OPTION AS DEFINED IN SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**ISO**"). IN ORDER TO OBTAIN THE PREFERENTIAL TAX TREATMENT AFFORDED TO ISOs, THE SHARES SHOULD NOT BE TRANSFERRED PRIOR TO **[_____]**. SHOULD THE REGISTERED HOLDER ELECT TO TRANSFER ANY OF THE SHARES PRIOR TO THIS DATE AND FOREGO ISO TAX TREATMENT, THE TRANSFER AGENT FOR THE SHARES SHALL NOTIFY THE CORPORATION IMMEDIATELY. THE REGISTERED HOLDER SHALL HOLD ALL SHARES PURCHASED UNDER THE INCENTIVE STOCK OPTION IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE) PRIOR TO THIS DATE OR UNTIL TRANSFERRED AS DESCRIBED ABOVE."

5.6 Notice of Sales Upon Disqualifying Disposition of ISO . If the Option is designated as an Incentive Stock Option in the Notice of Grant, the Optionee must comply with

the provisions of this Section. The Optionee must promptly notify the Chief Financial Officer of the Company if the Optionee disposes of any of the shares acquired pursuant to the Option within one year after the date the Optionee exercises all or part of the Option or within two years after the Date of Grant. Until such time as the Optionee disposes of such shares in a manner consistent with the provisions of this Agreement, unless otherwise expressly authorized by the Company, the Optionee must hold all shares acquired pursuant to the Option in the Optionee's name (and not in the name of any nominee) for the one-year period immediately after the exercise of the Option and the two-year period immediately after the Date of Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. The obligation of the Optionee to notify the Company of any such transfer will continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

Section 6. MISCELLANEOUS

6.1 Service Relationship. For purposes of this Agreement, Optionee will be considered to be in Service as long as Optionee remains an Employee, Consultant, or Director of either the Company or a parent or subsidiary corporation (as defined in section 424 of the Code) of the Company or an employee, consultant, or director of a corporation or a parent or subsidiary of such corporation assuming or substituting a new option for this Option. Any question as to whether and when there has been a termination of such Service, and the cause of such termination, will be determined by the Committee, and its determination will be final.

6.2 Notices. For purposes of this Agreement, notices and all other communications provided for in this Agreement will be in writing and will be deemed to have been duly given when personally delivered or (a) if Optionee is outside of the United States at the time of transmission of such notice, when sent by courier, facsimile, or electronic mail, and (b) if Optionee is within the United States at the time of transmission of such notice, when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the Company and Optionee to the addresses set forth in the Notice of Grant or to such other address as either party may furnish to the other in writing in accordance with this Agreement, except that notices or changes of address will be effective only upon receipt.

6.3 Withholding of Tax. To the extent that (a) the exercise of this Option, (b) the disposition of shares of Stock acquired by exercise of this Option, or (c) the operation of any law or regulation providing for the imputation of interest results in compensation income or wages to Optionee for federal or state income tax purposes (a "**Taxable Event**"), Optionee will deliver to the Company at the time of such Taxable Event such amount of money or shares of Stock as the Company may require to meet all obligations under applicable tax laws or regulations, and, if Optionee fails to do so, the Company is authorized to withhold or cause to be withheld from any cash or Stock remuneration then or thereafter payable to Optionee any tax required to be withheld by reason of compensation income or wages resulting from such Taxable Event. Upon an exercise of this Option, the Company is further authorized in its discretion to satisfy or cause to be satisfied any such withholding requirement out of any cash or shares of Stock distributable to Optionee upon such exercise.

6.4 Binding Effect. This Agreement will be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Optionee.

6.5 Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware.

Exhibit 10.10

HUNTER ACQUISITION CORP.
2005 STOCK INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

THIS AGREEMENT is made as of the Date of Grant set forth in the Notice of Grant of Restricted Stock (" **Notice of Grant**") between Hunter Acquisition Corp., a Delaware corporation (the "**Company**"), and Grantee in order to carry out the purposes of the Hunter Acquisition Corp. 2005 Stock Incentive Plan (the "**Plan**") by issuing Grantee shares of Class B Stock of the Company subject to certain restrictions thereon, and in consideration of the mutual agreements and other matters set forth in this Agreement, in the Notice of Grant, and in the Plan, the Company and Grantee hereby agree as follows:

1. DEFINITIONS

1.1 Definitions. Wherever used in this Agreement, the following words and phrases when capitalized will have the meanings ascribed below, unless the context clearly indicates to the contrary, and all other capitalized terms used in this Agreement, which are not defined below, will have the meanings set forth in the Plan.

(a) "**Act**" means the Securities Act of 1933, as amended.

(b) "**Agreement**" means this restricted stock agreement between Grantee and the Company.

(c) "**Cause**" means "cause" as defined in Grantee's Executive Advance Severance Agreement or in the absence of such an agreement or such a definition, "Cause" will mean a determination by the Committee that Grantee (i) has engaged in personal dishonesty, willful violation of any law, rule, or regulation (other than minor traffic violations or similar offenses), or breach of fiduciary duty involving personal profit, (ii) is unable to satisfactorily perform or has failed to satisfactorily perform Grantee's duties and responsibilities for the Company or any Affiliate, (iii) has been convicted of, or plead nolo contendere to, any felony or a crime involving moral turpitude, (iv) has engaged in negligence or willful misconduct in the performance of his duties, including, but not limited to, willfully refusing without proper legal reason to perform Grantee's duties and responsibilities, (v) has materially breached any corporate policy or code of conduct established by the Company or any Affiliate as such policies or codes may be adopted from time to time, (vi) has violated the terms of any confidentiality, nondisclosure, intellectual property, nonsolicitation, noncompetition, proprietary information and inventions, or any other agreement between Grantee and the Company related to Grantee's Service, or (vii) has engaged in conduct that is likely to have a deleterious effect on the Company or any Affiliate or their legitimate business interests, including, but not limited to, their goodwill and public image.

(d) "**Date of Grant**" means the date set forth as the Date of Grant in the Notice of Grant.

(e) "**Forfeiture Restrictions**" means the following restrictions: the Restricted Shares, except to the extent that the Forfeiture Restrictions have lapsed, (i) may not be sold, assigned, pledged, exchanged, hypothecated, or otherwise transferred, encumbered, or disposed of by Grantee and (ii) will be subject to the Company's Unvested Share Repurchase Option upon termination of Grantee's Service for any reason.

(f) "**Involuntary Termination**" means a termination of Grantee's Service, which (i) is not initiated in whole or in part by Grantee, (ii) is not a termination as a result of disability or death, and (iii) is not consented to by Grantee.

(g) "**Restricted Shares**" means the shares of Stock issued to Grantee on the terms set forth in this Agreement, the Notice of Grant, and the Plan.

(h) "**Grantee**" means the person to whom the Restricted Shares are granted as specified in the Notice of Grant.

(i) "**Notice of Grant**" means the Notice of Grant of Restricted Stock accompanying the Agreement.

(j) "**Service**" means Grantee's service in his status as Employee, Consultant, or Director, as applicable, or status as employee, consultant, or director of a corporation, or parent or subsidiary of such corporation, assuming or substituting new restricted shares for the Restricted Shares.

(k) "**Stock**" means shares of Class B Stock.

(l) "**Unvested Share Repurchase Option**" means the right of the Company to repurchase, upon the termination of Grantee's Service, the Restricted Shares granted to Grantee as set forth in Section 4.2.

(m) "**Vested Share Repurchase Option**" means the right of the Company to repurchase, upon the termination of Grantee's Service, the Restricted Shares granted to Grantee as set forth in Section 4.2.

1.2 Number and Gender. Wherever appropriate in this Agreement, words used in the singular will be considered to include the plural, and words used in the plural will be considered to include the singular. The masculine gender, where appearing in this Agreement, will be deemed to include the feminine gender where appropriate.

1.3 Headings of Sections and Subsections. The headings of Sections and Subsections in this Agreement are included solely for convenience. If there is any conflict between such headings and the text of the Plan, the text will in all cases control. All references to Sections and Subsections are to this document unless otherwise indicated.

2. ISSUANCE OF RESTRICTED SHARES

2.1 Grant of Restricted Shares. The Company hereby issues to Grantee the Restricted Shares on the terms and conditions set forth in this Agreement and in the Notice of

Grant and the Plan. The number of shares of Stock issued as Restricted Shares are set forth in such Grantee's Notice of Grant. The Notice of Grant and the Plan are incorporated in this Agreement by reference as a part of this Agreement.

2.2 Issuance of Certificate.

(a) Subject to Section 4.1, a certificate or certificates evidencing the Restricted Shares will be issued by the Company to, and registered in the name of, Grantee. The Company may at any time place legends referencing the Forfeiture Restrictions and any other restrictions on all certificates representing shares of Stock subject to the provisions of this Agreement. Unless and until a certificate or certificates representing such shares will have been issued by the Company to Grantee, Grantee will not be or have any of the rights or privileges of a stockholder of the Company with respect to the Restricted Shares.

(b) Upon the issuance of such certificate or certificates evidencing the Restricted Shares to Grantee, Grantee will have the right to receive dividends with respect to such shares, subject to the terms of this Agreement, to vote such shares, and to enjoy all other stockholder rights, except that (i) Grantee will not be entitled to the delivery of such certificate until the Forfeiture Restrictions have lapsed, (ii) the Company will retain custody of such certificates until the Forfeiture Restrictions have lapsed, (iii) Grantee may not sell, transfer, pledge, exchange, hypothecate, or otherwise dispose of such shares until the Forfeiture Restrictions have lapsed, and (iv) a breach of any of the terms and conditions set forth in the Plan, Notice of Grant, and this Agreement will cause a forfeiture of such shares.

2.3 Election Under Section 83(b) of the Code. Grantee understands that Grantee should consult with Grantee's tax advisor regarding the advisability of filing with the Internal Revenue Service an election under section 83(b) of the Code with respect to the Restricted Shares so acquired by Grantee for which the Forfeiture Restrictions have not lapsed. This election must be filed no later than 30 days after the date on which Grantee is issued such Restricted Shares. This time period cannot be extended. **GRANTEE ACKNOWLEDGES (A) THAT GRANTEE HAS BEEN ADVISED TO CONSULT WITH A TAX ADVISOR REGARDING THE TAX CONSEQUENCES TO GRANTEE OF THE RECEIPT OF THE RESTRICTED SHARES AND (B) THAT TIMELY FILING OF A SECTION 83(B) ELECTION IS GRANTEE'S SOLE RESPONSIBILITY, EVEN IF GRANTEE REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO FILE SUCH ELECTION ON GRANTEE'S BEHALF.**

2.4 Establishment of Escrow.

(a) To ensure that the shares subject to the Forfeiture Restrictions will be available to the Company upon forfeiture or repurchase, as applicable, Grantee will be required to deposit the certificate evidencing the shares with the Company or an agent designated by the Company under the terms and conditions of escrow and security agreements approved by the Company. The Company will bear the expenses of the escrow. After the expiration of the Forfeiture Restrictions, the escrow agent will deliver to Grantee, at the Grantee's written request, the shares and any other property no longer subject to such Forfeiture Restrictions as soon as

practicable after receipt of such written request, but not more frequently than twice each calendar year.

(b) Upon the occurrence of a Corporate Change as defined in the Plan, a recapitalization as described in Section 9.3 of the Plan, or other change in Stock described in Section 9.5 of the Plan, any and all new, substituted, or additional securities or other property to which Grantee is entitled by reason of Grantee's ownership of the Restricted Shares that remain subject to the Forfeiture Restrictions following such Corporate Change, recapitalization, or other change in Stock will be immediately subject to such Forfeiture Restrictions and to escrow to the same extent as such shares of Stock immediately before such event.

(c) In the event the shares and any other property held in escrow are subject to the Company's Unvested Share Repurchase Option, the notices required to be given to the Participant will be given to the escrow agent, and any payment required to be given to the Participant will be given to the escrow agent. Within 30 days after payment by the Company, the escrow agent will deliver to the Company the shares and any other property that the Company has purchased and will deliver to the Participant the payment received from the Company.

3. FORFEITURE RESTRICTIONS

3.1 Forfeiture Restrictions. The Restricted Shares will be subject to Forfeiture Restrictions, until such time that the Forfeiture Restrictions lapse pursuant to the Vesting Schedule in the Notice of Grant. Until they so lapse, the Forfeiture Restrictions will be binding upon and enforceable against Grantee and any transferee of Grantee's Restricted Shares.

3.2 Acceleration of Lapsing of Forfeiture Restrictions Upon Certain Events Associated with a Corporate Change . Unless otherwise provided in the Notice of Grant, if Grantee's Service terminates as an Involuntary Termination other than for Cause within 12 months following the effective date of a Corporate Change, the Forfeiture Restrictions will lapse in their entirety effective as of the date of Grantee's termination.

3.3 Termination of Grantee's Service. Upon termination of Grantee's Service for any reason, including, but not limited to, death and disability, the Forfeiture Restrictions of the Restricted Shares will no longer lapse from and after the date of such termination. If Grantee's Service is terminated either (i) during the first 12 months after the Date of Grant or (ii) at any time with Cause, then all Restricted Shares shall be subject to the Restricted Share Repurchase Option under Section 4.2(b). If Grantee's service is terminated in any other manner, then the Vested Shares shall be subject to the Vested Share Repurchase Option under Section 4.2(c), and the Unvested Shares shall be subject to the Unvested Share Repurchase Option under Section 4.2(a).

4. STATUS OF STOCK AND RESTRICTIONS

4.1 Status of Stock. With respect to the status of the Stock, at the time of execution of this Agreement, Grantee understands and agrees to all of the following:

(a) Grantee understands that at the time of the execution of this Agreement the shares of Stock to be issued have not been registered under the Act or any state securities law and that the Company does not currently intend to effect any such registration. In the event exemption from registration under the Act is available upon issuance of the Restricted Shares, Grantee, if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to ensure compliance with applicable securities laws.

(b) Grantee agrees that the shares of Stock that Grantee acquires pursuant to this Agreement will be acquired for investment without a view to distribution, within the meaning of the Act, and will not be sold, transferred, assigned, pledged, or hypothecated in the absence of an effective registration statement for the shares under the Act and applicable state securities laws or an applicable exemption from the registration requirements of the Act and any applicable state securities laws. Grantee also agrees that the shares of Stock that Grantee acquires pursuant to this Agreement will not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable securities laws, whether federal or state.

(c) Grantee agrees that (i) the Company may refuse to register the transfer of the shares of Stock acquired pursuant to this Agreement on the stock transfer records of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable securities law and (ii) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Stock acquired pursuant to this Agreement.

4.2 Share Repurchase Options.

(a) Grant of Unvested Share Repurchase Option. Upon the termination of Grantee's Service for any reason, the Company will have the right to repurchase the Restricted Shares granted pursuant to this Agreement for which Forfeiture Restrictions have not lapsed (" **Unvested Shares**") under the terms and subject to the conditions set forth in this Section (the " **Unvested Share Repurchase Option**").

(b) Grant of Restricted Share Repurchase Option. Subject to Section 3.3 and in addition to the Unvested Share Repurchase Option, upon the termination of Grantee's Service either (i) during the first 12 months after the Date of Grant or (ii) at any time with Cause, the Company will have the right to repurchase all shares of Restricted Shares granted pursuant to this Agreement under the terms and subject to the conditions set forth in this Section (the "**Restricted Share Repurchase Option**").

(c) Grant of Vested Share Repurchase Option. Subject to Section 3.3 and in addition to the Unvested Share Repurchase Option, upon the termination of Grantee's Service in any manner other than as set forth in Subsection (b) the Company will have the right to repurchase the Restricted Shares granted pursuant to this Agreement for which Forfeiture

Restrictions have lapsed ("**Vested Shares**") under the terms and subject to the conditions set forth in this Section (the " **Vested Share Repurchase Option**").

(d) Exercise of Share Repurchase Options . The Company may exercise the Unvested Share Repurchase Option and the Restricted Share Repurchase Option by written notice to Grantee within 90 days after termination of Grantee's Service. If the Company fails to give notice within such 90-day period, the Unvested Share Repurchase Option and the Restricted Share Repurchase Option will expire unless the Company and Grantee have agreed in writing, prior to the end of such 90-day period, to extend the time for the exercise of the Unvested Share Repurchase Option and Restricted Share Repurchase Option. The Unvested Share Repurchase Option and Restricted Share Repurchase Option may be exercised by the Company, if at all, for any or all of the Unvested Shares and Restricted Shares, as applicable. The Company may exercise the Vested Share Repurchase Option by written notice to Grantee within 12 months after termination of Grantee's Service. If the Company fails to give notice within such 12-month period, the Vested Share Repurchase Option will expire unless the Company and Grantee have agreed in writing, prior to the end of such 12-month period, to extend the time for the exercise of the Vested Share Repurchase Option. The Vested Share Repurchase Option may be exercised by the Company, if at all, for any or all of the Vested Shares.

(e) Payment for Shares and Return of Shares to Company . The purchase price per share of Unvested Shares and Restricted Shares being repurchased by the Company pursuant to the Unvested Share Repurchase Option and the Restricted Share Repurchase Option will be an amount equal to Grantee's original purchase price per share as set forth in the Notice of Grant, as adjusted pursuant to Section 9 of the Plan (the " **Unvested and Restricted Share Repurchase Price**"). The Company will pay the aggregate Unvested and Restricted Share Repurchase Price to Grantee in cash within 60 days after the date of the written notice to Grantee of the Company's exercise of the Unvested Share Repurchase Option. For purposes of the foregoing, cancellation of any indebtedness of Grantee to the Company associated with the purchase of the shares will be treated as payment to Grantee in cash to the extent of the unpaid principal and any accrued interest canceled. The shares being repurchased will be delivered to the Company by Grantee at the same time as the delivery of the Unvested and Restricted Share Repurchase Price to Grantee. The purchase price per share of Vested Shares being repurchased by the Company will be an amount equal to the Fair Market Value of the Stock determined, at the Company's option, either as of the time of the termination of Grantee's Service or as of the time of such repurchase (the "**Vested Share Repurchase Price**"). The "**Fair Market Value**" of the Stock shall mean the value per share determined in good faith by the Board of Directors of the Company (the " **Board**"). The Company will pay the aggregate Vested Share Repurchase Price to Grantee in cash within 60 days after the date the Company sends the Grantee written notice of the Company's exercise of the Unvested Share Repurchase Option. For purposes of the foregoing, cancellation of any indebtedness of Grantee to the Company associated with the purchase of the shares will be treated as payment to Grantee in cash to the extent of the unpaid principal and any accrued interest canceled. The shares being repurchased will be delivered to the Company by Grantee at the same time as the delivery of the Vested Share Repurchase Price to Grantee.

(f) Assignment of Unvested Share Repurchase Option and Vested Share Repurchase Option . The Company will have the right to assign the Unvested Share Repurchase Option and the Vested Share Repurchase Option at any time, whether or not such option is then exercisable, to one or more persons or entities as may be selected by the Company.

(g) Corporate Change or Other Change to Stock . Upon the occurrence of a Corporate Change as defined in the Plan, a recapitalization as described in Section 9.3 of the Plan, or other change in Stock described in Section 9.5 of the Plan, any and all new, substituted, or additional securities or other property to which Grantee is entitled by reason of Grantee's ownership of Unvested Shares will be immediately subject to the Unvested Share Repurchase Option and will be included in the terms "Stock," "Restricted Shares" and "Unvested Shares" for all purposes of the Unvested Share Repurchase Option with the same force and effect as immediately prior to such Corporate Change, recapitalization, or other change in Stock. While the aggregate Unvested and Restricted Share Repurchase Price will remain the same after such Corporate Change, the Unvested and Restricted Share Repurchase Price per Unvested Share following such Corporate Change, recapitalization, or other change in Stock will be adjusted as appropriate. Certificates representing any new, substituted, or additional shares of stock will bear legends referencing the Unvested Share Repurchase Option as appropriate.

4.3 Company's Right of First Refusal.

(a) Grantee agrees that if Grantee intends to transfer any or all of the Restricted Shares, Grantee will first give the Company notice in writing of such proposed transfer. Such notice (the "**Notice**") will contain (a) the name and address of Grantee and the proposed transferee, (b) the terms and conditions of such transfer, including, in the event that any third party offer has been received by Grantee and Grantee intends to accept such offer, the purchase price, and if such price is to be paid in whole or in part in consideration other than cash, a full and complete description of such non-cash consideration, and (c) an offer (the "**Required Offer**") to sell such Restricted Shares to the Company at a price per share equal to the proposed consideration for the transfer of such Restricted Shares. The Committee will determine the fair cash equivalent of any proposed consideration that is other than cash. At any time during the 30 day period immediately following the delivery of the Notice to the Company, the Company will have the exclusive right and option, but not the obligation, to accept the Required Offer and proceed with the purchase of such Restricted Shares pursuant to such Required Offer. In the event the Company does not exercise its rights as set forth in this Section, Grantee will be free to transfer such Restricted Shares under the terms and conditions stated in the Notice; provided, however, that if such transfer does not take place within 60 days following the delivery of the Notice to the Company, the terms of this Section must once again be followed prior to the transfer of the Restricted Shares. Any Restricted Shares that are transferred pursuant to the preceding provisions of this Section will continue to be subject to the right of first refusal set forth in this Section subsequent to any such transfer. If at any time a proposed transfer by Grantee applies to less than all of the Restricted Shares of Grantee, the right of first refusal granted in this Agreement to the Company will remain in full force and effect as to the remainder of such Restricted Shares, regardless of whether it is exercised with respect to such initial portion. Grantee may not pledge or otherwise encumber any of the Restricted Shares without the written consent of the Company.

(b) The right of first refusal stated in this Agreement will survive the termination of this Agreement. The Company also has the right to assign the right of first refusal stated in this Agreement. The right of first refusal stated in this Agreement will not apply to transfers of Restricted Shares pursuant to the laws of descent and distribution; provided, however, that any such Restricted Shares will be subject to the right of first refusal set forth in this Section subsequent to any such transfer. The right of first refusal stated in this Agreement will not apply to the exchange of Restricted Shares pursuant to a plan of merger, consolidation, recapitalization, or reorganization of the Company, but any stock, securities or other property received in exchange therefor will be subject to the right of first refusal set forth in this Agreement; provided, however, that any such stock or securities received in any such merger, consolidation, recapitalization, or reorganization will not be subject to the right of first refusal set forth in this Section if the stock or securities received in such merger, consolidation, recapitalization, or reorganization are registered under the 1934 Act. A dissolution or liquidation of the Company will not trigger the right of first refusal set forth in this Agreement; provided, however, that a dissolution or a liquidation of the Company within one year following the sale of all or substantially all of the assets of the Company in exchange for stock or securities will be considered a reorganization of the Company. The right of first refusal set forth in this Section will terminate on the date upon which the Company (or a successor to the Company) first becomes publicly held. For purposes of the preceding sentence, the Company (or a successor to the Company) will be considered "publicly held" if the securities that are of the same class as the Stock (or the securities for which the Stock are exchanged as described in this Section or pursuant to the Plan) will be registered under Section 12 of the 1934 Act.

(c) The Company shall not be required to (i) transfer on its books any Restricted Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of Restricted Shares, or otherwise to accord voting, dividend or liquidation rights to, any transferee to whom Restricted Shares have been transferred in contravention of this Agreement.

4.4 Lock-Up Period. Grantee hereby agrees that, if so requested by the Company or any representative of the underwriters (the " **Managing Underwriter**") in connection with any registration of the offering of any securities of the Company under the Act, Grantee will not sell or otherwise transfer any Restricted Shares or other securities of the Company during the 180-day period (or such other period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) (the " **Market Standoff Period**") following the effective date of a registration statement of the Company filed under the Act. Such restriction will apply only to the first registration statement of the Company to become effective under the Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period.

4.5 Legends. The Company may at any time place legends referencing any restrictions imposed on the shares pursuant to Section 4, and any applicable federal, state or foreign securities law restrictions on all certificates representing shares of Stock subject to the provisions of this Agreement. The Grantee must, at the request of the Company, promptly present to the Company any and all certificates representing Restricted Shares in the possession

of the Grantee in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include, but are not limited to, the following:

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 OR RULE 701 UNDER THE ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THESE SECURITIES REASONABLY SATISFACTORY TO THE COMPANY, STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT."

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE IN FAVOR OF THE CORPORATION OR ITS ASSIGNEE SET FORTH IN AN AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED HOLDER, OR SUCH HOLDER'S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THIS CORPORATION."

5. MISCELLANEOUS

5.1 Service Relationship. For purposes of this Agreement, Grantee will be considered to be in Service as long as Grantee remains an Employee, Consultant, or Director of either the Company or a parent or subsidiary corporation (as defined in section 424 of the Code) of the Company or an employee, consultant, or director of a corporation or a parent or subsidiary of such corporation assuming or substituting new restricted shares for the Restricted Shares. Any question as to whether and when there has been a termination of such Service, and the cause of such termination, will be determined by the Committee, and its determination will be final.

5.2 Notices. For purposes of this Agreement, notices and all other communications provided for in this Agreement will be in writing and will be deemed to have been duly given when personally delivered or (a) if Grantee is outside of the United States at the time of transmission of such notice, when sent by courier, facsimile, or electronic mail, and (b) if Grantee is within the United States at the time of transmission of such notice, when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the Company and Grantee to the addresses set forth in the Notice of Grant or to such other address as either party may furnish to the other in writing in accordance with this Agreement, except that notices or changes of address will be effective only upon receipt.

5.3 Withholding of Tax. To the extent that (a) the receipt of the Restricted Shares, (b) the lapsing of Forfeiture Restrictions or any other restriction, or (c) the operation of

any law or regulation providing for the imputation of interest results in compensation income or wages to Grantee for federal or state income tax purposes (a "**Taxable Event**"), Grantee will deliver to the Company at the time of such Taxable Event such amount of money or shares of Stock as the Company may require to meet all obligations under applicable tax laws or regulations, and, if Grantee fails to do so, the Company is authorized to withhold or cause to be withheld from any cash or Stock remuneration then or thereafter payable to Grantee any tax required to be withheld by reason of compensation income or wages resulting from such Taxable Event.

5.4 Restrictions on Transfer of Shares. No Restricted Shares may be sold, exchanged, transferred (including, without limitation, any transfer to a nominee or agent of Grantee), assigned, pledged, hypothecated, or otherwise disposed of, including by operation of law, in any manner that violates the Forfeiture Restrictions and any other provisions of this Agreement, and, until the date on which such Forfeiture Restrictions lapse, any such attempted disposition will be void. The Company will not be required (a) to transfer on its books any shares that will have been transferred in violation of this Agreement or (b) to treat as owner of such shares, to accord the right to vote as such owner, or to pay dividends to any transferee to whom such shares will have been so transferred. Notwithstanding the foregoing and the provisions of Section 4.3 above, once the Forfeiture Restrictions lapse, with advance written consent of the Company, Vested Shares may be transferred to Permitted Transferees (as defined below) of the Grantee. The terms of the Restricted Shares shall be final, binding and conclusive upon the beneficiaries, executors, administrators, heirs and successors of the Grantee. A " **Permitted Transferee**" means (a) the spouse of the Grantee, (b) a trust, or family partnership, the sole beneficiary of which is the Grantee, the spouse of or, any person related by blood or adoption to, the Grantee; provided, that any such transfers to a Permitted Transferee do not conflict with or constitute a violation of state or federal securities laws, the Permitted Transferee grants to the Grantee an irrevocable proxy coupled with an interest to vote all of the Stock so transferred and the Permitted Transferee agrees in writing to be bound by the terms of this Agreement.

5.5 Binding Effect. This Agreement will be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Grantee.

5.6 Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the state of Delaware.

APPENDIX C

83(b) ELECTION FORM

(See Attached)

SECTION 83(b) ELECTION

This statement is made under Sections 55 and 83(b) of the Internal Revenue Code of 1986, as amended, pursuant to Treasury Regulations Section 1.83-2.

The taxpayer who performed the services is:

Name: _____

Address: _____

_____

Social Security No.: _____

1. The property with respect to which the election is made is _____ shares of the common stock of Hunter Acquisition Corp.

2. The property was transferred on _____ ___, ___.

3. The taxable year for which the election is made is the calendar year ___.

4. The property is subject to a repurchase right pursuant to which the issuer has the right to acquire the property at the original purchase price if for any reason taxpayer's service with the issuer terminates. The issuer's repurchase right lapses in a series of installments over a _____-year period ending on _____ ___, ___.

5. The fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse) is $___ per share.

6. The amount paid for such property is $___ per share.

7. A copy of this statement was furnished to Hunter Acquisition Corp., for whom taxpayer rendered the services underlying the transfer of such property.

8. This statement is executed on _____ ___, ___.

_____ _____

Signature of Spouse (if any) Signature of Taxpayer

Within 30 days after the date of grant, this election must be filed with the Internal Revenue Service Center where the Grantee files his or her federal income tax returns. The filing should be made by registered or certified mail, return receipt requested. The Grantee must (a) file a copy of the completed form with his or her federal tax return for the current tax year and (b) deliver an additional copy to the Company.

HUNTER ACQUISITION CORP.

NOTICE OF GRANT OF RESTRICTED STOCK

Pursuant to the terms and conditions of the Hunter Acquisition Corp. 2005 Stock Incentive Plan, attached as Appendix A (the "**Plan**"), and the associated Restricted Stock Agreement, attached as Appendix B (the "**Agreement**"), you are hereby issued shares of Stock (as defined in the Agreement) subject to certain restrictions thereon and under the conditions set forth below, in the Agreement, and in the Plan (the " **Restricted Shares**").

Grantee: _____

Date of Grant: _____

Number of Shares: _____

Purchase Price: $_____ per share.

Vesting Schedule: As long as Grantee's Service (as defined in the Agreement) is continuous, the Forfeiture Restrictions (as defined in the Agreement) on the Restricted Shares will lapse (a) as to 20% of the Restricted Shares on the first anniversary of the Date of Grant and (b) as to an additional 1/60 of the Restricted Shares upon the completion of each full month following the first anniversary of the Date of Grant until the Forfeiture Restrictions have lapsed as to 100% of the Restricted Shares.

By your signature and the signature of the Company's representative below, you and the Company hereby acknowledge receipt of the Restricted Shares issued on the Grant Date indicated above, which have been issued under the terms and conditions of the Plan and the Agreement. You further acknowledge receipt of a copy of the Plan and the Agreement and agree to all of the terms and conditions of the Plan and the Agreement, which are incorporated herein by reference.

COMPANY:	**GRANTEE:**
HUNTER ACQUISITION CORP.	**[NAME]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Attachments: Appendix A – Hunter Acquisition Corp. 2005 Stock Incentive Plan
Appendix B – Restricted Stock Agreement
Appendix C – 83(b) Election Form

APPENDIX A

HUNTER ACQUISITION CORP. 2005 STOCK INCENTIVE PLAN

(See Attached)

APPENDIX B

RESTRICTED STOCK AGREEMENT

(See Attached)

Exhibit 10.11

ORION MARINE GROUP, INC.

LONG TERM INCENTIVE PLAN

TABLE OF CONTENTS

ORION MARINE GROUP, INC.

Long Term Incentive Plan

1. **Purpose**. The purpose of the Orion Marine Group, Inc. Long Term Incentive Plan (the "Plan") is to provide a means through which Orion Marine Group, Inc., a Delaware corporation (the "Company"), and its Subsidiaries may attract and retain able persons as employees, directors and consultants of the Company, and its Subsidiaries, and to provide a means whereby those persons upon whom the responsibilities of the successful administration and management of the Company, and its Subsidiaries, rest, and whose present and potential contributions to the welfare of the Company, and its Subsidiaries, are of importance, can acquire and maintain stock ownership, or awards the value of which is tied to the performance of the Company, thereby strengthening their concern for the welfare of the Company, and its Subsidiaries, and their desire to remain employed. A further purpose of this Plan is to provide such employees, directors and consultants with additional incentive and reward opportunities designed to enhance the profitable growth of the Company. Accordingly, this Plan primarily provides for the granting of Incentive Stock Options, options which do not constitute Incentive Stock Options, Restricted Stock Awards, Restricted Stock Units, Stock Appreciation Rights or any combination of the foregoing, as is best suited to the circumstances of the particular individual as provided herein.

2. **Definitions**. For purposes of this Plan, the following terms shall be defined as set forth below, in addition to such terms defined in Section 1 hereof:

(a) "Annual Incentive Award" means a conditional right granted to a Participant under Subsection 8(c) hereof to receive a cash payment, Stock or other Award, unless otherwise determined by the Committee, after the end of a specified year.

(b) "Award" means any Option, SAR, Restricted Stock Award, Restricted Stock Unit, Bonus Stock, Dividend Equivalent, Other Stock-Based Award, Performance Award or Annual Incentive Award, together with any other right or interest granted to a Participant under this Plan.

(c) "Beneficiary" means one or more persons, trusts or other entities which have been designated by a Participant, in his or her most recent written beneficiary designation filed with the Committee, to receive the benefits specified under this Plan upon such Participant's death or to which Awards or other rights are transferred if and to the extent permitted under Subsection 10(a) hereof. If, upon a Participant's death, there is no designated Beneficiary or surviving designated Beneficiary, then the term Beneficiary means the persons, trusts or other entities entitled by will or the laws of descent and distribution to receive such benefits.

(d) "Board" means the Company's Board of Directors.

(e) “Business Day” means any day other than a Saturday, a Sunday, or a day on which banking institutions in the state of Texas are authorized or obligated by law or executive order to close.

(f) “Change in Control” means the occurrence of any of the following events:

(i) A “change in the ownership of the Company” which shall occur on the date that any one person, or more than one person acting as a group, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; however, if any one person or more than one person acting as a group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a “change in the ownership of the Company” (or to cause a “change in the effective control of the Company” within the meaning of Subsection 2(f)(ii) below) and an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, further, however, that for purposes of this Subsection 2(f)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (B) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion. This Subsection 2(f)(i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction.

(ii) A “change in the effective control of the Company” which shall occur on the date that either (A) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 35% or more of the total voting power of the stock of the Company, except for (1) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (2) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion; or (B) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of a “change in the effective control of the Company,” if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this Subsection 2(f)(ii), the acquisition of additional control of the Company by the same person or persons is not considered a “change in the effective control of the Company,” or to cause a “change in the ownership of the Company” within the meaning of Subsection 2(f)(i) above.

(iii) A “change in the ownership of a substantial portion of the Company’s assets” which shall occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total

gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the shareholders of the Company immediately after the transfer, as provided in guidance issued pursuant to the Nonqualified Deferred Compensation Rules, shall not constitute a Change in Control.

For purposes of this Subsection 2(f), the provisions of section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided, that, stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option. In addition, for purposes of this Subsection 2(f) and except as otherwise provided in an Award agreement, "Company" includes (x) the Company, (y) the entity for whom a Participant performs the services for which an Award is granted, and (z) an entity that is a stockholder owning more than 50% of the total fair market value and total voting power (a "Majority Shareholder") of the Company or the entity identified in (y) above, or any entity in a chain of entities in which each entity is a Majority Shareholder of another entity in the chain, ending in the Company or the entity identified in (y) above.

(g) "Code" means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations thereto.

(h) "Committee" means a committee of two or more directors designated by the Board to administer this Plan; provided, however, that, unless otherwise determined by the Board, the Committee shall consist solely of two or more directors, each of whom shall be (i) a "nonemployee director" within the meaning of Rule 16b-3, and (ii) an "outside director" as defined under section 162(m) of the Code unless administration of this Plan by "outside directors" is not then required in order to qualify for tax deductibility under section 162(m) of the Code.

(i) "Covered Employee" means an Eligible Person who is a Covered Employee as specified in Subsection 8(e) of this Plan.

(j) "Dividend Equivalent" means a right, granted to a Participant under Subsection 6(g), to receive cash, Stock, other Awards or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments.

(k) "Effective Date" means the day the stockholders of the Company approve the Plan.

(l) "Eligible Person" means all officers and employees of the Company or of any Subsidiary, and other persons who provide services to the Company or any of its Subsidiaries, including directors of the Company. An employee on leave of absence may be considered as still in the employ of the Company or a Subsidiary for purposes of eligibility for participation in this Plan.

(m) “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, including rules thereunder and successor provisions and rules thereto.

(n) “Fair Market Value” means, as of any specified date, (i) the mean of the high and low sales prices of the Common Stock either (A) if the Stock is traded on the National Market System of the NASDAQ, as reported on the National Market System of NASDAQ on that date (or if no sales occur on that date, on the last preceding date on which such sales of the Stock are so reported), or (B) if the Stock is listed on a national securities exchange, as reported on the stock exchange composite tape on that date (or if no sales occur on that date, on the last preceding date on which such sales of the Stock are so reported); (ii) if the Stock is not traded on the National Market System of the NASDAQ or a national securities exchange but is traded over the counter at the time a determination of its fair market value is required to be made under the Plan, the average between the reported high and low or closing bid and asked prices of Stock on the most recent date on which Stock was publicly traded; (iii) in the event Stock is not publicly traded at the time a determination of its value is required to be made under the Plan, the amount determined by the Committee in its discretion in such manner as it deems appropriate; or (iv) on the date of an initial public offering of Stock, the offering price under such initial public offering.

(o) “Incentive Stock Option” or “ISO” means any Option intended to be and designated as an incentive stock option within the meaning of section 422 of the Code or any successor provision thereto.

(p) “Nonqualified Deferred Compensation Rules” means the limitations or requirements of section 409A of the Code and the regulations promulgated thereunder.

(q) “Option” means a right, granted to a Participant under Subsection 6(b) hereof, to purchase Stock or other Awards at a specified price during specified time periods.

(r) “Other Stock-Based Awards” means Awards granted to a Participant under Subsection 6(h) hereof.

(s) “Participant” means a person who has been granted an Award under this Plan which remains outstanding, including a person who is no longer an Eligible Person.

(t) “Performance Unit” means a right, granted to a Participant under Section 8 hereof, to receive Awards based upon performance criteria specified by the Committee.

(u) “Person” means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a limited liability company, a trust or other entity; a Person, together with that Person’s Affiliates and Associates (as those terms are defined in Rule 12b-2 under the Exchange Act), and any Persons acting as a partnership, limited partnership, joint venture, association, syndicate or other group (whether or not formally organized), or otherwise acting jointly or in concert or in a coordinated or consciously parallel manner (whether or not pursuant to any express agreement), for the purpose of acquiring, holding, voting or disposing of securities of the Company with such Person, shall be deemed a single “Person.”

(v) “Qualifying Public Offering” shall mean a firm commitment underwritten public offering of Stock for cash where the shares of Stock registered under the Securities Act are listed on a national securities exchange or the NASDAQ National Market System.

(w) “Qualified Member” means a member of the Committee who is a “nonemployee Director” within the meaning of Rule 16b-3(b)(3) and an “outside director” within the meaning of Treasury Regulation 1.162-27 under section 162(m) of the Code.

(x) “Restricted Stock” means Stock granted to a Participant under Subsection 6(d) hereof, that is subject to certain restrictions and to a risk of forfeiture.

(y) “Restricted Stock Unit” means a right, granted to a Participant under Subsection 6(e) hereof, to receive Stock, cash or a combination thereof at the end of a specified deferral period.

(z) “Rule 16b-3” means Rule 16b-3, promulgated by the Securities and Exchange Commission under section 16 of the Exchange Act, as from time to time in effect and applicable to this Plan and Participants.

(aa) “Securities Act” means the Securities Act of 1933 and the rules and regulations promulgated thereunder, or any successor law, as it may be amended from time to time.

(bb) “Stock” means the Company’s Common Stock, par value $.0001 per share, and such other securities as may be substituted (or resubstituted) for Stock pursuant to Section 9.

(cc) “Stock Appreciation Rights” or “SAR” means a right granted to a Participant under Subsection 6(c) hereof.

(dd) “Subsidiary” means with respect to the Company, any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by the Company.

3. **Administration**.

(a) Authority of the Committee. This Plan shall be administered by the Committee except to the extent the Board elects to administer this Plan, in which case references herein to the “Committee” shall be deemed to include references to the “Board.” Subject to the express provisions of the Plan and Rule 16b-3, the Committee shall have the authority, in its sole and absolute discretion, to (i) adopt, amend, and rescind administrative and interpretive rules and regulations relating to the Plan; (ii) determine the Eligible Persons to whom, and the time or times at which, Awards shall be granted; (iii) determine the amount of cash and the number of shares of Stock, Stock Appreciation Rights, Restricted Stock Units or Restricted Stock Awards, or any combination thereof, that shall be the subject of each Award; (iv) determine the terms and provisions of each Award agreement (which need not be identical), including provisions defining or otherwise relating to (A) the term and the period or periods and extent of exercisability of the Options, (B) the extent to which the transferability of shares of Stock issued or transferred

pursuant to any Award is restricted, (C) except as otherwise provided herein, the effect of termination of employment, or the service relationship with the Company, of a Participant on the Award, and (D) the effect of approved leaves of absence (consistent with any applicable regulations of the Internal Revenue Service); (v) accelerate the time of exercisability of any Award that has been granted; (vi) construe the respective Award agreements and the Plan; (vii) make determinations of the Fair Market Value of the Stock pursuant to the Plan; (viii) delegate its duties under the Plan to such agents as it may appoint from time to time, provided that the Committee may not delegate its duties with respect to making Awards to, or otherwise with respect to Awards granted to, Eligible Persons who are subject to section 16(b) of the Exchange Act or section 162(m) of the Code; and (ix) make all other determinations, perform all other acts, and exercise all other powers and authority necessary or advisable for administering the Plan, including the delegation of those ministerial acts and responsibilities as the Committee deems appropriate. Subject to Rule 16b-3 and section 162(m) of the Code, the Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan, in any Award, or in any Award agreement in the manner and to the extent it deems necessary or desirable to carry the Plan into effect, and the Committee shall be the sole and final judge of that necessity or desirability. The determinations of the Committee on the matters referred to in this Subsection 3(a) shall be final and conclusive.

(b) Manner of Exercise of Committee Authority . At any time that a member of the Committee is not a Qualified Member, any action of the Committee relating to an Award granted or to be granted to a Participant who is then subject to section 16 of the Exchange Act in respect of the Company, or relating to an Award intended by the Committee to qualify as "performance-based compensation" within the meaning of section 162(m) of the Code and regulations thereunder, may be taken either (i) by a subcommittee, designated by the Committee, composed solely of two or more Qualified Members, or (ii) by the Committee but with each such member who is not a Qualified Member abstaining or recusing himself or herself from such action; provided, however, that, upon such abstention or recusal, the Committee remains composed solely of two or more Qualified Members. Such action, authorized by such a subcommittee or by the Committee upon the abstention or recusal of such non-Qualified Member(s), shall be the action of the Committee for purposes of this Plan. Any action of the Committee shall be final, conclusive and binding on all persons, including the Company, its Subsidiaries, stockholders, Participants, Beneficiaries, and transferees under Subsection 10(a) hereof or other persons claiming rights from or through a Participant. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to officers or managers of the Company or any Subsidiary, or committees thereof, the authority, subject to such terms as the Committee shall determine, to perform such functions, including administrative functions, as the Committee may determine, to the extent that such delegation will not result in the loss of an exemption under Rule 16b-3(d)(1) for Awards granted to Participants subject to section 16 of the Exchange Act in respect of the Company and will not cause Awards intended to qualify as "performance-based compensation" under section 162(m) of the Code to fail to so qualify.

(c) Limitation of Liability. The Committee and each member thereof shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or employee of the Company or a Subsidiary, the Company's legal counsel,

independent auditors, consultants or any other agents assisting in the administration of this Plan. Members of the Committee and any officer or employee of the Company or a Subsidiary acting at the direction or on behalf of the Committee shall not be personally liable for any action or determination taken or made in good faith with respect to this Plan, and shall, to the fullest extent permitted by law, be indemnified and held harmless by the Company with respect to any such action or determination.

4. **Stock Subject to Plan**.

(a) Overall Number of Shares Available for Delivery. Subject to adjustment in a manner consistent with any adjustment made pursuant to Section 9, the total number of shares of Stock reserved and available for issuance in connection with Awards under this Plan shall not exceed 4,500,000 shares, and the maximum number of shares that may be issued under both this Plan and the Company's 2005 Stock Incentive Plan shall be limited to 6,565,000.

(b) Application of Limitation to Grants of Awards. No Award may be granted if the number of shares of Stock to be delivered in connection with such Award exceeds the number of shares of Stock remaining available under this Plan minus the number of shares of Stock issuable in settlement of or relating to then-outstanding Awards. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award.

(c) Availability of Shares Not Issued under Awards. Shares of Stock subject to an Award under this Plan that expire or are canceled, forfeited, settled in cash or otherwise terminated without an issuance of shares to the Participant, including (i) the number of shares withheld in payment of any exercise or purchase price of an Award or taxes relating to Awards, and (ii) the number of shares surrendered in payment of any exercise or purchase price of an Award or taxes relating to any Award, will again be available for Awards under this Plan, except that if any such shares could not again be available for Awards to a particular Participant under any applicable law or regulation, such shares shall be available exclusively for Awards to Participants who are not subject to such limitation.

(d) Stock Offered. The shares to be delivered under the Plan shall be made available from (i) authorized but unissued shares of Stock, (ii) Stock held in the treasury of the Company, or (iii) previously issued shares of Stock reacquired by the Company, including shares purchased on the open market.

5. **Eligibility; Per Person Award Limitations**. Awards may be granted under this Plan only to Persons who are Eligible Persons at the time of grant thereof or in connection with the severance or retirement of Eligible Individuals. In each calendar year, during any part of which this Plan is in effect, a Covered Employee may not be granted (a) Awards (other than Awards designated to be paid only in cash or the settlement of which is not based on a number of shares of Stock) relating to more than 2,000,000 shares of Stock, subject to adjustment in a manner consistent with any adjustment made pursuant to Section 9 and (b) Awards designated to

be paid only in cash, or the settlement of which is not based on a number of shares of Stock, having a value determined on the date of grant in excess of $5,000,000.00.

6. **Specific Terms of Awards**.

(a) General. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Subsection 10(c)), such additional terms and conditions, not inconsistent with the provisions of this Plan, as the Committee shall determine, including terms requiring forfeiture of Awards in the event of termination of employment by the Participant, or termination of the Participant's service relationship with the Company, and terms permitting a Participant to make elections relating to his or her Award. The Committee shall retain full power and discretion to accelerate, waive or modify, at any time, any term or condition of an Award that is not mandatory under this Plan; provided, however, that the Committee shall not have any discretion to accelerate, waive or modify any term or condition of an Award that is intended to qualify as "performance-based compensation" for purposes of section 162(m) of the Code if such discretion would cause the Award to not so qualify.

(b) Options. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(i) Exercise Price. Each Option agreement shall state the exercise price per share of Stock (the "Exercise Price"); provided, however, that the Exercise Price per share of Stock subject to an ISO shall not be less than the greater of (A) the par value per share of the Stock or (B) 100% of the Fair Market Value per share of the Stock as of the date of grant of the Option (or in the case of an individual who owns stock possessing more than 10 percent of the total combined voting power of all classes of stock of the Company or its parent or any subsidiary, 110% of the Fair Market Value per share of the Stock on the date of grant.

(ii) Time and Method of Exercise. The Committee shall determine the time or times at which or the circumstances under which an Option may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the methods by which such exercise price may be paid or deemed to be paid, the form of such payment, including without limitation cash, Stock, other Awards or awards granted under other plans of the Company or any Subsidiary, or other property (including notes or other contractual obligations of Participants to make payment on a deferred basis), and the methods by or forms in which Stock will be delivered or deemed to be delivered to Participants, including, but not limited to, the delivery of Restricted Stock subject to Subsection 6(d). In the case of an exercise whereby the Exercise Price is paid with Stock, such Stock shall be valued as of the date of exercise.

(iii) ISOs. The terms of any ISO granted under this Plan shall comply in all respects with the provisions of section 422 of the Code. Anything in this Plan to the contrary notwithstanding, no term of this Plan relating to ISOs (including any SAR in tandem therewith) shall be interpreted, amended or altered, nor shall any discretion or authority granted under this Plan be exercised, so as to disqualify either this Plan or any ISO under section 422 of the Code, unless the Participant has first requested the change that will result in such

disqualification. ISOs shall not be granted more than ten years after the earlier of the adoption of this Plan or the approval of this Plan by the Company's stockholders. Notwithstanding the foregoing, the Fair Market Value of shares of Stock subject to an ISO and the aggregate Fair Market Value of shares of stock of any parent or Subsidiary corporation (within the meaning of sections 424(e) and (f) of the Code) subject to any other ISO (within the meaning of section 422 of the Code)) of the Company or a parent or Subsidiary corporation (within the meaning of sections 424(e) and (f) of the Code) that first becomes purchasable by a Participant in any calendar year may not (with respect to that Participant) exceed $100,000, or such other amount as may be prescribed under section 422 of the Code or applicable regulations or rulings from time to time. As used in the previous sentence, Fair Market Value shall be determined as of the date the ISOs are granted. Failure to comply with this provision shall not impair the enforceability or exercisability of any Option, but shall cause the excess amount of shares to be reclassified in accordance with the Code.

(c) Stock Appreciation Rights. The Committee is authorized to grant SARs to Participants on the following terms and conditions:

(i) Right to Payment. An SAR shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise over (B) the grant price of the SAR as determined by the Committee.

(ii) Rights Related to Options. An SAR granted in connection with an Option shall entitle a Participant, upon exercise, to surrender that Option or any portion thereof, to the extent unexercised, and to receive payment of an amount computed pursuant to Subsection 6(c)(ii)(B). That Option shall then cease to be exercisable to the extent surrendered. SARs granted in connection with an Option shall be subject to the terms of the Award agreement governing the Option, which shall comply with the following provisions in addition to those applicable to Options:

(A) An SAR granted in connection with an Option shall be exercisable only at such time or times and only to the extent that the related Option is exercisable.

(B) Upon the exercise of an SAR related to an Option, a Participant shall be entitled to receive payment from the Company of an amount determined by multiplying:

(1) the difference obtained by subtracting the exercise price of a share of Stock specified in the related Option from the Fair Market Value of a share of Stock on the date of exercise of the SAR, by

(2) the number of shares as to which that SAR has been exercised.

(iii) Right Without Option. An SAR granted independent of an Option shall be exercisable as determined by the Committee and set forth in the Award agreement governing the SAR, which Award agreement shall comply with the following provisions:

(A) Each Award agreement shall state the total number of shares of Stock to which the SAR relates.

(B) Each Award agreement shall state the time or periods in which the right to exercise the SAR or a portion thereof shall vest and the number of shares of Stock for which the right to exercise the SAR shall vest at each such time or period.

(C) Each Award agreement shall state the date at which the SARs shall expire if not previously exercised.

(D) Each SAR shall entitle a participant, upon exercise thereof, to receive payment of an amount determined by multiplying:

(1) the difference obtained by subtracting the Fair Market Value of a share of Stock on the date of grant of the SAR from the Fair Market Value of a share of Stock on the date of exercise of that SAR, by

(2) the number of shares as to which the SAR has been exercised.

(iv) Terms. Except as otherwise provided herein, the Committee shall determine at the date of grant or thereafter, the time or times at which and the circumstances under which an SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which Stock will be delivered or deemed to be delivered to Participants, whether or not an SAR shall be in tandem or in combination with any other Award, and any other terms and conditions of any SAR. SARs may be either freestanding or in tandem with other Awards.

(d) Restricted Stock. The Committee is authorized to grant Restricted Stock to Participants on the following terms and conditions:

(i) Grant and Restrictions. Restricted Stock shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such installments or otherwise, as the Committee may determine at the date of grant or thereafter. During the restricted period applicable to the Restricted Stock, the Restricted Stock may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered by the Participant.

(ii) Certificates for Stock. Restricted Stock granted under this Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, the Committee may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, that the Company retain physical possession of the certificates, and that the Participant deliver a stock power to the Company, endorsed in blank, relating to the Restricted Stock.

(iii) Dividends and Splits. As a condition to the grant of an Award of Restricted Stock, the Committee may require or permit a Participant to elect that any cash dividends paid on a share of Restricted Stock be automatically reinvested in additional shares of Restricted Stock or applied to the purchase of additional Awards under this Plan. Unless otherwise determined by the Committee, Stock distributed in connection with a Stock split or Stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed.

(e) Restricted Stock Units. The Committee is authorized to grant Restricted Stock Units to Participants, which are rights to receive Stock or cash, as determined by the Committee, at the end of a specified deferral period, subject to the following terms and conditions:

(i) Award and Restrictions. Settlement of an Award of Restricted Stock Units shall occur upon expiration of the deferral period specified for such Restricted Stock Unit by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Restricted Stock Units shall be subject to such restrictions (which may include a risk of forfeiture) as the Committee may impose, if any, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, in installments or otherwise, as the Committee may determine. Restricted Stock Units shall be satisfied by the delivery of cash or Stock in the amount equal to the Fair Market Value of the specified number of shares of Stock covered by the Restricted Stock Units, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

(ii) Dividend Equivalents. Unless otherwise determined by the Committee at date of grant, Dividend Equivalents on the specified number of shares of Stock covered by an Award of Restricted Stock Units shall be either (A) paid with respect to such Restricted Stock Units on the dividend payment date in cash or in shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends, or (B) deferred with respect to such Restricted Stock Units and the amount or value thereof automatically deemed reinvested in additional Restricted Stock Units, other Awards or other investment vehicles, as the Committee shall determine or permit the Participant to elect.

(f) Bonus Stock and Awards in Lieu of Obligations. The Committee is authorized to grant Stock as a bonus, or to grant Stock or other Awards in lieu of obligations to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, provided that, in the case of Participants subject to section 16 of the Exchange Act, the amount of such grants remains within the discretion of the Committee to the extent necessary to ensure that acquisitions of Stock or other Awards are exempt from liability under section 16(b) of the Exchange Act. Stock or Awards granted hereunder shall be subject to such other terms as shall be determined by the Committee. In the case of any grant of Stock to an officer of the Company or a Subsidiary in lieu of salary or other cash compensation, the number of shares granted in place of such compensation shall be reasonable, as determined by the Committee.

(g) Dividend Equivalents. The Committee is authorized to grant Dividend Equivalents to a Participant, entitling the Participant to receive cash, Stock, other Awards, or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award. The Committee may provide that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Stock, Awards, or other investment vehicles, and subject to such restrictions on transferability and risks of forfeiture, as the Committee may specify.

(h) Other Stock-Based Awards. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, as deemed by the Committee to be consistent with the purposes of this Plan, including without limitation convertible or exchangeable debt securities, other rights convertible or exchangeable into Stock, purchase rights for Stock, Awards with value and payment contingent upon performance of the Company or any other factors designated by the Committee, and Awards valued by reference to the book value of Stock or the value of securities of or the performance of specified Subsidiaries. The Committee shall determine the terms and conditions of such Awards. Stock delivered pursuant to an Award in the nature of a purchase right granted under this Subsection 6(h) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Stock, other Awards, or other property, as the Committee shall determine. Cash awards, as an element of or supplement to any other Award under this Plan, may also be granted pursuant to this Subsection 6(h).

7. **Certain Provisions Applicable to Awards**.

(a) Termination of Employment. Except as provided herein, the treatment of an Award upon a termination of employment or any other service relationship by and between a Participant and the Company or any Subsidiary shall be specified in the agreement controlling such Award.

(b) Stand-Alone, Additional, Tandem, and Substitute Awards. Awards granted under this Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Company, any Subsidiary, or any business entity to be acquired by the Company or a Subsidiary, or any other right of a Participant to receive payment from the Company or any Subsidiary. Such additional, tandem and substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award, the Committee shall require the surrender of such other Award in consideration for the grant of the new Award. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Company or any Subsidiary, in which the value of Stock subject to the Award is equivalent in value to the cash compensation, or in which the exercise price, grant price or purchase price of the Award in the nature of a right that may be exercised is equal to the Fair Market Value of the underlying Stock minus the value of the cash compensation surrendered.

(c) Term of Awards. Except as specified herein, the term of each Award shall be for such period as may be determined by the Committee; provided, however, that in no event shall the term of any Option or SAR exceed a period of ten years (or such shorter term as may be required in respect of an ISO under section 422 of the Code).

(d) Form and Timing of Payment under Awards; Deferrals. Subject to the terms of this Plan and any applicable Award agreement, payments to be made by the Company or a Subsidiary upon the exercise of an Option or other Award or settlement of an Award may be made in such forms as the Committee shall determine, including without limitation cash, Stock, other Awards or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. Except as otherwise provided herein, the settlement of any Award may be accelerated, and cash paid in lieu of Stock in connection with such settlement, in the discretion of the Committee or upon occurrence of one or more specified events (in addition to a Change in Control). Installment or deferred payments may be required by the Committee (subject to Subsection 10(c) of this Plan, including the consent provisions thereof in the case of any deferral of an outstanding Award not provided for in the original Award agreement) or permitted at the election of the Participant on terms and conditions established by the Committee. Payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents or other amounts in respect of installment or deferred payments denominated in Stock. Any deferral shall only be allowed as is provided in a separate deferred compensation plan adopted by the Company. This Plan shall not constitute an "employee benefit plan" for purposes of section 3(3) of the Employee Retirement Income Security Act of 1974, as amended.

(e) Exemptions from Section 16(b) Liability. It is the intent of the Company that the grant of any Awards to or other transaction by a Participant who is subject to section 16 of the Exchange Act shall be exempt from such section pursuant to an applicable exemption (except for transactions acknowledged in writing to be non-exempt by such Participant). Accordingly, if any provision of this Plan or any Award agreement does not comply with the requirements of Rule 16b-3 as then applicable to any such transaction, such provision shall be construed or deemed amended to the extent necessary to conform to the applicable requirements of Rule 16b-3 so that such Participant shall avoid liability under section 16(b) of the Exchange Act.

(f) Non-Competition Agreement. Each Participant to whom an Award is granted under this Plan may be required to agree in writing as a condition to the granting of such Award not to engage in conduct in competition with the Company or any of its Subsidiaries for a period after the termination of such Participant's employment with the Company and its Subsidiaries as determined by the Committee.

8. **Performance and Annual Incentive Awards**.

(a) Performance Conditions. The right of a Participant to exercise or receive a grant or settlement of any Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce or increase the amounts

payable under any Award subject to performance conditions, except as limited under Subsections 8(b) and 8(c) hereof in the case of a Performance Award or Annual Incentive Award intended to qualify under section 162(m) of the Code.

(b) Performance Awards Granted to Designated Covered Employees. If the Committee determines that a Performance Award to be granted to an Eligible Person who is designated by the Committee as likely to be a Covered Employee should qualify as "performance-based compensation" for purposes of section 162(m) of the Code, the grant, exercise and/or settlement of such Performance Award may be contingent upon achievement of preestablished performance goals and other terms set forth in this Subsection 8(b).

(i) Performance Goals Generally. The performance goals for such Performance Awards shall consist of one or more business criteria or individual performance criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this Subsection 8(b). Performance goals shall be objective and shall otherwise meet the requirements of section 162(m) of the Code and regulations thereunder (including Treasury Regulation §1.162-27 and successor regulations thereto), including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being "substantially uncertain." The Committee may determine that such Performance Awards shall be granted, exercised, and/or settled upon achievement of any one performance goal or that two or more of the performance goals must be achieved as a condition to grant, exercise and/or settlement of such Performance Awards. Performance goals may differ for Performance Awards granted to any one Participant or to different Participants.

(ii) Business and Individual Performance Criteria

(A) Business Criteria. One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified Subsidiaries or business or geographical units of the Company (except with respect to the total stockholder return criteria), shall be used by the Committee in establishing performance goals for such Performance Awards: (1) earnings per share; (2) revenues, (3) increase in revenues; (4) increase in cash flow; (5) increase in cash flow return; (6) return on net assets; (7) return on assets; (8) return on investment; (9) return on capital; (10) return on equity; (11) economic value added; (12) operating margin; (13) contribution margin; (14) net income before taxes; (15) net income after taxes; (16) pretax earnings; (17) pretax earnings before interest, depreciation and amortization; (18) pretax operating earnings after interest expense and before incentives, service fees, and extraordinary or special items; (19) total stockholder return; (20) debt reduction; (21) market share; (22) change in the Fair Market Value of the Stock; and (23) any of the above goals determined on an absolute or relative basis or as compared to the performance of a published or special index deemed applicable by the Committee including, but not limited to, the Standard & Poor's 500 Stock Index or a group of comparable companies. One or more of the foregoing business criteria shall also be exclusively used in establishing performance goals for Annual Incentive Awards granted to a Covered Employee under Subsection 8(c) hereof.

(B) Individual Performance Criteria. The grant, exercise and/or settlement of Performance Awards may also be contingent upon individual performance goals

established by the Committee. If required for compliance with section 162(m) of the Code, such criteria shall be approved by the stockholders of the Company.

(iii) Performance Period; Timing for Establishing Performance Goals. Achievement of performance goals in respect of such Performance Awards shall be measured over a performance period of up to ten years, as specified by the Committee. Performance goals shall be established not later than 90 days after the beginning of any performance period applicable to such Performance Awards, or at such other date as may be required or permitted for "performance-based compensation" under section 162(m) of the Code.

(iv) Performance Award Pool. The Committee may establish a Performance Award pool, which shall be an unfunded pool, for purposes of measuring performance of the Company in connection with Performance Awards. The amount of such Performance Award pool shall be based upon the achievement of a performance goal or goals based on one or more of the criteria set forth in Subsection 8(b)(ii) hereof during the given performance period, as specified by the Committee in accordance with Subsection 8(b)(iii) hereof. The Committee may specify the amount of the Performance Award pool as a percentage of any of such criteria, a percentage thereof in excess of a threshold amount, or as another amount which need not bear a strictly mathematical relationship to such criteria.

(v) Settlement of Performance Awards; Other Terms. After the end of each performance period, the Committee shall determine the amount, if any, of (A) the Performance Award pool, and the maximum amount of the potential Performance Award payable to each Participant in the Performance Award pool, or (B) the amount of the potential Performance Award otherwise payable to each Participant. Settlement of such Performance Awards shall be in cash, Stock, other Awards or other property, in the discretion of the Committee. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with such Performance Awards, but may not exercise discretion to increase any such amount payable to a Covered Employee in respect of a Performance Award subject to this Subsection 8(b). The Committee shall specify the circumstances in which such Performance Awards shall be paid or forfeited in the event of termination of employment by the Participant prior to the end of a performance period or settlement of Performance Awards.

(c) Annual Incentive Awards Granted to Designated Covered Employees. If the Committee determines that an Annual Incentive Award to be granted to an Eligible Person who is designated by the Committee as likely to be a Covered Employee should qualify as "performance-based compensation" for purposes of section 162(m) of the Code, the grant, exercise and/or settlement of such Annual Incentive Award shall be contingent upon achievement of preestablished performance goals and other terms set forth in this Subsection 8(c).

(i) Potential Annual Incentive Awards. Not later than the end of the 90th day of each applicable year, or at such other date as may be required or permitted in the case of Awards intended to be "performance-based compensation" under section 162(m) of the Code, the Committee shall determine the Eligible Persons who will potentially receive Annual Incentive Awards, and the amounts potentially payable thereunder, for that fiscal year, either out of an Annual Incentive Award pool established by such date under Subsection 8(c)(i) hereof or

as individual Annual Incentive Awards. The amount potentially payable, with respect to Annual Incentive Awards, shall be based upon the achievement of a performance goal or goals based on one or more of the business criteria set forth in Subsection 8(b)(ii) hereof in the given performance year, as specified by the Committee.

(ii) Annual Incentive Award Pool. The Committee may establish an Annual Incentive Award pool, which shall be an unfunded pool, for purposes of measuring performance of the Company in connection with Annual Incentive Awards. The amount of such Annual Incentive Award pool shall be based upon the achievement of a performance goal or goals based on one or more of the business criteria set forth in Subsection 8(b)(ii) hereof during the given performance period, as specified by the Committee in accordance with Subsection 8(b)(iii) hereof. The Committee may specify the amount of the Annual Incentive Award pool as a percentage of any of such business criteria, a percentage thereof in excess of a threshold amount, or as another amount which need not bear a strictly mathematical relationship to such business criteria.

(iii) Payout of Annual Incentive Awards. After the end of each applicable year, the Committee shall determine the amount, if any, of (A) the Annual Incentive Award pool, and the maximum amount of the potential Annual Incentive Award payable to each Participant in the Annual Incentive Award pool, or (A) the amount of the potential Annual Incentive Award otherwise payable to each Participant. The Committee may, in its discretion, determine that the amount payable to any Participant as a final Annual Incentive Award shall be reduced from the amount of his or her potential Annual Incentive Award, including a determination to make no final Award whatsoever, but may not exercise discretion to increase any such amount in the case of an Annual Incentive Award intended to qualify under section 162(m) of the Code. The Committee shall specify the circumstances in which an Annual Incentive Award shall be paid or forfeited in the event of termination of employment by the Participant prior to the end of the applicable year or settlement of such Annual Incentive Award.

(d) Written Determinations. All determinations by the Committee as to the establishment of performance goals, the amount of any Performance Award pool or potential individual Performance Awards, the achievement of performance goals relating to Performance Awards under Subsection 8(b), the amount of any Annual Incentive Award pool or potential individual Annual Incentive Awards, the achievement of performance goals relating to Annual Incentive Awards under Subsection 8(c) shall be made in writing in the case of any Award intended to qualify under section 162(m) of the Code. The Committee may not delegate any responsibility relating to such Performance Awards or Annual Incentive Awards.

(e) Status of Subsection 8(b) and Subsection 8(c) Awards under Section 162(m) of the Code . It is the intent of the Company that Performance Awards and Annual Incentive Awards under Subsections 8(b) and 8(c) hereof granted to persons who are designated by the Committee as likely to be Covered Employees within the meaning of section 162(m) of the Code and regulations thereunder (including Treasury Regulation §1.162-27 and successor regulations thereto) shall, if so designated by the Committee, constitute "performance-based compensation" within the meaning of section 162(m) of the Code and regulations thereunder. Accordingly, the terms of Subsections 8(b), (c), (d) and (e), including the definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with section

162(m) of the Code and regulations thereunder. The foregoing notwithstanding, because the Committee cannot determine with certainty whether a given Participant will be a Covered Employee with respect to a fiscal year that has not yet been completed, the term Covered Employee as used herein shall mean only a person designated by the Committee, at the time of grant of Performance Awards or an Annual Incentive Award, who is likely to be a Covered Employee with respect to that fiscal year. If any provision of this Plan as in effect on the date of adoption or any agreements relating to Performance Awards or Annual Incentive Awards that are designated as intended to comply with section 162(m) of the Code does not comply or is inconsistent with the requirements of section 162(m) of the Code or regulations thereunder, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

9. **Subdivision or Consolidation; Recapitalization; Change in Control; Reorganization** .

(a) Existence of Plans and Awards. The existence of this Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities ahead of or affecting Stock or the rights thereof, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding.

(b) Subdivision or Consolidation of Shares . The terms of an Award and the number of shares of Stock authorized pursuant to Section 4 for issuance under the Plan shall be subject to adjustment from time to time, in accordance with the following provisions:

(i) If at any time, or from time to time, the Company shall subdivide as a whole (by a Stock split, by the issuance of a distribution on Stock payable in Stock, or otherwise) the number of shares of Stock then outstanding into a greater number of shares of Stock, then (A) the maximum number of shares of Stock available in connection with the Plan or Awards as provided in Sections 4 and 5 shall be increased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (B) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any Award shall be increased proportionately, and (C) the price (including the exercise price) for each share of Stock (or other kind of shares or securities) subject to then outstanding Awards shall be reduced proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(ii) If at any time, or from time to time, the Company shall consolidate as a whole (by reverse Stock split, or otherwise) the number of shares of Stock then outstanding into a lesser number of shares of Stock, (A) the maximum number of shares of Stock available in connection with the Plan or Awards as provided in Sections 4 and 5 shall be decreased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (B) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any Award shall be decreased proportionately, and (C) the price

(including the exercise price) for each share of Stock (or other kind of shares or securities) subject to then outstanding Awards shall be increased proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(iii) Whenever the number of shares of Stock subject to outstanding Awards and the price for each share of Stock subject to outstanding Awards are required to be adjusted as provided in this Subsection 9(b), the Committee shall promptly prepare, and deliver to each Participant, a notice setting forth, in reasonable detail, the event requiring adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the change in price and the number of shares of Stock, other securities, cash, or property purchasable subject to each Award after giving effect to the adjustments.

(iv) Adjustments under Subsections 9(b)(i) and (ii) shall be made by the Committee, and its determination as to what adjustments shall be made and the extent thereof shall be final, binding, and conclusive. No fractional interest shall be issued under the Plan on account of any such adjustments.

(c) Corporate Recapitalization.

(i) If the Company recapitalizes, reclassifies its capital stock, or otherwise changes its capital structure (a "recapitalization"), the number and class of shares of Stock covered by an Option or an SAR theretofore granted shall be adjusted so that such Option or SAR shall thereafter cover the number and class of shares of stock and securities to which the holder would have been entitled pursuant to the terms of the recapitalization if, immediately prior to the recapitalization, the holder had been the holder of record of the number of shares of Stock then covered by such Option or SAR and the share limitations provided in Sections 4 and 5 shall be adjusted in a manner consistent with the recapitalization.

(ii) In the event of changes in the outstanding Stock by reason of recapitalization, reorganizations, mergers, consolidations, combinations, exchanges or other relevant changes in capitalization occurring after the date of the grant of any Award and not otherwise provided for by this Section 9, any outstanding Awards and any agreements evidencing such Awards shall be subject to adjustment by the Committee at its discretion as to the number and price of shares of Stock or other consideration subject to such Awards. In the event of any such change in the outstanding Stock, the share limitations provided in Sections 4 and 5 may be appropriately adjusted by the Committee, whose determination shall be conclusive.

(d) Additional Issuances. Except as hereinbefore expressly provided, the issuance by the Company of shares of stock of any class or securities convertible into shares of stock of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock subject to Awards theretofore granted or the purchase price per share, if applicable.

(e) Change in Control. Upon a Change in Control the Committee, acting in its sole discretion without the consent or approval of any holder, shall affect one or more of the following alternatives, which may vary among individual holders and which may vary among Options or SARs (collectively "Grants") held by any individual holder: (i) accelerate the time at which Grants then outstanding may be exercised so that such Grants may be exercised in full for a limited period of time on or before a specified date (before or after such Change in Control) fixed by the Committee, after which specified date all unexercised Grants and all rights of holders thereunder shall terminate, (ii) require the mandatory surrender to the Company by selected holders of some or all of the outstanding Grants held by such holders (irrespective of whether such Grants are then exercisable under the provisions of this Plan) as of a date, before or after such Change in Control, specified by the Committee, in which event the Committee shall thereupon cancel such Grants and pay to each holder an amount of cash per share equal to the excess, if any, of the amount calculated in Subsection 9(f) (the "Change in Control Price") of the shares subject to such Grants over the exercise price(s) under such Grants for such shares, or (iii) make such adjustments to Grants then outstanding as the Committee deems appropriate to reflect such Change in Control; provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary to Grants then outstanding; provided, further, however, that the right to make such adjustments shall include, but not be limited to, the modification of Grants such that the holder of the Grant shall be entitled to purchase or receive (in lieu of the total shares or other consideration that the holder would otherwise be entitled to purchase or receive under the Grant (the "Total Consideration")), the number of shares of stock, other securities, cash or property to which the Total Consideration would have been entitled to in connection with the Change in Control (A) (in the case of Options), at an aggregate exercise price equal to the exercise price that would have been payable if the total shares had been purchased upon the exercise of the Grant immediately before the consummation of the Change in Control and (B) (in the case of SARs) if the SARs had been exercised immediately before the consummation of the Change in Control.

(f) Change in Control Price. The "Change in Control Price" shall equal the amount determined in clause (i), (ii), (iii), (iv) or (v), whichever is applicable, as follows: (i) the per share price offered to holders of Stock in any merger or consolidation, (ii) the per share value of the Stock immediately before the Change in Control without regard to assets sold in the Change in Control and assuming the Company has received the consideration paid for the assets in the case of a sale of the assets, (iii) the amount distributed per share of Stock in a dissolution transaction, (iv) the price per share offered to holders of Stock in any tender offer or exchange offer whereby a Change in Control takes place, or (v) if such Change in Control occurs other than pursuant to a transaction described in clauses (i), (ii), (iii), or (iv) of this Subsection 9(f), the Fair Market Value per share of the shares that may otherwise be obtained with respect to such Grants or to which such Grants track, as determined by the Committee as of the date determined by the Committee to be the date of cancellation and surrender of such Grants. In the event that the consideration offered to stockholders of the Company in any transaction described in this Subsection 9(f) or Subsection 9(e) consists of anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration offered which is other than cash.

10. **General Provisions**.

(a) Transferability.

(i) Permitted Transferees. The Committee may, in its discretion, permit a Participant to transfer all or any portion of an Option, or authorize all or a portion of an Option to be granted to an Eligible Person to be on terms which permit transfer by such Participant; provided that, in either case the transferee or transferees must be any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, in each case with respect to the Participant, any person sharing the Participant's household (other than a tenant or employee of the Company), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, or any other entity in which these persons (or the Participant) own more than fifty percent of the voting interests (collectively, "Permitted Transferees"); provided further that, (X) there may be no consideration for any such transfer and (Y) subsequent transfers of Options transferred as provided above shall be prohibited except subsequent transfers back to the original holder of the Option and transfers to other Permitted Transferees of the original holder. Agreements evidencing Options with respect to which such transferability is authorized at the time of grant must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this Subsection 10(a)(i).

(ii) Qualified Domestic Relations Orders. An Option, Stock Appreciation Right, Restricted Stock Unit Award, Restricted Stock Award or other Award may be transferred, to a Permitted Transferee, pursuant to a domestic relations order entered or approved by a court of competent jurisdiction upon delivery to the Company of written notice of such transfer and a certified copy of such order.

(iii) Other Transfers. Except as expressly permitted by Subsections 10(a)(i) and 10(a)(ii), Awards shall not be transferable other than by will or the laws of descent and distribution. Notwithstanding anything to the contrary in this Section 10, an Incentive Stock Option shall not be transferable other than by will or the laws of descent and distribution.

(iv) Effect of Transfer. Following the transfer of any Award as contemplated by Subsections 10(a)(i), 10(a)(ii) and 10(a)(iii), (A) such Award shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that the term "Participant" shall be deemed to refer to the Permitted Transferee, the recipient under a qualified domestic relations order, or the estate or heirs of a deceased Participant, as applicable, to the extent appropriate to enable the Participant to exercise the transferred Award in accordance with the terms of this Plan and applicable law and (B) the provisions of the Award relating to exercisability shall continue to be applied with respect to the original Participant and, following the occurrence of any applicable events described therein the Awards shall be exercisable by the Permitted Transferee, the recipient under a qualified domestic relations order, or the estate or heirs of a deceased Participant, as applicable, only to the extent and for the periods that would have been applicable in the absence of the transfer.

(v) Procedures and Restrictions. Any Participant desiring to transfer an Award as permitted under Subsections 10(a)(i), 10(a)(ii) or 10(a)(iii) shall make application therefor in the manner and time specified by the Committee and shall comply with such other requirements as the Committee may require to assure compliance with all applicable securities laws. The Committee shall not give permission for such a transfer if (A) it would give rise to short swing liability under section 16(b) of the Exchange Act or (B) it may not be made in compliance with all applicable federal, state and foreign securities laws.

(vi) Registration. To the extent the issuance to any Permitted Transferee of any shares of Stock issuable pursuant to Awards transferred as permitted in this Subsection 10(a) is not registered pursuant to the effective registration statement of the Company generally covering the shares to be issued pursuant to this Plan to initial holders of Awards, the Company shall not have any obligation to register the issuance of any such shares of Stock to any such transferee.

(b) Taxes. The Company and any Subsidiary is authorized to withhold from any Award granted, or any payment relating to an Award under this Plan, including from a distribution of Stock, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations, either on a mandatory or elective basis in the discretion of the Committee.

(c) Changes to this Plan and Awards. The Board may amend, alter, suspend, discontinue or terminate this Plan or the Committee's authority to grant Awards under this Plan without the consent of stockholders or Participants, except that any amendment or alteration to this Plan, including any increase in any share limitation, shall be subject to the approval of the Company's stockholders not later than the annual meeting next following such Board action if such stockholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Stock may then be listed or quoted, and the Board may otherwise, in its discretion, determine to submit other such changes to this Plan to stockholders for approval; provided, however, that, without the consent of an affected Participant, no such Board action may materially and adversely affect the rights of such Participant under any previously granted and outstanding Award. The Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any Award theretofore granted and any Award agreement relating thereto, except as otherwise provided in this Plan; provided, however, that, without the consent of an affected Participant, no such Committee action may materially and adversely affect the rights of such Participant under such Award.

(d) Limitation on Rights Conferred under Plan. Neither this Plan nor any action taken hereunder shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ or service of the Company or a Subsidiary, (ii) interfering in any way with the right of the Company or a Subsidiary to terminate any Eligible Person's or Participant's employment or service relationship at any time,

(iii) giving an Eligible Person or Participant any claim to be granted any Award under this Plan or to be treated uniformly with other Participants or employees or other service providers, or (iv) conferring on a Participant any of the rights of a stockholder of the Company unless and until the Participant is duly issued or transferred shares of Stock in accordance with the terms of an Award.

(e) Unfunded Status of Awards. This Plan is intended to constitute an "unfunded" plan for certain incentive awards.

(f) Nonexclusivity of this Plan. Neither the adoption of this Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable, including incentive arrangements and awards which do not qualify under section 162(m) of the Code. Nothing contained in this Plan shall be construed to prevent the Company or any Subsidiary from taking any corporate action which is deemed by the Company or such Subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award made under this Plan. No employee, beneficiary or other person shall have any claim against the Company or any Subsidiary as a result of any such action.

(g) Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to this Plan or any Award. The Committee shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(h) Severability. If any provision of this Plan is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and the Plan shall be construed and enforced as if the illegal or invalid provision had never been included herein. If any of the terms or provisions of this Plan or any Award agreement conflict with the requirements of Rule 16b-3 (as those terms or provisions are applied to Eligible Persons who are subject to section 16(b) of the Exchange Act) or section 422 of the Code (with respect to Incentive Stock Options), then those conflicting terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of Rule 16b-3 (unless the Board or the Committee, as appropriate, has expressly determined that the Plan or such Award should not comply with Rule 16b-3) or section 422 of the Code. With respect to Incentive Stock Options, if this Plan does not contain any provision required to be included herein under section 422 of the Code, that provision shall be deemed to be incorporated herein with the same force and effect as if that provision had been set out at length herein; provided, further, that, to the extent any Option that is intended to qualify as an Incentive Stock Option cannot so qualify, that Option (to that extent) shall be deemed an Option not subject to section 422 of the Code for all purposes of the Plan.

(i) Governing Law. All questions arising with respect to the provisions of the Plan and Awards shall be determined by application of the laws of the State of Delaware, without giving effect to any conflict of law provisions thereof, except to the extent Delaware law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder

is subject to applicable federal and state laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

(j) Conditions to Delivery of Stock. Nothing herein or in any Award granted hereunder or any Award agreement shall require the Company to issue any shares with respect to any Award if that issuance would, in the opinion of counsel for the Company, constitute a violation of the Securities Act or any similar or superseding statute or statutes, any other applicable statute or regulation, or the rules of any applicable securities exchange or securities association, as then in effect. At the time of any exercise of an Option or Stock Appreciation Right, or at the time of any grant of a Restricted Stock Award, Restricted Stock Unit, or other Award the Company may, as a condition precedent to the exercise of such Option or Stock Appreciation Right or settlement of any Restricted Stock Award, Restricted Stock Unit or other Award, require from the Participant (or in the event of his or her death, his or her legal representatives, heirs, legatees, or distributees) such written representations, if any, concerning the holder's intentions with regard to the retention or disposition of the shares of Stock being acquired pursuant to the Award and such written covenants and agreements, if any, as to the manner of disposal of such shares as, in the opinion of counsel to the Company, may be necessary to ensure that any disposition by that holder (or in the event of the holder's death, his or her legal representatives, heirs, legatees, or distributees) will not involve a violation of the Securities Act or any similar or superseding statute or statutes, any other applicable state or federal statute or regulation, or any rule of any applicable securities exchange or securities association, as then in effect.

(k) Plan Effective Date. This Plan has been adopted by the Board and will become effective upon approval of the stockholders of the Company.

Executed this 22nd day of March, 2007.

ORION MARINE GROUP, INC.

By: /s/ Mark R. Stauffer
Name: Mark R. Stauffer
Title: CFO

ORION MARINE GROUP, INC.
LONG TERM INCENTIVE PLAN

STOCK OPTION AGREEMENT

This Agreement is made and entered into as of the Date of Grant set forth in the Notice of Grant of Stock Option ("Notice of Grant") by and between Orion Marine Group, Inc., a Delaware corporation (the "Company"), and you:

WHEREAS, the Company, in order to induce you to enter into and continue in dedicated service to the Company and to materially contribute to the success of the Company, agrees to grant you an option to acquire an interest in the Company through the purchase of shares of Stock of the Company;

WHEREAS, the Company adopted the Orion Marine Group, Inc. Long Term Incentive Plan as it may be amended from time to time (the "Plan") under which the Company is authorized to grant Stock Options to certain employees and service providers of the Company;

WHEREAS, a copy of the Plan has been furnished to you and shall be deemed a part of this stock option agreement (the "Agreement") as if fully set forth herein and terms capitalized but not defined herein shall have the meaning set forth in the Plan; and

WHEREAS, you desire to accept the Option created pursuant to the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other valuable consideration hereinafter set forth, the parties agree as follows:

1. The Grant. Subject to the conditions set forth below, the Company hereby grants to you, effective as of the Date of Grant set forth in the Notice of Grant, as a matter of separate inducement and not in lieu of any salary or other compensation for your services for the Company, the right and option to purchase (the "Option"), in accordance with the terms and conditions set forth herein and in the Plan, an aggregate of the number of shares of Stock set forth in the Notice of Grant (the "Option Shares"), at the Exercise Price set forth in the Notice of Grant.

2. Exercise.

(a) Option Shares shall be deemed "Nonvested Shares" unless and until they have become "Vested Shares." The Option shall in all events terminate at the close of business on the tenth (10) anniversary of the date of this Agreement (the "Expiration Date"). Subject to other terms and conditions set forth herein, the Option may be exercised in cumulative installments in accordance with the vesting schedule set forth in the Notice of Grant, provided that you remain in the employ of or a service provider to the Company or its Subsidiaries until the applicable dates set forth therein.

(b) Subject to the relevant provisions and limitations contained herein and in the Plan, you may exercise the Option to purchase all or a portion of the applicable number of Vested Shares at any time prior to the termination of the Option pursuant to this Option

Agreement. No less than 100 Vested Shares may be purchased at any one time unless the number purchased is the total number of Vested Shares at that time purchasable under the Option. In no event shall you be entitled to exercise the Option for any Nonvested Shares or for a fraction of a Vested Share.

(c) Any exercise by you of the Option shall be in writing addressed to the Secretary of the Company at its principal place of business. Exercise of the Option shall be made by delivery to the Company by you (or other person entitled to exercise the Option as provided hereunder) of (i) an executed "Notice of Stock Option Exercise," and (ii) payment of the aggregate purchase price for shares purchased pursuant to the exercise.

(d) Payment of the Exercise Price may be made, at your election, with the approval of the Company, (i) in cash, by certified or official bank check or by wire transfer of immediately available funds, (ii) by delivery to the Company of a number of shares of Stock having a Fair Market Value as of the date of exercise equal to the Exercise Price, (iii) by the delivery of a note, or (iv) by net issue exercise, pursuant to which the Company will issue to you a number of shares of Stock as to which the Option is exercised, less a number of shares with a Fair Market Value as of the date of exercise equal to the Exercise Price.

(e) If you are on leave of absence for any reason, the Company may, in its sole discretion, determine that you will be considered to still be in the employ of or providing services for the Company, provided that rights to the Option will be limited to the extent to which those rights were earned or vested when the leave or absence began.

(f) The terms and provisions of the employment agreement, if any, between you and the Company or any Subsidiary (the "Employment Agreement") that relate to or affect the Option are incorporated herein by reference. Notwithstanding the foregoing provisions of this Section 2 or Section 3, in the event of any conflict or inconsistency between the terms and conditions of this Section 2 or Section 3 and the terms and conditions of the Employment Agreement, the terms and conditions of the Employment Agreement shall be controlling.

3. Effect of Termination of Service on Exercisability. Except as provided in Sections 6 and 7 or an Employment Agreement, this Option may be exercised only while you continue to perform services for the Company or any Subsidiary and will terminate and cease to be exercisable upon termination of your service, *except* as follows:

(a) Termination on Account of Disability. If your service with the Company or any Subsidiary terminates by reason of disability (within the meaning of section 22(e)(3) of the Code), this Option may be exercised by you (or your estate or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of your death) at any time during the period ending on the earlier to occur of (i) the date that is one year following such termination, or (ii) the Expiration Date, but only to the extent this Option was exercisable for Vested Shares as of the date your service so terminates.

(b) Termination on Account of Death. If you cease to perform services for the Company or any Subsidiary due to your death, your estate, or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of your death, may

exercise this Option at any time during the period ending on the earlier to occur of (i) the date that is one year following your death, or (ii) the Expiration Date, but only to the extent this Option was exercisable for Vested Shares as of the date of your death.

(c) Termination not for Cause. If your service with the Company or any Subsidiary terminates for any reason other than as described in Sections 3(a) or (b), unless such service is terminated for Cause (as defined below), this Option may be exercised by you at any time during the period ending on the earlier to occur of (i) the date that is three months following your termination, or (ii) the Expiration Date, or by your estate (or the person who acquires this Option by will or the laws of descent and distribution or otherwise by reason of your death) during a period of one year following your death if you die during such three-month period, but in each such case only to the extent this Option was exercisable for Vested Shares as of the date of your termination. "Cause" means "cause" as defined in your Employment Agreement, or in the absence of such an agreement or such a definition, "Cause" will mean a determination by the Committee that you (A) have engaged in personal dishonesty, willful violation of any law, rule, or regulation (other than minor traffic violations or similar offenses), or breach of fiduciary duty involving personal profit, (B) have failed to satisfactorily perform your duties and responsibilities for the Company or any Affiliate, (C) have been convicted of, or plead *nolo contendere* to, any felony or a crime involving moral turpitude, (D) have engaged in negligence or willful misconduct in the performance of your duties, including but not limited to willfully refusing without proper legal reason to perform your duties and responsibilities, (E) have materially breached any corporate policy or code of conduct established by the Company or any Subsidiary as such policies or codes may be adopted from time to time, (F) have violated the terms of any confidentiality, nondisclosure, intellectual property, nonsolicitation, noncompetition, proprietary information or inventions agreement, or any other agreement between you and the Company or any Subsidiary related to your service with the Company or any Subsidiary, or (G) have engaged in conduct that is likely to have a deleterious affect on the Company or any Subsidiary or their legitimate business interests, including but not limited to their goodwill and public image.

4. Transferability. The Option, and any rights or interests therein will be transferable by you only to the extent approved by the Committee in conformance with Section 10(a) of the Plan.

5. Compliance with Securities Law. Notwithstanding any provision of this Agreement to the contrary, the grant of the Option and the issuance of Stock will be subject to compliance with all applicable requirements of federal, state, and foreign securities laws and with the requirements of any stock exchange or market system upon which the Stock may then be listed. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (a) a registration statement under the Securities Act of 1933, as amended (the "Act"), is at the time of exercise of the Option in effect with respect to the shares issuable upon exercise of the Option or (b) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Act. YOU ARE CAUTIONED THAT THE OPTION MAY NOT BE

EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, YOU MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option will relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority has not been obtained. As a condition to the exercise of the Option, the Company may require you to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

6. Extension if Exercise Prevented by Law. Notwithstanding Section 3, if the exercise of the Option within the applicable time periods set forth in Section 3 is prevented by the provisions of Section 5, the Option will remain exercisable until 30 days after the date you are notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. You should consult with your own tax advisor as to the tax consequences of any such delayed exercise.

7. Extension if You are Subject to Section 16(b). Notwithstanding Section 3, if a sale within the applicable time periods set forth in Section 3 of shares acquired upon the exercise of the Option would subject you to suit under Section 16(b) of the Securities Exchange Act of 1934, as amended, the Option will remain exercisable until the earliest to occur of (a) the 10th day following the date on which a sale of such shares by you would no longer be subject to such suit, (b) the 190th day after your termination of service with the Company and any Subsidiary, or (c) the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. You should consult with your own tax advisor as to the tax consequences of any such delayed exercise.

8. Withholding Taxes. The Committee may, in its discretion, require you to pay to the Company at the time of the exercise of an Option or thereafter, the amount that the Committee deems necessary to satisfy the Company's current or future obligation to withhold federal, state or local income or other taxes that you incur by exercising an Option. In connection with such an event requiring tax withholding, you may (a) direct the Company to withhold from the shares of Stock to be issued to you the number of shares necessary to satisfy the Company's obligation to withhold taxes, that determination to be based on the shares' Fair Market Value as of the date of exercise; (b) deliver to the Company sufficient shares of Stock (based upon the Fair Market Value as of the date of such delivery) to satisfy the Company's tax withholding obligation; or (c) deliver sufficient cash to the Company to satisfy its tax withholding obligations. If you elect to use a Stock withholding feature you must make the election at the time and in the manner that the Committee prescribes. The Committee may, at its sole option, deny your request to satisfy withholding obligations through shares of Stock instead of cash. In the event the Committee subsequently determines that the aggregate Fair Market Value (as determined above) of any shares of Stock withheld or delivered as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then you shall

pay to the Company, immediately upon the Committee's request, the amount of that deficiency in the form of payment requested by the Committee.

9. Status of Stock. With respect to the status of the Stock, at the time of execution of this Agreement you understand and agree to all of the following:

(a) You understand that at the time of the execution of this Agreement the shares of Stock to be issued upon exercise of this Option have not been registered under the Act or any state securities law and that the Company does not currently intend to effect any such registration. In the event exemption from registration under the Act is available upon an exercise of this Option, you (or such other person permitted to exercise this Option if applicable), if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to ensure compliance with applicable securities laws.

(b) You agree that the shares of Stock that you may acquire by exercising this Option will be acquired for investment without a view to distribution, within the meaning of the Act, and will not be sold, transferred, assigned, pledged, or hypothecated in the absence of an effective registration statement for the shares under the Act and applicable state securities laws or an applicable exemption from the registration requirements of the Act and any applicable state securities laws. You also agree that the shares of Stock that you may acquire by exercising this Option will not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable securities laws, whether federal or state.

(c) You agree that (i) the Company may refuse to register the transfer of the shares of Stock purchased under this Option on the stock transfer records of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable securities law and (ii) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Stock purchased under this Option.

10. Adjustments. The terms of the Option shall be subject to adjustment from time to time, in accordance with the following provisions:

(a) If at any time, or from time to time, the Company shall subdivide as a whole (by reclassification, by a Stock split, by the issuance of a distribution on Stock payable in Stock or otherwise) the number of shares of Stock then outstanding into a greater number of shares of Stock, then (i) the number of shares of Stock (or other kind of securities) that may be acquired under the Option shall be increased proportionately and (ii) the Exercise Price for each share of Stock (or other kind of shares or securities) subject to the then outstanding Option shall be reduced proportionately, without changing the aggregate purchase price or value as to which the outstanding Option remains exercisable or subject to restrictions.

(b) If at any time, or from time to time, the Company shall consolidate as a whole (by reclassification, reverse Stock split or otherwise) the number of shares of Stock then outstanding into a lesser number of shares of Stock, (i) the number of shares of Stock (or other kind of shares or securities) that may be acquired under the Option shall be decreased

proportionately and (ii) the Exercise Price for each share of Stock (or other kind of shares or securities) subject to the then outstanding Option shall be increased proportionately, without changing the aggregate purchase price or value as to which the outstanding Option remains exercisable or subject to restrictions.

(c) Whenever the number of shares of Stock subject to the Option and the price for each share of Stock subject to the Option are required to be adjusted as provided in this Section 6, the Committee shall promptly prepare a notice setting forth, in reasonable detail, the event requiring adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the change in price and the number of shares of Stock, other securities, cash, or property purchasable by you pursuant to the exercise of the Option or subject to the Option after giving effect to the adjustments. The Committee shall promptly give you such a notice.

(d) Adjustments under this Section 10 shall be made by the Committee, and its determination as to what adjustments shall be made and the extent thereof shall be final, binding, and conclusive. No fractional interest shall be issued under the Plan on account of any such adjustments.

11. Lock-Up Period. You hereby agrees that, if so requested by the Company or any representative of the underwriters (the "Managing Underwriter") in connection with any registration of the offering of any securities of the Company under the Act, you will not sell or otherwise transfer any Option Shares or other securities of the Company during the 180-day period (or such other period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) (the "Market Standoff Period") following the effective date of a registration statement of the Company filed under the Act. Such restriction will apply only to the first registration statement of the Company to become effective under the Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period.

12. Stockholder Agreement. The Committee may, in its sole discretion, condition the delivery of Stock pursuant to the exercise of this Option upon your entering into a stockholder agreement in such form as approved from time to time by the Board.

13. Legends. The Company may at any time place legends, referencing any restrictions imposed on the shares pursuant to Sections 9 and 11 of this Agreement, and any applicable federal, state or foreign securities law restrictions, on all certificates representing shares of Stock subject to the provisions of this Agreement.

14. Notice of Sales Upon Disqualifying Disposition of ISO. If the Option is designated as an Incentive Stock Option in the Notice of Grant, you must comply with the provisions of this Section. You must promptly notify the Chief Financial Officer of the Company if you dispose of any of the shares acquired pursuant to the Option within one year after the date you exercise all or part of the Option or within two years after the Date of Grant. Until such time as you dispose of such shares in a manner consistent with the provisions of this Agreement, unless otherwise expressly authorized by the Company, you must hold all shares acquired pursuant to the Option in your name (and not in the name of any nominee) for the one-

year period immediately after the exercise of the Option and the two-year period immediately after the Date of Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. Your obligation to notify the Company of any such transfer will continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

15. Right to Terminate Services. Nothing contained in this Agreement shall confer upon you the right to continue in the employ of or performing services for the Company or any Subsidiary, or interfere in any way with the rights of the Company or any Subsidiary to terminate your employment or service relationship at any time.

16. Furnish Information. You agree to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

17. Remedies. The Company shall be entitled to recover from you reasonable attorneys' fees incurred in connection with the enforcement of the terms and provisions of this Agreement whether by an action to enforce specific performance or for damages for its breach or otherwise.

18. No Liability for Good Faith Determinations. The Company and the members of the Committee and the Board shall not be liable for any act, omission or determination taken or made in good faith with respect to this Agreement or the Option granted hereunder.

19. Execution of Receipts and Releases. Any payment of cash or any issuance or transfer of shares of Stock or other property to you, or to your legal representative, heir, legatee or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such persons hereunder. The Company may require you or your legal representative, heir, legatee or distributee, as a condition precedent to such payment or issuance, to execute a release and receipt therefore in such form as it shall determine.

20. No Guarantee of Interests. The Board and the Company do not guarantee the Stock of the Company from loss or depreciation.

21. Company Records. Records of the Company regarding your service and other matters shall be conclusive for all purposes hereunder, unless determined by the Company to be incorrect.

22. Notice. All notices required or permitted under this Agreement must be in writing and personally delivered or sent by mail and shall be deemed to be delivered on the date on which it is actually received by the person to whom it is properly addressed or if earlier the date sent via certified mail.

23. Waiver of Notice. Any person entitled to notice hereunder may, by written form, waive such notice.

24. Information Confidential. As partial consideration for the granting of this Option, you agree that you will keep confidential all information and knowledge that you have relating to the manner and amount of your participation in the Plan; provided, however, that such information may be disclosed as required by law and may be given in confidence to your spouse, tax and financial advisors. In the event any breach of this promise comes to the attention of the Company, it shall take into consideration that breach in determining whether to recommend the grant of any future similar award to you, as a factor weighing against the advisability of granting any such future award to you.

25. Successors. This Agreement shall be binding upon you, your legal representatives, heirs, legatees and distributees, and upon the Company, its successors and assigns.

26. Severability. If any provision of this Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and this Agreement shall be construed and enforced as if the illegal or invalid provision had never been included herein.

27. Company Action. Any action required of the Company shall be by resolution of the Board or by a person authorized to act by resolution of the Board.

28. Headings. The titles and headings of paragraphs are included for convenience of reference only and are not to be considered in construction of the provisions hereof.

29. Governing Law. All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Delaware, without giving any effect to any conflict of law provisions thereof, except to the extent Delaware law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

30. Word Usage. Words used in the masculine shall apply to the feminine where applicable, and wherever the context of this Agreement dictates, the plural shall be read as the singular and the singular as the plural.

31. No Assignment. You may not assign this Agreement or any of your rights under this Agreement without the Company's prior written consent, and any purported or attempted assignment without such prior written consent shall be void.

32. Acknowledgements Regarding Section 409A and Section 422 of the Code . You understand that if the purchase price of the Stock under this Option is less than the Fair Market Value of such Stock on the date of grant of this Option, then you may incur adverse tax consequences under section 409A and Section 422 of the Code. You acknowledge and agree that (a) you are not relying upon any determination by the Company, its affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "Company Parties") of the Fair Market Value of the Stock on the Date of Grant, (b) you are not relying upon any written or oral statement or representation of the Company Parties regarding the tax effects associated with your execution of this Agreement and your receipt, holding and exercise of this

Option, and (c) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. You hereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with your execution of this Agreement and your receipt, holding and exercise of this Option.

33. Miscellaneous.

(a) This Agreement is subject to all the terms, conditions, limitations and restrictions contained in the Plan. In the event of any conflict or inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall be controlling.

(b) The Option may be amended by the Board or by the Committee at any time (i) if the Board or the Committee determines, in its sole discretion, that amendment is necessary or advisable in light of any addition to or change in any federal or state, tax or securities law or other law or regulation, which change occurs after the Date of Grant and by its terms applies to the Option; or (ii) other than in the circumstances described in clause (i) or provided in the Plan, with your consent.

(c) If this Option is intended to be a incentive stock option designed pursuant to section 422 of the Code, then in the event the Option Shares (and all other options designed pursuant to section 422 of the Code granted to you by the Company or any parent of the Company or Subsidiary) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Option Share as of the Date of Grant) that exceeds $100,000, the Option Shares in excess of $100,000 shall be treated as subject to a Nonstatutory Stock Option.

[Remainder of page intentionally left blank]

Please indicate your acceptance of all the terms and conditions of the Award and the Plan by signing and returning a copy of this Agreement.

ORION MARINE GROUP, INC.,
a Delaware Corporation

By: _____
Name: _____
Title: _____

ACCEPTED:

_____
Signature of optionee

_____
Name of optionee (Please Print)

Date: _____, ____

_____

_____

_____

_____

_____, 20___

_____

_____

_____

NOTICE OF GRANT OF STOCK OPTION

Pursuant to the terms and conditions of the Orion Marine Group, Inc. Long Term Incentive Plan, attached as Appendix A (the "Plan"), and the associated Stock Option Agreement, attached as Appendix B (the "Option Agreement"), you are hereby granted an option (this "Option") to purchase shares of Stock under the conditions set forth below, in the Option Agreement, and in the Plan. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Type of Option: Check one (and only one) of the following:

☐ **Incentive Stock Option** (This Option **is** intended to be an Incentive Stock Option (as defined in the Plan).)

☐ **Nonstatutory Stock Option** (This Option **is not** intended to be an Incentive Stock Option (as defined in the Plan).)

Optionee: _____

Date of Grant: _____, 20___ ("Date of Grant")

Number of Shares: _____

Option Price: $ _____ per share

Note: In the case of an Incentive Stock Option, the Option Price must be at least 100% (or, in the case of a 10% shareholder of the Company, 110%) of the Fair Market Value (as defined in the Plan) of a share of Stock on the Date of Grant.

Expiration Date: _____, 20___

Note: In the case of an Incentive Stock Option, this date cannot be more than ten years (or in the case of a 10% shareholder of the Company, more than five years) from the Date of Grant.

Vesting Schedule:

Subject to the other terms and conditions set forth herein, the Option Agreement and in the Plan, this Option may be exercised in cumulative installments as follows, provided that you remain in the employ of or a service provider to the Company or its Subsidiaries until the following applicable dates: (a) this Option will become exercisable with respect to 1/3 of the Option Shares on the one year anniversary of the Date of Grant, and (b) this Option will become exercisable with respect to 1/36 of the Options Shares on each monthly anniversary of the Date of Grant thereafter such that this Option will be exercisable with respect to 100% of the Option Shares as of the three year anniversary of the Date of Grant.

[NOTE: ADDITIONAL VESTING EVENTS MAY BE ADDED.]

By your signature and the signature of the Company's representative below, you and the Company hereby acknowledge your receipt of this Option granted on the Grant Date indicated above, which has been issued to you under the terms and conditions of the Plan and the Option Agreement. You further acknowledge receipt of the copy of the Plan and Option Agreement and agree to all of the terms and conditions of the Plan and the Option Agreement, which are incorporated in this Option by reference.

Note: To accept the grant of this Option, you must execute this form and return an executed copy to _____ (the "Designated Recipient") by _____. Failure to return the executed copy to the Designated Recipient by such date will render this Option invalid .

By: _____
Name: _____
Title: _____

Accepted by:

[GRANTEE]

By: _____
Date: _____

[DESIGNATED RECIPIENT]

By: _____
Date Received: _____

Attachments: Appendix A – Orion Marine Group, Inc. Long Term Incentive Plan
Appendix B – Stock Option Agreement

Appendix A

Orion Marine Group, Inc. Long Term Incentive Plan

Appendix B

Stock Option Agreement

Orion Marine Group, Inc. Long Term Incentive Plan

Notice Of Stock Option Exercise

OPTIONEE INFORMATION:

Name: _____ Social Security Number: ___-___-___

Address: _____ Employee Number: _____

_____

OPTION INFORMATION:

Date of Grant: _____, ____, 20 ___ Type of Option: ☐ Nonstatutory (NSO) or ☐ Incentive (ISO)

Exercise Price per share: $_____

Total number of shares of common stock ("Stock") of _____ (the "Company") covered by option: _____ shares

EXERCISE INFORMATION:

Number of shares of Stock of the Company for which option is being exercised now: _____ (These shares are referred to below as the "Purchased Shares.")

Total Exercise Price for the Purchased Shares: $_____

Form of payment enclosed ***[check all that apply]***:

☐ Check for $_____, made payable to "_____"

☐ Certificate(s) for _____ shares of Stock of the Company that I have owned for at least six months. (These shares will be valued as of the date this notice is received by the Company.)

Names in which the Purchased Shares should be registered ***[you must check one]***:

☐ In my name only

☐ In the names of my spouse and myself as community property

My spouse's name (if applicable): _____

☐ In the names of my spouse and myself as joint tenants with the right of survivorship

The certificate for the Purchased Shares should be sent to the following address: _____

_____

_____

By: _____
Name: _____
Date: _____

Exhibit 10.13

ORION MARINE GROUP, INC.
LONG TERM INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

This Agreement is made and entered into as of the Date of Grant set forth in the Notice of Grant of Restricted Stock ("Notice of Grant") by and between Orion Marine Group, Inc., a Delaware corporation (the "Company") and you;

WHEREAS, the Company in order to induce you to enter into and to continue and dedicate service to the Company and to materially contribute to the success of the Company agrees to grant you this Restricted Stock award;

WHEREAS, the Company adopted the Orion Marine Group, Inc. Long Term Incentive Plan as it may be amended from time to time (the "Plan") under which the Company is authorized to grant Restricted Stock awards to certain employees and service providers of the Company;

WHEREAS, a copy of the Plan has been furnished to you and shall be deemed a part of this restricted stock award agreement ("Agreement") as if fully set forth herein and the terms capitalized but not defined herein shall have the meanings set forth in the Plan; and

WHEREAS, you desire to accept the Restricted Stock made award pursuant to this Agreement.

NOW, THEREFORE, in consideration of and mutual covenants set forth herein and for other valuable consideration hereinafter set forth, the parties agree as follows:

1. The Grant. Subject to the conditions set forth below, the Company hereby grants you effective as of the Date of Grant set forth in the Notice of Grant, as a matter of separate inducement but not in lieu of any salary or other compensation for your services for the Company, an award (the "Award") consisting of the aggregate number of shares of Stock (the "Restricted Shares") set forth in the Notice of Grant in accordance with the terms and conditions set forth herein and in the Plan.

2. Escrow of Restricted Shares . The Company shall evidence the Restricted Shares in the manner that it deems appropriate. The Company may issue in your name a certificate or certificates representing the Restricted Shares and retain that certificate or those certificates until the restrictions on such Restricted Shares expire as contemplated in Section 5 of this Agreement and described in the Notice of Grant or the Restricted Shares are forfeited as described in Sections 4 and 6 of this Agreement. If the Company certificates the Restricted Shares, you shall execute one or more stock powers in blank for those certificates and deliver those stock powers to the Company. The Company shall hold the Restricted Shares and the related stock powers pursuant to the terms of this Agreement, if applicable, until such time as (a) a certificate or certificates for the Restricted Shares are delivered to you, (b) the Restricted Shares are otherwise transferred to you free of restrictions, or (c) the Restricted Shares are canceled and forfeited pursuant to this Agreement.

3. Ownership of Restricted Shares. From and after the time the Restricted Shares are issued in your name, you will be entitled to all the rights of absolute ownership of the Restricted Shares, including the right to vote those shares and to receive dividends thereon if, as, and when declared by the Board, subject, however, to the terms, conditions and restrictions set forth in this Agreement; provided, however, that each dividend payment will be made no later than the end of the calendar year in which the dividends are paid to the holders of Stock or, if later, the 15th day of the third month following the date the dividends are paid to the holders of Stock.

4. Restrictions; Forfeiture. The Restricted Shares are restricted in that they may not be sold, transferred or otherwise alienated or hypothecated until these restrictions are removed or expire as contemplated in Section 5 of this Agreement and as described in the Notice of Grant. The Restricted Shares are also restricted in the sense that they may be forfeited to the Company (the "Forfeiture Restrictions"). You hereby agree that if the Restricted Shares are forfeited, as provided in Section 6, the Company shall have the right to deliver the Restricted Shares to the Company's transfer agent for, at the Company's election, cancellation or transfer to the Company.

5. Expiration of Restrictions and Risk of Forfeiture. The restrictions on the Restricted Shares granted pursuant to this Agreement of this Agreement will expire and the Restricted Shares will become transferable, except to the extent provided in Section 14 of this Agreement and Section 10(a) of the Plan, and nonforfeitable as set forth in the Notice of Grant, provided that you remain in the employ of or a service provider to the Company or its Subsidiaries until the applicable dates set forth therein.

6. Termination of Services.

(a) Termination Generally**.** Subject to subsection (b), if your service relationship with the Company or any of its Subsidiaries is terminated for any reason, then those Restricted Shares for which the restrictions have not lapsed as of the date of termination shall become null and void and those Restricted Shares shall be forfeited to the Company. The Restricted Shares for which the restrictions have lapsed as of the date of such termination shall not be forfeited to the Company.

(b) Effect of Employment Agreement. Notwithstanding any provision herein to the contrary, in the event of any inconsistency between this Section 6 and any employment agreement entered into by and between you and the Company, the terms of the employment agreement shall control.

7. Election Under Section 83(b) of the Code. You understand that you should consult with your tax advisor regarding the advisability of filing with the Internal Revenue Service an election under section 83(b) of the Code with respect to the Restricted Shares for which the restrictions have not lapsed. This election must be filed no later than 30 days after Date of Grant set forth in the Notice of Grant of Restricted Stock (the "Notice of Grant"). This time period cannot be extended. You acknowledge (a) that you have been advised to consult with a tax advisor regarding the tax consequences of the award of the Restricted Shares and

(b) that timely filing of a section 83(b) election is your sole responsibility, even if you request the Company or its representative to file such election on your behalf.

8. Leave of Absence. With respect to the Award, the Company may, in its sole discretion, determine that if you are on leave of absence for any reason you will be considered to still be in the employ of or providing services for the Company, provided that rights to the Restricted Shares during a leave of absence will be limited to the extent to which those rights were earned or vested when the leave of absence began.

9. Delivery of Stock. Promptly following the expiration of the restrictions on the Restricted Shares as contemplated in Section 5 of this Agreement, the Company shall cause to be issued and delivered to you or your designee a certificate or other evidence of the number of Restricted Shares as to which restrictions have lapsed, free of any restrictive legend relating to the lapsed restrictions, upon receipt by the Company of any tax withholding as may be requested pursuant to Section 10. The value of such Restricted Shares shall not bear any interest owing to the passage of time.

10. Payment of Taxes. The Company may require you to pay to the Company (or the Company's Subsidiary if you are an employee of a Subsidiary of the Company), an amount the Company deems necessary to satisfy its or its Subsidiary's current or future obligation to withhold federal, state or local income or other taxes that you incur as a result of the Award. With respect to any required tax withholding, you may (a) direct the Company to withhold from the shares of Stock to be issued to you under this Agreement the number of shares necessary to satisfy the Company's obligation to withhold taxes; which determination will be based on the shares' Fair Market Value at the time such determination is made; (b) deliver to the Company shares of Stock sufficient to satisfy the Company's tax withholding obligations, based on the shares' Fair Market Value at the time such determination is made; or (c) deliver cash to the Company sufficient to satisfy its tax withholding obligations. If you desire to elect to use the stock withholding option described in subparagraph (a), you must make the election at the time and in the manner the Company prescribes. The Company, in its discretion, may deny your request to satisfy its tax withholding obligations using a method described under subparagraph (a) or (b). In the event the Company determines that the aggregate Fair Market Value of the shares of Stock withheld as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then you must pay to the Company, in cash, the amount of that deficiency immediately upon the Company's request.

11. Compliance with Securities Law. Notwithstanding any provision of this Agreement to the contrary, the issuance of Stock (including Restricted Shares) will be subject to compliance with all applicable requirements of federal, state, or foreign law with respect to such securities and with the requirements of any stock exchange or market system upon which the Stock may then be listed. No Stock will be issued hereunder if such issuance would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, Stock will not be issued hereunder unless (a) a registration statement under the Securities Act of 1933, as amended (the "Act"), is at the time of issuance in effect with respect to the shares issued or (b) in the opinion of legal counsel to the Company, the shares issued may be issued in accordance with the terms of an applicable exemption from the

registration requirements of the Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Award will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance hereunder, the Company may require you to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company. From time to time, the Board and appropriate officers of the Company are authorized to take the actions necessary and appropriate to file required documents with governmental authorities, stock exchanges, and other appropriate Persons to make shares of Stock available for issuance.

12. Lock-Up Period. You hereby agree that, if so requested by the Company or any representative of the underwriters (the "Managing Underwriter") in connection with any registration of the offering of any securities of the Company under the Act, you will not sell or otherwise transfer any Stock acquired hereunder or other securities of the Company during the 180-day period (or such other period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) (the "Market Standoff Period") following the effective date of a registration statement of the Company filed under the Act. Such restriction will apply only to the first registration statement of the Company to become effective under the Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period.

13. Stockholders Agreement. The Committee may, in its sole discretion, condition the delivery of Stock subject to this Award upon your entering into a stockholders' agreement in such form as approved from time to time by the Board.

14. Legends. The Company may at any time place legends referencing any restrictions imposed on the shares pursuant to Sections 4, 11 and 12 of this Agreement on all certificates representing shares issued with respect to this Award.

15. Right of the Company and Subsidiaries to Terminate Services. Nothing in this Agreement confers upon you the right to continue in the employ of or performing services for the Company or any Subsidiary, or interfere in any way with the rights of the Company or any Subsidiary to terminate your employment or service relationship at any time.

16. Furnish Information. You agree to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirements imposed upon the Company by or under any applicable statute or regulation.

17. Remedies. The parties to this Agreement shall be entitled to recover from each other reasonable attorneys' fees incurred in connection with the successful enforcement of the terms and provisions of this Agreement whether by an action to enforce specific performance or for damages for its breach or otherwise.

18. No Liability for Good Faith Determinations. The Company and the members of the Board shall not be liable for any act, omission or determination taken or made in good faith with respect to this Agreement or the Restricted Shares granted hereunder.

19. Execution of Receipts and Releases. Any payment of cash or any issuance or transfer of shares of Stock or other property to you, or to your legal representative, heir, legatee or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such Persons hereunder. The Company may require you or your legal representative, heir, legatee or distributee, as a condition precedent to such payment or issuance, to execute a release and receipt therefor in such form as it shall determine.

20. No Guarantee of Interests. The Board and the Company do not guarantee the Stock of the Company from loss or depreciation.

21. Company Records. Records of the Company or its Subsidiaries regarding your period of service, termination of service and the reason(s) therefor, leaves of absence, re-employment, and other matters shall be conclusive for all purposes hereunder, unless determined by the Company to be incorrect.

22. Notice. All notices required or permitted under this Agreement must be in writing and personally delivered or sent by mail and shall be deemed to be delivered on the date on which it is actually received by the person to whom it is properly addressed or if earlier the date it is sent via certified United States mail.

23. Waiver of Notice. Any person entitled to notice hereunder may waive such notice in writing.

24. Information Confidential. As partial consideration for the granting of the Award hereunder, you hereby agree to keep confidential all information and knowledge, except that which has been disclosed in any public filings required by law, that you have relating to the terms and conditions of this Agreement; provided, however, that such information may be disclosed as required by law and may be given in confidence to your spouse and tax and financial advisors. In the event any breach of this promise comes to the attention of the Company, it shall take into consideration that breach in determining whether to recommend the grant of any future similar award to you, as a factor weighing against the advisability of granting any such future award to you.

25. Successors. This Agreement shall be binding upon you, your legal representatives, heirs, legatees and distributees, and upon the Company, its successors and assigns.

26. Severability. If any provision of this Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and this Agreement shall be construed and enforced as if the illegal or invalid provision had never been included herein.

27. Company Action. Any action required of the Company shall be by resolution of the Board or by a person or entity authorized to act by resolution of the Board.

28. Headings. The titles and headings of Sections are included for convenience of reference only and are not to be considered in construction of the provisions hereof.

29. Governing Law. All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Delaware, without giving any effect to any conflict of law provisions thereof, except to the extent Delaware law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

30. Amendment. This Agreement may be amended the Board or by the Committee at any time (a) if the Board or the Committee determines, in its sole discretion, that amendment is necessary or advisable in light of any addition to or change in any federal or state, tax or securities law or other law or regulation, which change occurs after the Date of Grant and by its terms applies to the Award; or (b) other than in the circumstances described in clause (a) or provided in the Plan, with your consent.

31. The Plan. This Agreement is subject to all the terms, conditions, limitations and restrictions contained in the Plan.

Please indicate your acceptance of all the terms and conditions of the Award and the Plan by signing and returning a copy of this Agreement.

ORION MARINE GROUP, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

ACCEPTED:

_____
Signature of grantee

_____
Name of grantee (Please Print)

Date: _____, ____

ACKNOWLEDGED AND AGREED:

By: _____

Name: _____

_____

_____

_____

_____

_____, _____

_____

_____

_____

NOTICE OF GRANT OF RESTRICTED STOCK

Pursuant to the terms and conditions of the Orion Marine Group, Inc. Long Term Incentive Plan, attached as Appendix A (the "Plan"), and the associated Restricted Stock Agreement, attached as Appendix B (the "Agreement"), you are hereby issued shares of Stock subject to certain restrictions thereon and under the conditions set forth below, in the Agreement, and in the Plan (the "Restricted Shares"). Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Grantee:	_____
Date of Grant:	_____ ___, 200___("Date of Grant")
Number of Shares:	_____
Fair Market Value of Shares on Date of Grant:	_____
Vesting Schedule:	The restrictions on all of the Restricted Shares granted pursuant to the Agreement will expire and the Restricted Shares will become transferable, except to the extent provided in Section 12 of the Agreement, and nonforfeitable as follows: (a) the restrictions on 1/3 of the Restricted Shares shall expire on the one year anniversary of the Date of Grant, and (b) the restrictions on 1/36 of the Restricted Shares shall expire on each monthly anniversary of the Date of Grant thereafter such that 100% of the Restricted Shares will be vested on the three year anniversary of the Date of Grant; provided, however, that such restrictions will expire on such dates only if you remain in the employ of or a service provider to the Company or its Subsidiaries continuously from the Date of Grant through the applicable vesting date.

[NOTE: ADDITIONAL VESTING PROVISIONS MAY BE ADDED]

By your signature and the signature of the Company's representative below, you and the Company hereby acknowledge receipt of the Restricted Shares issued on the Date of Grant indicated above, which have been issued under the terms and conditions of the Plan and the

_____, ___

Agreement. You further acknowledge receipt of the copy of the Plan and Agreement and agree to all of the terms and conditions of the Plan and the Agreement, which are incorporated herein by reference. You acknowledge and agree that (a) you are not relying upon any determination by the Company, its affiliates, or any of their respective employees, directors, officers, attorneys or agents (collectively, the "Company Parties") of the Fair Market Value of the Stock on the Date of Grant, (b) you are not relying upon any written or oral statement or representation of the Company Parties regarding the tax effects associated with your execution of this Agreement and your receipt, holding and vesting of the Restricted Shares, and (c) in deciding to enter into this Agreement, you are relying on your own judgment and the judgment of the professionals of your choice with whom you have consulted. You hereby release, acquit and forever discharge the Company Parties from all actions, causes of actions, suits, debts, obligations, liabilities, claims, damages, losses, costs and expenses of any nature whatsoever, known or unknown, on account of, arising out of, or in any way related to the tax effects associated with your execution of the Agreement and your receipt, holding and exercise of the Restricted Shares.

Note: To accept the Restricted Shares, execute this form and return an executed copy to _____ (the "Designated Recipient") by _____ ___, 200___. Failure to return the executed copy to the Designated Recipient by such date will render this issuance invalid.

By: _____
Name: _____
Title: _____

Accepted by:

[GRANTEE]

By: _____
Date: _____

[DESIGNATED RECIPIENT]

By: _____
Date Received: _____

Attachments: Appendix A – Orion Marine Group, Inc. Long Term Incentive Plan
Appendix B – Restricted Stock Agreement

Appendix A

Orion Marine Group, Inc. Long Term Incentive Plan

Appendix B

Restricted Stock Agreement

SECTION 83(b) ELECTION

This statement is made under Section 83(b) of the Internal Revenue Code of 1986, as amended, pursuant to Treasury Regulations Section 1.83-2.

(1) The taxpayer who performed the services is:

Name: _____

Address: _____

_____

Social Security No.: _____

(2) The property with respect to which the election is made is ___ shares of the common stock (the "Shares") of _____ (the "Company").

(3) The property was transferred on _____ ___, ___(the "Date of Grant").

(4) The taxable year for which the election is made is the calendar year ___.

(5) Pursuant to the terms of a Restricted Stock Award Agreement (the "Agreement") between the Company and the taxpayer, the Shares will not be transferable and will be subject to a substantial risk of forfeiture as set forth in the Agreement. The restrictions on all of the Shares will expire and the Shares will become transferable, except to the extent provided in Section 12 of the Agreement, and nonforfeitable as follows: (a) the restrictions on 1/3 of the Shares will expire on the one year anniversary of the Date of Grant, and (b) the restrictions on 1/36 of the Shares will expire on each monthly anniversary of the Date of Grant thereafter such that 100% of the Shares will be vested on the three year anniversary of the Date of Grant; provided, however, that such restrictions will expire on such dates only if the taxpayer remains in the employ of or a service provider to the Company or its subsidiaries continuously from the Date of Grant through the applicable vesting date. All Shares for which the restrictions have not terminated shall be forfeited upon the termination of the taxpayer's employment or service relationship with the Company or its subsidiaries.

[NOTE: ADD ADDITIONAL VESTING PROVISIONS, IF ANY.]

(6) The fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse) is $_____ per share.

(7) The amount paid for such property is $0.00 per share.

(8) A copy of this statement was furnished to _____, for whom taxpayer rendered the services underlying the transfer of such property.

(9) This statement is executed on _____ ___, _____

Signature of Spouse (if any)

Signature of Taxpayer

This election must be filed with the Internal Revenue Service Center with which the taxpayer files his or her federal income tax returns and must be filed within 30 days after the Date of Grant. This filing should be made by registered or certified mail, return receipt requested. The taxpayer must retain two copies of the completed form for filing with his or her federal and state tax returns for the current tax year and an additional copy for his or her records.

Exhibit 10.14

Hunter Acquisition Corp.
Orion Marine Group

Executive Incentive Plan (EIP) Document
Fiscal Year 2006

I. Objectives

1. To provide incentive to Orion's Senior Management Team to grow the overall business of Orion in a profitable manner.
2. To financially reward executives for achievement of overall Company goals, as well as individual goals.

II. Eligibility

3. Eligibility for the EIP includes the CEO, President & COO, CFO and Vice President Gulf Coast Region.

III. Incentive Determination

4. The EIP incentive pool will be based on Orion's performance and will be based upon Orion's pre-EIP bonus.
5. Formula Component — 75% of the incentive determination for EIP participants will be based on the achievement of the consolidated Net Cash Flow target (the" Target"). This component is only available if Company meets or exceeds 80% of Target.
6. Discretion Component – 25% of the incentive determination for EIP participants will based on annually agreed to individual objectives. This component is only available if Company meets or exceeds 80% of Target.

IV. Award Allocation

7. Earned awards are payable only if an EIP participant is an employee in good standing. Good standing means that, at the time of payout, an employee:
    a) has not resigned,
    b) has not indicated an intention to resign,
    c) has not been notified that their employment has been terminated,
    d) is not on a performance improvement program.

V. Timing and Payout Form

8. Incentive awards will be calculated and are payable as soon as practical following the close of the fiscal year. Awards will be paid as ordinary income and will be subject to payroll tax withholding.

VI. Termination of Employment

9. Any EIP awards are forfeited in cases of termination.

10. If an employee terminates prior to the fiscal year's close because of death or disability (as defined in Company's long-term disability plan), EIP awards will be prorated for the year.

VII. Plan Administration

11. The EIP Administrator will be a committee approved by the Board of Director's Compensation Committee.

12. The EIP Administrator will approve annually developed performance measures, performance standards, and award levels, subject to the approval of the Board of Director's Compensation Committee.

13. The EIP Administrator will approve all finalized award payments before submission to payroll, subject to the approval of the Board of Director's Compensation Committee.

15. The EIP Administrator will have all authority to approve continuation, modification or elimination of the Plan based upon a review of actual results, subject to the approval of the Board of Director's Compensation Committee.

16. Terms of valid employment agreements, if any, supercede the terms and conditions of this document.

Exhibit 10.15

Hunter Acquisition/
Orion Marine Group

Subsidiary Incentive Plan (SIP) Document – Tier 2
Fiscal Year 2006

I. Objectives

1. To provide incentive to Orion's Subsidiary Management Teams to grow the overall business of Orion and their respective subsidiaries in a profitable manner.
2. To financially reward employees for achievement of corporate, subsidiary, and individual goals.
3. To provide competitive cash compensation when plan results are achieved, and exceed market norms when superior results occur.

II. Eligibility

4. Eligibility for the SIP-Tier 2 includes senior management and business development staff of Orion's subsidiaries.

III. Incentive Determination

5. Each Participant will have a target incentive bonus equal to from 30% to 50% of annual base salary. The incentive bonus available to Participants is dependent on the following four standard elements:

   - 30% of Bonus — Overall Orion Marine Group Financial Performance relative to plan;
   - 35%-45% of Bonus — Subsidiary Financial Performance relative to plan;
   - 15%-20% of Bonus — Individual Goals established by the President or CEO of Orion Marine Group; and
   - 10%-20% of Bonus — Subsidiary Safety Performance.

   The percentages for Subsidiary Financial Performance, Individual Goals and Subsidiary Safety Performance may be adjusted for an individual Participant at the discretion of the President or CEO of Orion Marine Group.

6. The Individual Goals element for each Participant will be established at the discretion of the Orion Marine Group's CEO, President and Sr. Management Team. Objectives may include safety record, a business

unit's operating, financial, and sales growth results, performance improvement, and other specific items.

7. Determination of achievement of goals shall be at the sole and absolute discretion of the SIP Administrator.

VI. Award Allocation

8. Earned awards are payable only if a SIP Participant is an employee in good standing. Good standing means that, at the time of payout, an employee:
    a) has not resigned,
    b) has not indicated an intention to resign,
    c) has not been notified that their employment has been terminated,
    d) is not on a performance improvement program.
9. If an employee terminates prior to the fiscal year's close because of death or disability, SIP awards will be prorated for the year.

VII. Timing and Payout Form

10. Incentive awards will be calculated and are payable as soon as practical following the close of the fiscal year. Awards will be paid as ordinary income and will be subject to payroll tax withholding.

IV. Plan Administration

11. The SIP Administrator will be a committee appointed by Orion's Senior Management Team.
12. The SIP Administrator will approve annually developed performance measures, performance standards, and award levels.
13. The SIP Administrator will approve all finalized award payments before submission to payroll.
14. The SIP Administrator will have all authority to approve continuation, modification or elimination of the Plan based upon a review of actual results.

Exhibit 10.16

EMPLOYMENT AGREEMENT
(J. Michael Pearson)

This **EMPLOYMENT AGREEMENT**, dated as of April 2, 2007 (this "**Agreement**"), is by and between Orion Marine Group, Inc., a Delaware corporation (the "**Company**"), and J. Michael Pearson (the "**Key Employee**"). This Agreement shall become effective upon the closing of the offering and sale of equity securities by the Company (the "**Effective Date**") pursuant to a Purchase/Placement Agreement to be entered into by and between the Company and Friedman, Billings, Ramsey & Co., Inc. (the "**Financing**"); provided, that this Agreement shall be null and void, and no force or effect, if such closing does not occur within 90 days after the date hereof.

W I T N E S S E T H:

WHEREAS, the Company has identified you as a Key Employee who is an integral part of the Company's operation and management;

WHEREAS, the Company recognizes your efforts as a Key Employee and desires to reward those efforts to protect and enhance the best interests of the Company; and

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 Definitions.

(a) "**Base Salary**" means the Key Employee's base salary described in Section 2.3(a).

(b) "**Board**" means the Board of Directors of the Company.

(c) "**Cause**" means:

(i) A material breach by Key Employee of Section 3.8 of this Agreement (regarding the noncompetition and confidentiality provisions);

(ii) The commission of a criminal act by Key Employee against the Company, including but not limited to fraud, embezzlement or theft;

(iii) The conviction, plea of no contest or nolo contendere, deferred adjudication or unadjudicated probation of Key Employee for any felony or any crime involving moral turpitude; or

(iv) Key Employee's failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Board consistent with the terms of the

Agreement which is not remedied within 30 days after Key Employee's receipt of written notice from the Company.

(d) "**Change in Control**" means the occurrence of any of the following events:

(i) A "change in the ownership of the Company" which will occur on the date that any one person, or more than one person acting as a group, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; however, if any one person or more than one person acting as a group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a "change in the ownership of the Company" (or to cause a "change in the effective control of the Company" within the meaning of Section 1.1(d)(ii) below) and an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, further, however, that for purposes of this Section 1.1(d)(i), the following acquisitions will not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (B) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion. This Section 1.1(d)(i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction.

(ii) A "change in the effective control of the Company" which will occur on the date that either (A) any one person, or more than one person acting as a group, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 35% or more of the total voting power of the stock of the Company, except for (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (z) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion or (B) a majority of the members of the Board are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of a "change in the effective control of the Company," if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this Section 1.1(d)(ii), the acquisition of additional control of the Company by the same person or persons is not considered a "change in the effective control of the Company," or to cause a "change in the ownership of the Company" within the meaning of Section 1.1(d)(i) above.

(iii) A "change in the ownership of a substantial portion of the Company's assets" which will occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross

fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the shareholders of the Company immediately after the transfer, as provided in guidance issued pursuant to the Nonqualified Deferred Compensation Rules, will not constitute a Change in Control.

For purposes of this Section 1.1(d), the provisions of section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided, that stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option. In addition, for purposes of this Section 1.1(d) and except as otherwise provided in an Award agreement, "Company" includes (x) the Company; (y) the entity for whom the Key Employee performs services; and (z) an entity that is a stockholder owning more than 50% of the total fair market value and total voting power (a " **Majority Shareholder**") of the Company or the entity identified in (y) above, or any entity in a chain of entities in which each entity is a Majority Shareholder of another entity in the chain, ending in the Company or the entity identified in (y) above.

(e) "**Code**" means the Internal Revenue Code of 1986, as amended.

(f) "**Disability**" means a Key Employee's disability within the meaning of the Company's long-term disability plan. In the event of a dispute between the parties as to whether the Key Employee is disabled, whether Key Employee is disabled will be determined by the mutual agreement of a physician selected by the Company or its insurers (the "**Company Physician**") and a physician selected by Key Employee (" **Key Employee's Physician**"). In the event that the Company Physician and Key Employee's Physician cannot agree on whether Key Employee is Disabled, such determination will be made by a third physician who is jointly selected by the Company Physician and Key Employee's Physician.

(g) "**Good Reason**" means:

(i) a substantial reduction of Key Employee's Base Salary without Key Employee's consent,

(ii) a substantial reduction of Key Employee's duties (without the Key Employee's consent) from those in effect as of the Effective Date or as subsequently agreed to by Key Employee and the Company, or

(iii) the relocation of the Key Employee's primary work site to a location greater than 50 miles from the Key Employee's work site as of the Effective Date.

(h) "**Nonqualified Deferred Compensation Rules**" means the limitations or requirements of section 409A of the Code and the regulations promulgated thereunder.

(i) "**Protection Period**" means the period beginning on the date that is three months prior to the occurrence of a Change in Control and ending 12 months following the occurrence of a Change in Control.

(j) "**Severance Pay**" means

(i) six months of Key Employee's Base Salary as of the date of his termination of employment payable on account of a termination Without Cause or a termination by Key Employee for Good Reason not related to a Change in Control or not during the Protection Period; and

(ii) three years of Key Employee's Base Salary as of the date of his termination of employment on account of a termination Without Cause or a termination by Key Employee for Good Reason during the Protection Period that is related to a Change in Control.

(k) "**Severance Period**" means:

(i) six months with respect to Severance Pay payable on account of a termination Without Cause or a termination by Key Employee for Good Reason not related to a Change in Control or not during the Protection Period; and

(ii) three years with respect to Severance Pay payable on account of a termination Without Cause or a termination by Key Employee for Good Reason during the Protection Period that is related to a Change in Control.

(l) "**Without Cause**" means termination by the Company of Key Employee's employment at the Company's sole discretion for any reason, other than by reason of Key Employee's death or Disability, and other than a termination based upon Cause.

1.2 Interpretations. In this Agreement, unless a clear contrary intention appears, (a) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; (b) reference to any Article or Section, means such Article or Section hereof; and (c) the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Term. The term of this Agreement will be two years commencing on the Effective Date of this Agreement (the " **Initial Term**"). The Agreement may be extended for an additional period at the end of the Initial Term ("**Renewal Term**") upon the mutual agreement of the parties entered into at least 30 days prior to the end of the Initial Term.

2.2 Position, Duties and Services. The Key Employee will have such duties and powers as will be determined from time to time by the Board consistent therewith. The Key Employee will perform diligently and to the best of his abilities such duties. The Key Employee's employment will be subject to the supervision and direction of the Board.

2.3 Compensation.

(a) Base Salary. Key Employee will receive an initial Base Salary at the rate of $300,000 per annum payable in periodic installments in accordance with the Company's normal payroll practices and procedures, which base salary may be modified by the Company from time to time.

(b) Bonuses and Perquisites. During the Employment Period, Key Employee will be entitled to bonuses and perquisites as determined by the Board in its discretion.

(c) Incentive, Savings, Profit Sharing, and Retirement Plans. During the Employment Period, Key Employee will be entitled to participate in all incentive, savings, profit sharing and retirement plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

(d) Welfare Benefit Plans. During the Employment Term, Key Employee and/or Key Employee's family, as the case may be, will be eligible for participation in and will receive all benefits under the welfare benefit plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

2.4 Severance Benefit. Key Employee will be entitled to receive the severance benefits described in ARTICLE III upon his termination of employment during the term of this Agreement described in Section 2.1 provided he satisfies the requirements outlined in ARTICLE III.

ARTICLE III
EARLY TERMINATION

3.1 Death. Upon the death of Key Employee during the Employment Period, the Agreement will terminate and Key Employee's estate will be entitled to payment of his Base Salary through the date of such termination plus any benefits accrued up to the date of his death payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.2 Disability. In the event of Key Employee's Disability during the term of this Agreement described in Section 2.1, the Company may terminate Key Employee's employment in which case this Agreement will terminate and Key Employee will be entitled to payment of the following benefits: (a) his Base Salary through the date of such termination; (b) long-term disability benefits pursuant to the terms of any long-term disability policy provided to similarly situated employees of the Company in which Key Employee has elected to participate; and (c) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.3 Termination for Cause or Voluntary Resignation by Key Employee. If Key Employee's employment is terminated during the term of this Agreement for Cause, or Key Employee voluntarily resigns from the employment of the Company without Good Reason, the Company will pay Key Employee through the date of termination (a) his Base Salary in effect at

the time notice of termination is given and (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.4 Termination Without Cause or for Good Reason Unrelated to a Change in Control. If, during the term of this Agreement as described in Section 2.1, the Key Employee's employment is terminated by the Company Without Cause or Key Employee terminates his employment with the Company for Good Reason, that is unrelated to a Change in Control or is not during the Protection Period, he will be entitled to (a) his unpaid Base Salary through the date of termination; (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant; and (c) Severance Pay over the course of the Severance Period. Such Severance Pay will be paid pursuant to the Company's normal payroll practices.

3.5 Termination Without Cause or for Good Reason Related to a Change in Control. If Key Employee's employment is terminated by the Company Without Cause or Key Employee terminates his employment with the Company for Good Reason during the Protection Period in connection with a Change in Control he will be entitled to (a) his unpaid Base Salary through the date of termination; (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant; and (c) Severance Pay over the course of the Severance Period. Such severance pay will be paid pursuant to the Company's normal payroll practices.

3.6 Termination of Company's Obligations. Upon termination of Key Employee's employment for any reason, the Company's obligations under this Agreement will terminate and Key Employee will be entitled to no compensation and benefits other than that provided in this ARTICLE III. Notwithstanding such termination, the parties' obligations under Section 3.8 of this Agreement will remain in full force and effect.

3.7 Release. Notwithstanding the foregoing provisions of this Section 3.7, Key Employee will be entitled to the additional benefits specified in Section 3.4 (regarding termination Without Cause or for Good Reason unrelated to a Change in Control) and Section 3.5 (regarding termination Without Cause or for Good Reason related to a Change in Control) (*i.e.*, those in addition to the payment of his Base Salary through the date of termination and any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant), only upon his execution (and non-revocation) of a waiver and release of all claims in a form acceptable to the Company.

3.8 Non-Competition, Confidentiality.

(a) Agreement not to Compete. In consideration of the Company's promise to provide Key Employee with Confidential Information, as defined in Section 3.8(b), the other mutual promises contained in this Agreement, and Key Employee's employment with the Company, and so as to enforce Key Employee's promises regarding Confidential Information contained in Section 3.8(b) of this Agreement, Key Employee agrees that in the event his employment with the Company is terminated for any reason whatsoever, Key Employee will not, during the Severance Period (extended by any period of time during which Key Employee is in violation of this Section 3.8), directly or indirectly, carry on or conduct, in competition with the

Company or its subsidiaries or affiliates, any business of the nature in which the Company or its subsidiaries or affiliates are then engaged in any geographical area in which the Company or its subsidiaries or affiliates engage in business at the time of such termination or in which any of them, prior to termination of Key Employee's employment, evidenced in writing, at any time during the six month period prior to such termination, an intention to engage in such business. Key Employee agrees that he will not so conduct or engage in any such business either as an individual on his own account or as a partner or joint venturer or as an Key Employee, agent, consultant or salesman for any other person or entity, or as an officer or director of a corporation or as a shareholder in a corporation of which he will then own 10% or more of any class of stock.

(b) Confidential Information. The Company makes a binding promise not conditioned upon continued employment to provide Key Employee with certain Confidential Information above and beyond any Confidential Information Key Employee may have previously received. Key Employee will not, directly or indirectly, at any time following termination of his employment with the Company, reveal, divulge or make known to any person or entity, or use for Key Employee's personal benefit (including, without limitation, for the purpose of soliciting business, whether or not competitive with any business of the Company or any of its subsidiaries or affiliates), any information acquired during the Employment Period with regard to the financial, business or other affairs of the Company or any of its subsidiaries or affiliates (including, without limitation, any list or record of persons or entities with which the Company or any of its subsidiaries or affiliates has any dealings), other than (i) information already in the public domain; (ii) information of a type not considered confidential by persons engaged in the same business or a business similar to that conducted by the Company or its subsidiaries and affiliates; or (iii) information that Key Employee is required to disclose under the following circumstances: (A) at the express direction of any authorized governmental entity; (B) pursuant to a subpoena or other court process; (C) as otherwise required by law or the rules, regulations, or orders of any applicable regulatory body; or (D) as otherwise necessary, in the opinion of counsel for Key Employee, to be disclosed by Key Employee in connection with any legal action or proceeding involving Key Employee and the Company or any subsidiary or affiliate of the Company in his capacity as an employee, officer, director, or stockholder of the Company or any subsidiary or affiliate of the Company. Key Employee will, at any time requested by the Company (either during or within two years after his employment with the Company), promptly deliver to the Company all memoranda, notes, reports, lists and other documents (and all copies thereof) relating to the business of the Company or any of its subsidiaries and affiliates which he may then possess or have under his control.

(c) Reasonableness of Restrictions. Key Employee acknowledges that the geographic boundaries, scope of prohibited activities, and time duration set forth in this Section 3.8 are reasonable in nature and are no broader than are necessary to maintain the confidentiality and the goodwill of the Company and the confidentiality of its Confidential Information and to protect the legitimate business interests of the Company, and that the enforcement of such provisions would not cause Key Employee any undue hardship nor unreasonably interfere with Key Employee's ability to earn a livelihood. If any court determines that any portion of this Section 3.8 is invalid or unenforceable, the remainder of this Section 3.8 will not thereby be affected and will be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 3.8, or any part thereof, to be

unreasonable because of the duration or scope of such provision, such court will have the power to reduce the duration or scope of such provision and to enforce such provision as so reduced.

(d) Enforcement. Upon Key Employee's employment with an entity that is not a subsidiary or affiliate of the Company (a " **Successor Employer**") during the period that the provisions of this Section 3.8 remain in effect, Key Employee will provide such Successor Employer with a copy of this Agreement and will notify the Company of such employment within 30 days thereof. Key Employee agrees that in the event of a breach of the terms and conditions of this Section 3.8 by Key Employee, the Company will be entitled, if it so elects, to institute and prosecute proceedings, either in law or in equity, against Key Employee, to obtain damages for any such breach, or to enjoin Key Employee from any conduct in violation of this Section 3.8.

3.9 Parachute Payments. Notwithstanding anything to the contrary in this Agreement, if Key Employee is a "disqualified individual" (as defined in section 280G(c) of the Code), and the benefits provided for in this ARTICLE III, together with any other payments and benefits which Key Employee has the right to receive from the Company would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the benefits provided hereunder (beginning with any benefit to be paid in cash hereunder) will be reduced (but not below zero) so that the present value of such total amounts and benefits received by Key Employee will be $1.00) less than three times Key Employee's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Key Employee will be subject to the excise tax imposed by section 4999 of the Code. The determination as to whether such a reduction in the amount of the benefits provided hereunder is necessary will be made by the Board in good faith. If a reduced cash payment is made and through error or otherwise that payment, when aggregated with other payments and benefits from the Company used in determining if a "parachute payment" exists, exceeds $1.00 less than three times the Key Employee's base amount, then Key Employee will immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 3.9 will require the Company to be responsible for, or have any liability or obligation with respect to, Key Employee's excise tax liabilities under section 4999 of the Code.

3.10 Payments Subject to Section 409A of the Code. Notwithstanding the foregoing provisions of this ARTICLE III, if the payment of any severance compensation or severance benefits under this ARTICLE III would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B) of the Code, then any such payments that Key Employee would otherwise be entitled to during the first six months following the date of Key Employee's termination of employment will be accumulated and paid on the date that is six months after the date of Key Employee's termination of employment (or if such payment date does not fall on a business day of the Company, the next following business day of the Company), or such earlier date upon which such amount can be paid under section 409A of the Code without being subject to such additional taxes and interest.

ARTICLE IV
MISCELLANEOUS

4.1 Governing Law. This Agreement is governed by and will be construed in accordance with the laws of the State of Texas, without regard to the conflicts of law principles of such State.

4.2 Amendment and Waiver. The provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Company and Key Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement will be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

4.3 Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction by reason of applicable law will, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

4.4 Entire Agreement. Except as provided in the written benefit plans and programs referenced in Section 2.3(c) and Section 2.3(d), this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

4.5 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city, and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

4.6 Headings. The paragraph headings have been inserted for purposes of convenience and will not be used for interpretive purposes.

4.7 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Key Employee's employment by the Company or the terms and conditions of such employment will be made by the members of the Board other than Key Employee (if Key Employee is a member of the Board), and Key Employee will not have any right to vote or decide upon any such matter.

4.8 Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

COMPANY:

ORION MARINE GROUP, INC.

By: /s/ Mark Stauffer
Name: Mark Stauffer
Title: Chief Financial Officer

KEY EMPLOYEE:

/s/ J. Michael Pearson
J. Michael Pearson

Signature Page to
Employment Agreement
(J. Michael Pearson)

Exhibit 10.17

EMPLOYMENT AGREEMENT
(Mark Stauffer)

This **EMPLOYMENT AGREEMENT**, dated as of April 2, 2007 (this "**Agreement**"), is by and between Orion Marine Group, Inc., a Delaware corporation (the "**Company**"), and Mark Stauffer (the "**Key Employee**"). This Agreement shall become effective upon the closing of the offering and sale of equity securities by the Company (the "**Effective Date**") pursuant to a Purchase/Placement Agreement to be entered into by and between the Company and Friedman, Billings, Ramsey & Co., Inc. (the "**Financing**"); provided, that this Agreement shall be null and void, and no force or effect, if such closing does not occur within 90 days after the date hereof.

W I T N E S S E T H:

WHEREAS, the Company has identified you as a Key Employee who is an integral part of the Company's operation and management;

WHEREAS, the Company recognizes your efforts as a Key Employee and desires to reward those efforts to protect and enhance the best interests of the Company; and

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 Definitions.

(a) "**Base Salary**" means the Key Employee's base salary described in Section 2.3(a).

(b) "**Board**" means the Board of Directors of the Company.

(c) "**Cause**" means:

(i) A material breach by Key Employee of Section 3.8 of this Agreement (regarding the noncompetition and confidentiality provisions);

(ii) The commission of a criminal act by Key Employee against the Company, including but not limited to fraud, embezzlement or theft;

(iii) The conviction, plea of no contest or nolo contendere, deferred adjudication or unadjudicated probation of Key Employee for any felony or any crime involving moral turpitude; or

(iv) Key Employee's failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Board consistent with the terms of the Agreement which is not remedied within 30 days after Key Employee's receipt of written notice from the Company.

(d) "**Change in Control**" means the occurrence of any of the following events:

(i) A "change in the ownership of the Company" which will occur on the date that any one person, or more than one person acting as a group, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; however, if any one person or more than one person acting as a group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a "change in the ownership of the Company" (or to cause a "change in the effective control of the Company" within the meaning of Section 1.1(d)(ii) below) and an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, further, however, that for purposes of this Section 1.1(d)(i), the following acquisitions will not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (B) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion. This Section 1.1(d)(i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction.

(ii) A "change in the effective control of the Company" which will occur on the date that either (A) any one person, or more than one person acting as a group, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 35% or more of the total voting power of the stock of the Company, except for (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (z) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion or (B) a majority of the members of the Board are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of a "change in the effective control of the Company," if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this Section 1.1(d)(ii), the acquisition of additional control of the Company by the same person or persons is not considered a "change in the effective control of the Company," or to cause a "change in the ownership of the Company" within the meaning of Section 1.1(d)(i) above.

(iii) A "change in the ownership of a substantial portion of the Company's assets" which will occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being

disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the shareholders of the Company immediately after the transfer, as provided in guidance issued pursuant to the Nonqualified Deferred Compensation Rules, will not constitute a Change in Control.

For purposes of this Section 1.1(d), the provisions of section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided, that stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option. In addition, for purposes of this Section 1.1(d) and except as otherwise provided in an Award agreement, "Company" includes (x) the Company; (y) the entity for whom the Key Employee performs services; and (z) an entity that is a stockholder owning more than 50% of the total fair market value and total voting power (a " **Majority Shareholder**") of the Company or the entity identified in (y) above, or any entity in a chain of entities in which each entity is a Majority Shareholder of another entity in the chain, ending in the Company or the entity identified in (y) above.

(e) "**Code**" means the Internal Revenue Code of 1986, as amended.

(f) "**Disability**" means a Key Employee's disability within the meaning of the Company's long-term disability plan. In the event of a dispute between the parties as to whether the Key Employee is disabled, whether Key Employee is disabled will be determined by the mutual agreement of a physician selected by the Company or its insurers (the "**Company Physician**") and a physician selected by Key Employee (" **Key Employee's Physician**"). In the event that the Company Physician and Key Employee's Physician cannot agree on whether Key Employee is Disabled, such determination will be made by a third physician who is jointly selected by the Company Physician and Key Employee's Physician.

(g) "**Good Reason**" means:

(i) a substantial reduction of Key Employee's Base Salary without Key Employee's consent,

(ii) a substantial reduction of Key Employee's duties (without the Key Employee's consent) from those in effect as of the Effective Date or as subsequently agreed to by Key Employee and the Company, or

(iii) the relocation of the Key Employee's primary work site to a location greater than 50 miles from the Key Employee's work site as of the Effective Date.

(h) "**Nonqualified Deferred Compensation Rules**" means the limitations or requirements of section 409A of the Code and the regulations promulgated thereunder.

(i) "**Protection Period**" means the period beginning on the date that is three months prior to the occurrence of a Change in Control and ending 12 months following the occurrence of a Change in Control.

(j) "**Severance Pay**" means

(i) six months of Key Employee's Base Salary as of the date of his termination of employment payable on account of a termination Without Cause or a termination by Key Employee for Good Reason not related to a Change in Control or not during the Protection Period; and

(ii) three years of Key Employee's Base Salary as of the date of his termination of employment on account of a termination Without Cause or a termination by Key Employee for Good Reason during the Protection Period that is related to a Change in Control.

(k) "**Severance Period**" means:

(i) six months with respect to Severance Pay payable on account of a termination Without Cause or a termination by Key Employee for Good Reason not related to a Change in Control or not during the Protection Period; and

(ii) three years with respect to Severance Pay payable on account of a termination Without Cause or a termination by Key Employee for Good Reason during the Protection Period that is related to a Change in Control.

(l) "**Without Cause**" means termination by the Company of Key Employee's employment at the Company's sole discretion for any reason, other than by reason of Key Employee's death or Disability, and other than a termination based upon Cause.

1.2 Interpretations. In this Agreement, unless a clear contrary intention appears, (a) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; (b) reference to any Article or Section, means such Article or Section hereof; and (c) the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Term. The term of this Agreement will be two years commencing on the Effective Date of this Agreement (the " **Initial Term**"). The Agreement may be extended for an additional period at the end of the Initial Term ("**Renewal Term**") upon the mutual agreement of the parties entered into at least 30 days prior to the end of the Initial Term.

2.2 Position, Duties and Services. The Key Employee will have such duties and powers as will be determined from time to time by the Board consistent therewith. The Key Employee will perform diligently and to the best of his abilities such duties. The Key Employee's employment will be subject to the supervision and direction of the Board.

2.3 Compensation.

(a) Base Salary. Key Employee will receive an initial Base Salary at the rate of $220,000 per annum payable in periodic installments in accordance with the Company's normal payroll practices and procedures, which base salary may be modified by the Company from time to time.

(b) Bonuses and Perquisites. During the Employment Period, Key Employee will be entitled to bonuses and perquisites as determined by the Board in its discretion.

(c) Incentive, Savings, Profit Sharing, and Retirement Plans. During the Employment Period, Key Employee will be entitled to participate in all incentive, savings, profit sharing and retirement plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

(d) Welfare Benefit Plans. During the Employment Term, Key Employee and/or Key Employee's family, as the case may be, will be eligible for participation in and will receive all benefits under the welfare benefit plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

2.4 Severance Benefit. Key Employee will be entitled to receive the severance benefits described in ARTICLE III upon his termination of employment during the term of this Agreement described in Section 2.1 provided he satisfies the requirements outlined in ARTICLE III.

ARTICLE III
EARLY TERMINATION

3.1 Death. Upon the death of Key Employee during the Employment Period, the Agreement will terminate and Key Employee's estate will be entitled to payment of his Base Salary through the date of such termination plus any benefits accrued up to the date of his death payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.2 Disability. In the event of Key Employee's Disability during the term of this Agreement described in Section 2.1, the Company may terminate Key Employee's employment in which case this Agreement will terminate and Key Employee will be entitled to payment of the following benefits: (a) his Base Salary through the date of such termination; (b) long-term disability benefits pursuant to the terms of any long-term disability policy provided to similarly situated employees of the Company in which Key Employee has elected to participate; and (c) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.3 Termination for Cause or Voluntary Resignation by Key Employee. If Key Employee's employment is terminated during the term of this Agreement for Cause, or Key Employee voluntarily resigns from the employment of the Company without Good Reason, the Company will pay Key Employee through the date of termination (a) his Base Salary in effect at

the time notice of termination is given and (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.4 Termination Without Cause or for Good Reason Unrelated to a Change in Control. If, during the term of this Agreement as described in Section 2.1, the Key Employee's employment is terminated by the Company Without Cause or Key Employee terminates his employment with the Company for Good Reason, that is unrelated to a Change in Control or is not during the Protection Period, he will be entitled to (a) his unpaid Base Salary through the date of termination; (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant; and (c) Severance Pay over the course of the Severance Period. Such Severance Pay will be paid pursuant to the Company's normal payroll practices.

3.5 Termination Without Cause or for Good Reason Related to a Change in Control. If Key Employee's employment is terminated by the Company Without Cause or Key Employee terminates his employment with the Company for Good Reason during the Protection Period in connection with a Change in Control he will be entitled to (a) his unpaid Base Salary through the date of termination; (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant; and (c) Severance Pay over the course of the Severance Period. Such severance pay will be paid pursuant to the Company's normal payroll practices.

3.6 Termination of Company's Obligations. Upon termination of Key Employee's employment for any reason, the Company's obligations under this Agreement will terminate and Key Employee will be entitled to no compensation and benefits other than that provided in this ARTICLE III. Notwithstanding such termination, the parties' obligations under Section 3.8 of this Agreement will remain in full force and effect.

3.7 Release. Notwithstanding the foregoing provisions of this Section 3.7, Key Employee will be entitled to the additional benefits specified in Section 3.4 (regarding termination Without Cause or for Good Reason unrelated to a Change in Control) and Section 3.5 (regarding termination Without Cause or for Good Reason related to a Change in Control) (*i.e.*, those in addition to the payment of his Base Salary through the date of termination and any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant), only upon his execution (and non-revocation) of a waiver and release of all claims in a form acceptable to the Company.

3.8 Non-Competition, Confidentiality.

(a) Agreement not to Compete. In consideration of the Company's promise to provide Key Employee with Confidential Information, as defined in Section 3.8(b), the other mutual promises contained in this Agreement, and Key Employee's employment with the Company, and so as to enforce Key Employee's promises regarding Confidential Information contained in Section 3.8(b) of this Agreement, Key Employee agrees that in the event his employment with the Company is terminated for any reason whatsoever, Key Employee will not, during the Severance Period (extended by any period of time during which Key Employee is in violation of this Section 3.8), directly or indirectly, carry on or conduct, in competition with the

Company or its subsidiaries or affiliates, any business of the nature in which the Company or its subsidiaries or affiliates are then engaged in any geographical area in which the Company or its subsidiaries or affiliates engage in business at the time of such termination or in which any of them, prior to termination of Key Employee's employment, evidenced in writing, at any time during the six month period prior to such termination, an intention to engage in such business. Key Employee agrees that he will not so conduct or engage in any such business either as an individual on his own account or as a partner or joint venturer or as an Key Employee, agent, consultant or salesman for any other person or entity, or as an officer or director of a corporation or as a shareholder in a corporation of which he will then own 10% or more of any class of stock.

(b) Confidential Information. The Company makes a binding promise not conditioned upon continued employment to provide Key Employee with certain Confidential Information above and beyond any Confidential Information Key Employee may have previously received. Key Employee will not, directly or indirectly, at any time following termination of his employment with the Company, reveal, divulge or make known to any person or entity, or use for Key Employee's personal benefit (including, without limitation, for the purpose of soliciting business, whether or not competitive with any business of the Company or any of its subsidiaries or affiliates), any information acquired during the Employment Period with regard to the financial, business or other affairs of the Company or any of its subsidiaries or affiliates (including, without limitation, any list or record of persons or entities with which the Company or any of its subsidiaries or affiliates has any dealings), other than (i) information already in the public domain; (ii) information of a type not considered confidential by persons engaged in the same business or a business similar to that conducted by the Company or its subsidiaries and affiliates; or (iii) information that Key Employee is required to disclose under the following circumstances: (A) at the express direction of any authorized governmental entity; (B) pursuant to a subpoena or other court process; (C) as otherwise required by law or the rules, regulations, or orders of any applicable regulatory body; or (D) as otherwise necessary, in the opinion of counsel for Key Employee, to be disclosed by Key Employee in connection with any legal action or proceeding involving Key Employee and the Company or any subsidiary or affiliate of the Company in his capacity as an employee, officer, director, or stockholder of the Company or any subsidiary or affiliate of the Company. Key Employee will, at any time requested by the Company (either during or within two years after his employment with the Company), promptly deliver to the Company all memoranda, notes, reports, lists and other documents (and all copies thereof) relating to the business of the Company or any of its subsidiaries and affiliates which he may then possess or have under his control.

(c) Reasonableness of Restrictions. Key Employee acknowledges that the geographic boundaries, scope of prohibited activities, and time duration set forth in this Section 3.8 are reasonable in nature and are no broader than are necessary to maintain the confidentiality and the goodwill of the Company and the confidentiality of its Confidential Information and to protect the legitimate business interests of the Company, and that the enforcement of such provisions would not cause Key Employee any undue hardship nor unreasonably interfere with Key Employee's ability to earn a livelihood. If any court determines that any portion of this Section 3.8 is invalid or unenforceable, the remainder of this Section 3.8 will not thereby be affected and will be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 3.8, or any part thereof, to be

unreasonable because of the duration or scope of such provision, such court will have the power to reduce the duration or scope of such provision and to enforce such provision as so reduced.

(d) Enforcement. Upon Key Employee's employment with an entity that is not a subsidiary or affiliate of the Company (a " **Successor Employer**") during the period that the provisions of this Section 3.8 remain in effect, Key Employee will provide such Successor Employer with a copy of this Agreement and will notify the Company of such employment within 30 days thereof. Key Employee agrees that in the event of a breach of the terms and conditions of this Section 3.8 by Key Employee, the Company will be entitled, if it so elects, to institute and prosecute proceedings, either in law or in equity, against Key Employee, to obtain damages for any such breach, or to enjoin Key Employee from any conduct in violation of this Section 3.8.

3.9 Parachute Payments. Notwithstanding anything to the contrary in this Agreement, if Key Employee is a "disqualified individual" (as defined in section 280G(c) of the Code), and the benefits provided for in this ARTICLE III, together with any other payments and benefits which Key Employee has the right to receive from the Company would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the benefits provided hereunder (beginning with any benefit to be paid in cash hereunder) will be reduced (but not below zero) so that the present value of such total amounts and benefits received by Key Employee will be $1.00) less than three times Key Employee's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Key Employee will be subject to the excise tax imposed by section 4999 of the Code. The determination as to whether such a reduction in the amount of the benefits provided hereunder is necessary will be made by the Board in good faith. If a reduced cash payment is made and through error or otherwise that payment, when aggregated with other payments and benefits from the Company used in determining if a "parachute payment" exists, exceeds $1.00 less than three times the Key Employee's base amount, then Key Employee will immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 3.9 will require the Company to be responsible for, or have any liability or obligation with respect to, Key Employee's excise tax liabilities under section 4999 of the Code.

3.10 Payments Subject to Section 409A of the Code. Notwithstanding the foregoing provisions of this ARTICLE III, if the payment of any severance compensation or severance benefits under this ARTICLE III would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B) of the Code, then any such payments that Key Employee would otherwise be entitled to during the first six months following the date of Key Employee's termination of employment will be accumulated and paid on the date that is six months after the date of Key Employee's termination of employment (or if such payment date does not fall on a business day of the Company, the next following business day of the Company), or such earlier date upon which such amount can be paid under section 409A of the Code without being subject to such additional taxes and interest.

ARTICLE IV
MISCELLANEOUS

4.1 Governing Law. This Agreement is governed by and will be construed in accordance with the laws of the State of Texas, without regard to the conflicts of law principles of such State.

4.2 Amendment and Waiver. The provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Company and Key Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement will be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

4.3 Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction by reason of applicable law will, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

4.4 Entire Agreement. Except as provided in the written benefit plans and programs referenced in Section 2.3(c) and Section 2.3(d), this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

4.5 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city, and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

4.6 Headings. The paragraph headings have been inserted for purposes of convenience and will not be used for interpretive purposes.

4.7 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Key Employee's employment by the Company or the terms and conditions of such employment will be made by the members of the Board other than Key Employee (if Key Employee is a member of the Board), and Key Employee will not have any right to vote or decide upon any such matter.

4.8 Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

COMPANY:

ORION MARINE GROUP, INC.

By: /s/ J. Michael Pearson
Name: J. Michael Pearson
Title: President and Chief Executive Officer

KEY EMPLOYEE:

/s/ Mark Stauffer
Mark Stauffer

Exhibit 10.18

EMPLOYMENT AGREEMENT
(Elliott Kennedy)

This **EMPLOYMENT AGREEMENT**, dated as of April 2, 2007 (this "**Agreement**"), is by and between Orion Marine Group, Inc., a Delaware corporation (the "**Company**"), and Elliott Kennedy (the "**Key Employee**"). This Agreement shall become effective upon the closing of the offering and sale of equity securities by the Company (the "**Effective Date**") pursuant to a Purchase/Placement Agreement to be entered into by and between the Company and Friedman, Billings, Ramsey & Co., Inc. (the "**Financing**"); provided, that this Agreement shall be null and void, and no force or effect, if such closing does not occur within 90 days after the date hereof.

W I T N E S S E T H:

WHEREAS, the Company has identified you as a Key Employee who is an integral part of the Company's operation and management;

WHEREAS, the Company recognizes your efforts as a Key Employee and desires to reward those efforts to protect and enhance the best interests of the Company; and

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 Definitions.

(a) "**Base Salary**" means the Key Employee's base salary described in Section 2.3(a).

(b) "**Board**" means the Board of Directors of the Company.

(c) "**Cause**" means:

(i) A material breach by Key Employee of Section 3.8 of this Agreement (regarding the noncompetition and confidentiality provisions);

(ii) The commission of a criminal act by Key Employee against the Company, including but not limited to fraud, embezzlement or theft;

(iii) The conviction, plea of no contest or nolo contendere, deferred adjudication or unadjudicated probation of Key Employee for any felony or any crime involving moral turpitude; or

(iv) Key Employee's failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Board consistent with the terms of the

Agreement which is not remedied within 30 days after Key Employee's receipt of written notice from the Company.

(d) "**Change in Control**" means the occurrence of any of the following events:

(i) A "change in the ownership of the Company" which will occur on the date that any one person, or more than one person acting as a group, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; however, if any one person or more than one person acting as a group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a "change in the ownership of the Company" (or to cause a "change in the effective control of the Company" within the meaning of Section 1.1(d)(ii) below) and an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, further, however, that for purposes of this Section 1.1(d)(i), the following acquisitions will not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (B) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion. This Section 1.1(d)(i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction.

(ii) A "change in the effective control of the Company" which will occur on the date that either (A) any one person, or more than one person acting as a group, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 35% or more of the total voting power of the stock of the Company, except for (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (z) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion or (B) a majority of the members of the Board are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of a "change in the effective control of the Company," if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this Section 1.1(d)(ii), the acquisition of additional control of the Company by the same person or persons is not considered a "change in the effective control of the Company," or to cause a "change in the ownership of the Company" within the meaning of Section 1.1(d)(i) above.

(iii) A "change in the ownership of a substantial portion of the Company's assets" which will occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross

fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the shareholders of the Company immediately after the transfer, as provided in guidance issued pursuant to the Nonqualified Deferred Compensation Rules, will not constitute a Change in Control.

For purposes of this Section 1.1(d), the provisions of section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided, that stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option. In addition, for purposes of this Section 1.1(d) and except as otherwise provided in an Award agreement, "Company" includes (x) the Company; (y) the entity for whom the Key Employee performs services; and (z) an entity that is a stockholder owning more than 50% of the total fair market value and total voting power (a " **Majority Shareholder**") of the Company or the entity identified in (y) above, or any entity in a chain of entities in which each entity is a Majority Shareholder of another entity in the chain, ending in the Company or the entity identified in (y) above.

(e) "**Code**" means the Internal Revenue Code of 1986, as amended.

(f) "**Disability**" means a Key Employee's disability within the meaning of the Company's long-term disability plan. In the event of a dispute between the parties as to whether the Key Employee is disabled, whether Key Employee is disabled will be determined by the mutual agreement of a physician selected by the Company or its insurers (the "**Company Physician**") and a physician selected by Key Employee (" **Key Employee's Physician**"). In the event that the Company Physician and Key Employee's Physician cannot agree on whether Key Employee is Disabled, such determination will be made by a third physician who is jointly selected by the Company Physician and Key Employee's Physician.

(g) "**Good Reason**" means:

(i) a substantial reduction of Key Employee's Base Salary without Key Employee's consent,

(ii) a substantial reduction of Key Employee's duties (without the Key Employee's consent) from those in effect as of the Effective Date or as subsequently agreed to by Key Employee and the Company, or

(iii) the relocation of the Key Employee's primary work site to a location greater than 50 miles from the Key Employee's work site as of the Effective Date.

(h) "**Nonqualified Deferred Compensation Rules**" means the limitations or requirements of section 409A of the Code and the regulations promulgated thereunder.

(i) "**Protection Period**" means the period beginning on the date that is three months prior to the occurrence of a Change in Control and ending 12 months following the occurrence of a Change in Control.

(j) "**Severance Pay**" means

(i) six months of Key Employee's Base Salary as of the date of his termination of employment payable on account of a termination Without Cause or a termination by Key Employee for Good Reason not related to a Change in Control or not during the Protection Period; and

(ii) two years of Key Employee's Base Salary as of the date of his termination of employment on account of a termination Without Cause or a termination by Key Employee for Good Reason during the Protection Period that is related to a Change in Control.

(k) "**Severance Period**" means:

(i) six months with respect to Severance Pay payable on account of a termination Without Cause or a termination by Key Employee for Good Reason not related to a Change in Control or not during the Protection Period; and

(ii) two years with respect to Severance Pay payable on account of a termination Without Cause or a termination by Key Employee for Good Reason during the Protection Period that is related to a Change in Control.

(l) "**Without Cause**" means termination by the Company of Key Employee's employment at the Company's sole discretion for any reason, other than by reason of Key Employee's death or Disability, and other than a termination based upon Cause.

1.2 Interpretations. In this Agreement, unless a clear contrary intention appears, (a) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; (b) reference to any Article or Section, means such Article or Section hereof; and (c) the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Term. The term of this Agreement will be two years commencing on the Effective Date of this Agreement (the " **Initial Term**"). The Agreement may be extended for an additional period at the end of the Initial Term ("**Renewal Term**") upon the mutual agreement of the parties entered into at least 30 days prior to the end of the Initial Term.

2.2 Position, Duties and Services. The Key Employee will have such duties and powers as will be determined from time to time by the Board consistent therewith. The Key Employee will perform diligently and to the best of his abilities such duties. The Key Employee's employment will be subject to the supervision and direction of the Board.

2.3 Compensation.

(a) Base Salary. Key Employee will receive an initial Base Salary at the rate of $200,000 per annum payable in periodic installments in accordance with the Company's normal payroll practices and procedures, which base salary may be modified by the Company from time to time.

(b) Bonuses and Perquisites. During the Employment Period, Key Employee will be entitled to bonuses and perquisites as determined by the Board in its discretion.

(c) Incentive, Savings, Profit Sharing, and Retirement Plans. During the Employment Period, Key Employee will be entitled to participate in all incentive, savings, profit sharing and retirement plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

(d) Welfare Benefit Plans. During the Employment Term, Key Employee and/or Key Employee's family, as the case may be, will be eligible for participation in and will receive all benefits under the welfare benefit plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

2.4 Severance Benefit. Key Employee will be entitled to receive the severance benefits described in ARTICLE III upon his termination of employment during the term of this Agreement described in Section 2.1 provided he satisfies the requirements outlined in ARTICLE III.

ARTICLE III
EARLY TERMINATION

3.1 Death. Upon the death of Key Employee during the Employment Period, the Agreement will terminate and Key Employee's estate will be entitled to payment of his Base Salary through the date of such termination plus any benefits accrued up to the date of his death payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.2 Disability. In the event of Key Employee's Disability during the term of this Agreement described in Section 2.1, the Company may terminate Key Employee's employment in which case this Agreement will terminate and Key Employee will be entitled to payment of the following benefits: (a) his Base Salary through the date of such termination; (b) long-term disability benefits pursuant to the terms of any long-term disability policy provided to similarly situated employees of the Company in which Key Employee has elected to participate; and (c) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.3 Termination for Cause or Voluntary Resignation by Key Employee. If Key Employee's employment is terminated during the term of this Agreement for Cause, or Key Employee voluntarily resigns from the employment of the Company without Good Reason, the Company will pay Key Employee through the date of termination (a) his Base Salary in effect at

the time notice of termination is given and (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.4 Termination Without Cause or for Good Reason Unrelated to a Change in Control. If, during the term of this Agreement as described in Section 2.1, the Key Employee's employment is terminated by the Company Without Cause or Key Employee terminates his employment with the Company for Good Reason, that is unrelated to a Change in Control or is not during the Protection Period, he will be entitled to (a) his unpaid Base Salary through the date of termination; (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant; and (c) Severance Pay over the course of the Severance Period. Such Severance Pay will be paid pursuant to the Company's normal payroll practices.

3.5 Termination Without Cause or for Good Reason Related to a Change in Control. If Key Employee's employment is terminated by the Company Without Cause or Key Employee terminates his employment with the Company for Good Reason during the Protection Period in connection with a Change in Control he will be entitled to (a) his unpaid Base Salary through the date of termination; (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant; and (c) Severance Pay over the course of the Severance Period. Such severance pay will be paid pursuant to the Company's normal payroll practices.

3.6 Termination of Company's Obligations. Upon termination of Key Employee's employment for any reason, the Company's obligations under this Agreement will terminate and Key Employee will be entitled to no compensation and benefits other than that provided in this ARTICLE III. Notwithstanding such termination, the parties' obligations under Section 3.8 of this Agreement will remain in full force and effect.

3.7 Release. Notwithstanding the foregoing provisions of this Section 3.7, Key Employee will be entitled to the additional benefits specified in Section 3.4 (regarding termination Without Cause or for Good Reason unrelated to a Change in Control) and Section 3.5 (regarding termination Without Cause or for Good Reason related to a Change in Control) (*i.e.*, those in addition to the payment of his Base Salary through the date of termination and any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant), only upon his execution (and non-revocation) of a waiver and release of all claims in a form acceptable to the Company.

3.8 Non-Competition, Confidentiality.

(a) Agreement not to Compete. In consideration of the Company's promise to provide Key Employee with Confidential Information, as defined in Section 3.8(b), the other mutual promises contained in this Agreement, and Key Employee's employment with the Company, and so as to enforce Key Employee's promises regarding Confidential Information contained in Section 3.8(b) of this Agreement, Key Employee agrees that in the event his employment with the Company is terminated for any reason whatsoever, Key Employee will not, during the Severance Period (extended by any period of time during which Key Employee is in violation of this Section 3.8), directly or indirectly, carry on or conduct, in competition with the

Company or its subsidiaries or affiliates, any business of the nature in which the Company or its subsidiaries or affiliates are then engaged in any geographical area in which the Company or its subsidiaries or affiliates engage in business at the time of such termination or in which any of them, prior to termination of Key Employee's employment, evidenced in writing, at any time during the six month period prior to such termination, an intention to engage in such business. Key Employee agrees that he will not so conduct or engage in any such business either as an individual on his own account or as a partner or joint venturer or as an Key Employee, agent, consultant or salesman for any other person or entity, or as an officer or director of a corporation or as a shareholder in a corporation of which he will then own 10% or more of any class of stock.

(b) Confidential Information. The Company makes a binding promise not conditioned upon continued employment to provide Key Employee with certain Confidential Information above and beyond any Confidential Information Key Employee may have previously received. Key Employee will not, directly or indirectly, at any time following termination of his employment with the Company, reveal, divulge or make known to any person or entity, or use for Key Employee's personal benefit (including, without limitation, for the purpose of soliciting business, whether or not competitive with any business of the Company or any of its subsidiaries or affiliates), any information acquired during the Employment Period with regard to the financial, business or other affairs of the Company or any of its subsidiaries or affiliates (including, without limitation, any list or record of persons or entities with which the Company or any of its subsidiaries or affiliates has any dealings), other than (i) information already in the public domain; (ii) information of a type not considered confidential by persons engaged in the same business or a business similar to that conducted by the Company or its subsidiaries and affiliates; or (iii) information that Key Employee is required to disclose under the following circumstances: (A) at the express direction of any authorized governmental entity; (B) pursuant to a subpoena or other court process; (C) as otherwise required by law or the rules, regulations, or orders of any applicable regulatory body; or (D) as otherwise necessary, in the opinion of counsel for Key Employee, to be disclosed by Key Employee in connection with any legal action or proceeding involving Key Employee and the Company or any subsidiary or affiliate of the Company in his capacity as an employee, officer, director, or stockholder of the Company or any subsidiary or affiliate of the Company. Key Employee will, at any time requested by the Company (either during or within two years after his employment with the Company), promptly deliver to the Company all memoranda, notes, reports, lists and other documents (and all copies thereof) relating to the business of the Company or any of its subsidiaries and affiliates which he may then possess or have under his control.

(c) Reasonableness of Restrictions. Key Employee acknowledges that the geographic boundaries, scope of prohibited activities, and time duration set forth in this Section 3.8 are reasonable in nature and are no broader than are necessary to maintain the confidentiality and the goodwill of the Company and the confidentiality of its Confidential Information and to protect the legitimate business interests of the Company, and that the enforcement of such provisions would not cause Key Employee any undue hardship nor unreasonably interfere with Key Employee's ability to earn a livelihood. If any court determines that any portion of this Section 3.8 is invalid or unenforceable, the remainder of this Section 3.8 will not thereby be affected and will be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 3.8, or any part thereof, to be

unreasonable because of the duration or scope of such provision, such court will have the power to reduce the duration or scope of such provision and to enforce such provision as so reduced.

(d) Enforcement. Upon Key Employee's employment with an entity that is not a subsidiary or affiliate of the Company (a " **Successor Employer**") during the period that the provisions of this Section 3.8 remain in effect, Key Employee will provide such Successor Employer with a copy of this Agreement and will notify the Company of such employment within 30 days thereof. Key Employee agrees that in the event of a breach of the terms and conditions of this Section 3.8 by Key Employee, the Company will be entitled, if it so elects, to institute and prosecute proceedings, either in law or in equity, against Key Employee, to obtain damages for any such breach, or to enjoin Key Employee from any conduct in violation of this Section 3.8.

3.9 Parachute Payments. Notwithstanding anything to the contrary in this Agreement, if Key Employee is a "disqualified individual" (as defined in section 280G(c) of the Code), and the benefits provided for in this ARTICLE III, together with any other payments and benefits which Key Employee has the right to receive from the Company would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the benefits provided hereunder (beginning with any benefit to be paid in cash hereunder) will be reduced (but not below zero) so that the present value of such total amounts and benefits received by Key Employee will be $1.00) less than three times Key Employee's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Key Employee will be subject to the excise tax imposed by section 4999 of the Code. The determination as to whether such a reduction in the amount of the benefits provided hereunder is necessary will be made by the Board in good faith. If a reduced cash payment is made and through error or otherwise that payment, when aggregated with other payments and benefits from the Company used in determining if a "parachute payment" exists, exceeds $1.00 less than three times the Key Employee's base amount, then Key Employee will immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 3.9 will require the Company to be responsible for, or have any liability or obligation with respect to, Key Employee's excise tax liabilities under section 4999 of the Code.

3.10 Payments Subject to Section 409A of the Code. Notwithstanding the foregoing provisions of this ARTICLE III, if the payment of any severance compensation or severance benefits under this ARTICLE III would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B) of the Code, then any such payments that Key Employee would otherwise be entitled to during the first six months following the date of Key Employee's termination of employment will be accumulated and paid on the date that is six months after the date of Key Employee's termination of employment (or if such payment date does not fall on a business day of the Company, the next following business day of the Company), or such earlier date upon which such amount can be paid under section 409A of the Code without being subject to such additional taxes and interest.

ARTICLE IV
MISCELLANEOUS

4.1 Governing Law. This Agreement is governed by and will be construed in accordance with the laws of the State of Texas, without regard to the conflicts of law principles of such State.

4.2 Amendment and Waiver. The provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Company and Key Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement will be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

4.3 Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction by reason of applicable law will, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

4.4 Entire Agreement. Except as provided in the written benefit plans and programs referenced in Section 2.3(c) and Section 2.3(d), this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

4.5 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city, and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

4.6 Headings. The paragraph headings have been inserted for purposes of convenience and will not be used for interpretive purposes.

4.7 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Key Employee's employment by the Company or the terms and conditions of such employment will be made by the members of the Board other than Key Employee (if Key Employee is a member of the Board), and Key Employee will not have any right to vote or decide upon any such matter.

4.8 Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

COMPANY:

ORION MARINE GROUP, INC.

By: /s/ J. Michael Pearson
Name: J. Michael Pearson
Title: President and Chief Executive Officer

KEY EMPLOYEE:

/s/ Elliott Kennedy
Elliott Kennedy

Exhibit 10.19

EMPLOYMENT AGREEMENT
(Jim Rose)

This **EMPLOYMENT AGREEMENT**, dated as of April 2, 2007 (this "**Agreement**"), is by and between Orion Marine Group, Inc., a Delaware corporation (the "**Company**"), and Jim Rose (the "**Key Employee**"). This Agreement shall become effective upon the closing of the offering and sale of equity securities by the Company (the "**Effective Date**") pursuant to a Purchase/Placement Agreement to be entered into by and between the Company and Friedman, Billings, Ramsey & Co., Inc. (the "**Financing**"); provided, that this Agreement shall be null and void, and no force or effect, if such closing does not occur within 90 days after the date hereof.

W I T N E S S E T H:

WHEREAS, the Company has identified you as a Key Employee who is an integral part of the Company's operation and management;

WHEREAS, the Company recognizes your efforts as a Key Employee and desires to reward those efforts to protect and enhance the best interests of the Company; and

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

ARTICLE I
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1.1 Definitions.

(a) "**Base Salary**" means the Key Employee's base salary described in Section 2.3(a).

(b) "**Board**" means the Board of Directors of the Company.

(c) "**Cause**" means:

(i) A material breach by Key Employee of Section 3.8 of this Agreement (regarding the noncompetition and confidentiality provisions);

(ii) The commission of a criminal act by Key Employee against the Company, including but not limited to fraud, embezzlement or theft;

(iii) The conviction, plea of no contest or nolo contendere, deferred adjudication or unadjudicated probation of Key Employee for any felony or any crime involving moral turpitude; or

(iv) Key Employee's failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Board consistent with the terms of the Agreement which is not remedied within 30 days after Key Employee's receipt of written notice from the Company.

(d) "**Change in Control**" means the occurrence of any of the following events:

(i) A "change in the ownership of the Company" which will occur on the date that any one person, or more than one person acting as a group, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; however, if any one person or more than one person acting as a group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a "change in the ownership of the Company" (or to cause a "change in the effective control of the Company" within the meaning of Section 1.1(d)(ii) below) and an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, further, however, that for purposes of this Section 1.1(d)(i), the following acquisitions will not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (B) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion. This Section 1.1(d)(i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction.

(ii) A "change in the effective control of the Company" which will occur on the date that either (A) any one person, or more than one person acting as a group, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 35% or more of the total voting power of the stock of the Company, except for (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (z) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion or (B) a majority of the members of the Board are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of a "change in the effective control of the Company," if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this Section 1.1(d)(ii), the acquisition of additional control of the Company by the same person or persons is not considered a "change in the effective control of the Company," or to cause a "change in the ownership of the Company" within the meaning of Section 1.1(d)(i) above.

(iii) A "change in the ownership of a substantial portion of the Company's assets" which will occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being

disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the shareholders of the Company immediately after the transfer, as provided in guidance issued pursuant to the Nonqualified Deferred Compensation Rules, will not constitute a Change in Control.

For purposes of this Section 1.1(d), the provisions of section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided, that stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option. In addition, for purposes of this Section 1.1(d) and except as otherwise provided in an Award agreement, "Company" includes (x) the Company; (y) the entity for whom the Key Employee performs services; and (z) an entity that is a stockholder owning more than 50% of the total fair market value and total voting power (a " **Majority Shareholder**") of the Company or the entity identified in (y) above, or any entity in a chain of entities in which each entity is a Majority Shareholder of another entity in the chain, ending in the Company or the entity identified in (y) above.

(e) "**Code**" means the Internal Revenue Code of 1986, as amended.

(f) "**Disability**" means a Key Employee's disability within the meaning of the Company's long-term disability plan. In the event of a dispute between the parties as to whether the Key Employee is disabled, whether Key Employee is disabled will be determined by the mutual agreement of a physician selected by the Company or its insurers (the "**Company Physician**") and a physician selected by Key Employee (" **Key Employee's Physician**"). In the event that the Company Physician and Key Employee's Physician cannot agree on whether Key Employee is Disabled, such determination will be made by a third physician who is jointly selected by the Company Physician and Key Employee's Physician.

(g) "**Good Reason**" means:

(i) a substantial reduction of Key Employee's Base Salary without Key Employee's consent,

(ii) a substantial reduction of Key Employee's duties (without the Key Employee's consent) from those in effect as of the Effective Date or as subsequently agreed to by Key Employee and the Company, or

(iii) the relocation of the Key Employee's primary work site to a location greater than 50 miles from the Key Employee's work site as of the Effective Date.

(h) "**Nonqualified Deferred Compensation Rules**" means the limitations or requirements of section 409A of the Code and the regulations promulgated thereunder.

(i) "**Protection Period**" means the period beginning on the date that is three months prior to the occurrence of a Change in Control and ending 12 months following the occurrence of a Change in Control.

(j) "**Severance Pay**" means

(i) six months of Key Employee's Base Salary as of the date of his termination of employment payable on account of a termination Without Cause or a termination by Key Employee for Good Reason not related to a Change in Control or not during the Protection Period; and

(ii) two years of Key Employee's Base Salary as of the date of his termination of employment on account of a termination Without Cause or a termination by Key Employee for Good Reason during the Protection Period that is related to a Change in Control.

(k) "**Severance Period**" means:

(i) six months with respect to Severance Pay payable on account of a termination Without Cause or a termination by Key Employee for Good Reason not related to a Change in Control or not during the Protection Period; and

(ii) two years with respect to Severance Pay payable on account of a termination Without Cause or a termination by Key Employee for Good Reason during the Protection Period that is related to a Change in Control.

(l) "**Without Cause**" means termination by the Company of Key Employee's employment at the Company's sole discretion for any reason, other than by reason of Key Employee's death or Disability, and other than a termination based upon Cause.

1.2 Interpretations. In this Agreement, unless a clear contrary intention appears, (a) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; (b) reference to any Article or Section, means such Article or Section hereof; and (c) the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Term. The term of this Agreement will be two years commencing on the Effective Date of this Agreement (the " **Initial Term**"). The Agreement may be extended for an additional period at the end of the Initial Term ("**Renewal Term**") upon the mutual agreement of the parties entered into at least 30 days prior to the end of the Initial Term.

2.2 Position, Duties and Services. The Key Employee will have such duties and powers as will be determined from time to time by the Board consistent therewith. The Key Employee will perform diligently and to the best of his abilities such duties. The Key Employee's employment will be subject to the supervision and direction of the Board.

2.3 Compensation.

(a) Base Salary. Key Employee will receive an initial Base Salary at the rate of $155,000 per annum payable in periodic installments in accordance with the Company's normal payroll practices and procedures, which base salary may be modified by the Company from time to time.

(b) Bonuses and Perquisites. During the Employment Period, Key Employee will be entitled to bonuses and perquisites as determined by the Board in its discretion.

(c) Incentive, Savings, Profit Sharing, and Retirement Plans. During the Employment Period, Key Employee will be entitled to participate in all incentive, savings, profit sharing and retirement plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

(d) Welfare Benefit Plans. During the Employment Term, Key Employee and/or Key Employee's family, as the case may be, will be eligible for participation in and will receive all benefits under the welfare benefit plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

2.4 Severance Benefit. Key Employee will be entitled to receive the severance benefits described in ARTICLE III upon his termination of employment during the term of this Agreement described in Section 2.1 provided he satisfies the requirements outlined in ARTICLE III.

ARTICLE III
EARLY TERMINATION

3.1 Death. Upon the death of Key Employee during the Employment Period, the Agreement will terminate and Key Employee's estate will be entitled to payment of his Base Salary through the date of such termination plus any benefits accrued up to the date of his death payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.2 Disability. In the event of Key Employee's Disability during the term of this Agreement described in Section 2.1, the Company may terminate Key Employee's employment in which case this Agreement will terminate and Key Employee will be entitled to payment of the following benefits: (a) his Base Salary through the date of such termination; (b) long-term disability benefits pursuant to the terms of any long-term disability policy provided to similarly situated employees of the Company in which Key Employee has elected to participate; and (c) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.3 Termination for Cause or Voluntary Resignation by Key Employee. If Key Employee's employment is terminated during the term of this Agreement for Cause, or Key Employee voluntarily resigns from the employment of the Company without Good Reason, the Company will pay Key Employee through the date of termination (a) his Base Salary in effect at

the time notice of termination is given and (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.4 Termination Without Cause or for Good Reason Unrelated to a Change in Control. If, during the term of this Agreement as described in Section 2.1, the Key Employee's employment is terminated by the Company Without Cause or Key Employee terminates his employment with the Company for Good Reason, that is unrelated to a Change in Control or is not during the Protection Period, he will be entitled to (a) his unpaid Base Salary through the date of termination; (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant; and (c) Severance Pay over the course of the Severance Period. Such Severance Pay will be paid pursuant to the Company's normal payroll practices.

3.5 Termination Without Cause or for Good Reason Related to a Change in Control. If Key Employee's employment is terminated by the Company Without Cause or Key Employee terminates his employment with the Company for Good Reason during the Protection Period in connection with a Change in Control he will be entitled to (a) his unpaid Base Salary through the date of termination; (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant; and (c) Severance Pay over the course of the Severance Period. Such severance pay will be paid pursuant to the Company's normal payroll practices.

3.6 Termination of Company's Obligations. Upon termination of Key Employee's employment for any reason, the Company's obligations under this Agreement will terminate and Key Employee will be entitled to no compensation and benefits other than that provided in this ARTICLE III. Notwithstanding such termination, the parties' obligations under Section 3.8 of this Agreement will remain in full force and effect.

3.7 Release. Notwithstanding the foregoing provisions of this Section 3.7, Key Employee will be entitled to the additional benefits specified in Section 3.4 (regarding termination Without Cause or for Good Reason unrelated to a Change in Control) and Section 3.5 (regarding termination Without Cause or for Good Reason related to a Change in Control) (*i.e.*, those in addition to the payment of his Base Salary through the date of termination and any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant), only upon his execution (and non-revocation) of a waiver and release of all claims in a form acceptable to the Company.

3.8 Non-Competition, Confidentiality.

(a) Agreement not to Compete. In consideration of the Company's promise to provide Key Employee with Confidential Information, as defined in Section 3.8(b), the other mutual promises contained in this Agreement, and Key Employee's employment with the Company, and so as to enforce Key Employee's promises regarding Confidential Information contained in Section 3.8(b) of this Agreement, Key Employee agrees that in the event his employment with the Company is terminated for any reason whatsoever, Key Employee will not, during the Severance Period (extended by any period of time during which Key Employee is in violation of this Section 3.8), directly or indirectly, carry on or conduct, in competition with the

Company or its subsidiaries or affiliates, any business of the nature in which the Company or its subsidiaries or affiliates are then engaged in any geographical area in which the Company or its subsidiaries or affiliates engage in business at the time of such termination or in which any of them, prior to termination of Key Employee's employment, evidenced in writing, at any time during the six month period prior to such termination, an intention to engage in such business. Key Employee agrees that he will not so conduct or engage in any such business either as an individual on his own account or as a partner or joint venturer or as an Key Employee, agent, consultant or salesman for any other person or entity, or as an officer or director of a corporation or as a shareholder in a corporation of which he will then own 10% or more of any class of stock.

(b) Confidential Information. The Company makes a binding promise not conditioned upon continued employment to provide Key Employee with certain Confidential Information above and beyond any Confidential Information Key Employee may have previously received. Key Employee will not, directly or indirectly, at any time following termination of his employment with the Company, reveal, divulge or make known to any person or entity, or use for Key Employee's personal benefit (including, without limitation, for the purpose of soliciting business, whether or not competitive with any business of the Company or any of its subsidiaries or affiliates), any information acquired during the Employment Period with regard to the financial, business or other affairs of the Company or any of its subsidiaries or affiliates (including, without limitation, any list or record of persons or entities with which the Company or any of its subsidiaries or affiliates has any dealings), other than (i) information already in the public domain; (ii) information of a type not considered confidential by persons engaged in the same business or a business similar to that conducted by the Company or its subsidiaries and affiliates; or (iii) information that Key Employee is required to disclose under the following circumstances: (A) at the express direction of any authorized governmental entity; (B) pursuant to a subpoena or other court process; (C) as otherwise required by law or the rules, regulations, or orders of any applicable regulatory body; or (D) as otherwise necessary, in the opinion of counsel for Key Employee, to be disclosed by Key Employee in connection with any legal action or proceeding involving Key Employee and the Company or any subsidiary or affiliate of the Company in his capacity as an employee, officer, director, or stockholder of the Company or any subsidiary or affiliate of the Company. Key Employee will, at any time requested by the Company (either during or within two years after his employment with the Company), promptly deliver to the Company all memoranda, notes, reports, lists and other documents (and all copies thereof) relating to the business of the Company or any of its subsidiaries and affiliates which he may then possess or have under his control.

(c) Reasonableness of Restrictions. Key Employee acknowledges that the geographic boundaries, scope of prohibited activities, and time duration set forth in this Section 3.8 are reasonable in nature and are no broader than are necessary to maintain the confidentiality and the goodwill of the Company and the confidentiality of its Confidential Information and to protect the legitimate business interests of the Company, and that the enforcement of such provisions would not cause Key Employee any undue hardship nor unreasonably interfere with Key Employee's ability to earn a livelihood. If any court determines that any portion of this Section 3.8 is invalid or unenforceable, the remainder of this Section 3.8 will not thereby be affected and will be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 3.8, or any part thereof, to be

unreasonable because of the duration or scope of such provision, such court will have the power to reduce the duration or scope of such provision and to enforce such provision as so reduced.

(d) Enforcement. Upon Key Employee's employment with an entity that is not a subsidiary or affiliate of the Company (a " **Successor Employer**") during the period that the provisions of this Section 3.8 remain in effect, Key Employee will provide such Successor Employer with a copy of this Agreement and will notify the Company of such employment within 30 days thereof. Key Employee agrees that in the event of a breach of the terms and conditions of this Section 3.8 by Key Employee, the Company will be entitled, if it so elects, to institute and prosecute proceedings, either in law or in equity, against Key Employee, to obtain damages for any such breach, or to enjoin Key Employee from any conduct in violation of this Section 3.8.

3.9 Parachute Payments. Notwithstanding anything to the contrary in this Agreement, if Key Employee is a "disqualified individual" (as defined in section 280G(c) of the Code), and the benefits provided for in this ARTICLE III, together with any other payments and benefits which Key Employee has the right to receive from the Company would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the benefits provided hereunder (beginning with any benefit to be paid in cash hereunder) will be reduced (but not below zero) so that the present value of such total amounts and benefits received by Key Employee will be $1.00) less than three times Key Employee's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Key Employee will be subject to the excise tax imposed by section 4999 of the Code. The determination as to whether such a reduction in the amount of the benefits provided hereunder is necessary will be made by the Board in good faith. If a reduced cash payment is made and through error or otherwise that payment, when aggregated with other payments and benefits from the Company used in determining if a "parachute payment" exists, exceeds $1.00 less than three times the Key Employee's base amount, then Key Employee will immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 3.9 will require the Company to be responsible for, or have any liability or obligation with respect to, Key Employee's excise tax liabilities under section 4999 of the Code.

3.10 Payments Subject to Section 409A of the Code. Notwithstanding the foregoing provisions of this ARTICLE III, if the payment of any severance compensation or severance benefits under this ARTICLE III would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B) of the Code, then any such payments that Key Employee would otherwise be entitled to during the first six months following the date of Key Employee's termination of employment will be accumulated and paid on the date that is six months after the date of Key Employee's termination of employment (or if such payment date does not fall on a business day of the Company, the next following business day of the Company), or such earlier date upon which such amount can be paid under section 409A of the Code without being subject to such additional taxes and interest.

ARTICLE IV
MISCELLANEOUS

4.1 Governing Law. This Agreement is governed by and will be construed in accordance with the laws of the State of Texas, without regard to the conflicts of law principles of such State.

4.2 Amendment and Waiver. The provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Company and Key Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement will be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

4.3 Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction by reason of applicable law will, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

4.4 Entire Agreement. Except as provided in the written benefit plans and programs referenced in Section 2.3(c) and Section 2.3(d), this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

4.5 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city, and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

4.6 Headings. The paragraph headings have been inserted for purposes of convenience and will not be used for interpretive purposes.

4.7 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Key Employee's employment by the Company or the terms and conditions of such employment will be made by the members of the Board other than Key Employee (if Key Employee is a member of the Board), and Key Employee will not have any right to vote or decide upon any such matter.

4.8 Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

COMPANY:

ORION MARINE GROUP, INC.

By: /s/ J. Michael Pearson
Name: J. Michael Pearson
Title: President and Chief Executive Officer

KEY EMPLOYEE:

/s/ Jim Rose
Jim Rose

Signature Page to
Employment Agreement
(Jim Rose)

Exhibit 10.20

EMPLOYMENT AGREEMENT
(J. Cabell Acree III)

This **EMPLOYMENT AGREEMENT**, dated as of August 13, 2007 (this "**Agreement**"), is by and between Orion Marine Group, Inc., a Delaware corporation (the "**Company**"), and J. Cabell Acree III ("**Key Employee**").

W I T N E S S E T H:

WHEREAS, the Company has identified you as a Key Employee who is an integral part of the Company's operation and management;

WHEREAS, the Company recognizes your efforts as a Key Employee and desires to reward those efforts to protect and enhance the best interests of the Company; and

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

1.1 Definitions.

(a) "**Base Salary**" means the Key Employee's weekly base salary described in Section 2.3(a).

(b) "**Board**" means the Board of Directors of the Company.

(c) "**Cause**" means:

(i) A material breach by Key Employee of Section 3.8 of this Agreement (regarding the noncompetition and confidentiality provisions);

(ii) The commission of a criminal act by Key Employee against the Company, including but not limited to fraud, embezzlement or theft;

(iii) The conviction, plea of no contest or nolo contendere, deferred adjudication or unadjudicated probation of Key Employee for any felony or any crime involving moral turpitude; or

(iv) Key Employee's failure or refusal to carry out, or comply with, in any material respect, any lawful directive of the Board consistent with the terms of the Agreement which is not remedied within 30 days after Key Employee's receipt of written notice from the Company.

(d) "**Change in Control**" means the occurrence of any of the following events:

(i) A "change in the ownership of the Company" which will occur on the date that any one person, or more than one person acting as a group, acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; however, if any one person or more than one person acting as a group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a "change in the ownership of the Company" (or to cause a "change in the effective control of the Company" within the meaning of Section 1.1(d)(ii) below) and an increase of the effective percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; provided, further, however, that for purposes of this Section 1.1(d)(i), the following acquisitions will not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (B) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion. This Section 1.1(d)(i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction.

(ii) A "change in the effective control of the Company" which will occur on the date that either (A) any one person, or more than one person acting as a group, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 35% or more of the total voting power of the stock of the Company, except for (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (z) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion or (B) a majority of the members of the Board are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of a "change in the effective control of the Company," if any one person, or more than one person acting as a group, is considered to effectively control the Company within the meaning of this Section 1.1(d)(ii), the acquisition of additional control of the Company by the same person or persons is not considered a "change in the effective control of the Company," or to cause a "change in the ownership of the Company" within the meaning of Section 1.1(d)(i) above.

(iii) A "change in the ownership of a substantial portion of the Company's assets" which will occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being

disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the shareholders of the Company immediately after the transfer, as provided in guidance issued pursuant to the Nonqualified Deferred Compensation Rules, will not constitute a Change in Control.

For purposes of this Section 1.1(d), the provisions of section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; provided, that stock underlying unvested options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds the option. In addition, for purposes of this Section 1.1(d) and except as otherwise provided in an Award agreement, "Company" includes (x) the Company; (y) the entity for whom the Key Employee performs services; and (z) an entity that is a stockholder owning more than 50% of the total fair market value and total voting power (a " **Majority Shareholder**") of the Company or the entity identified in (y) above, or any entity in a chain of entities in which each entity is a Majority Shareholder of another entity in the chain, ending in the Company or the entity identified in (y) above.

(e) "**Code**" means the Internal Revenue Code of 1986, as amended.

(f) "**Disability**" means a Key Employee's disability within the meaning of the Company's long-term disability plan. In the event of a dispute between the parties as to whether the Key Employee is disabled, whether Key Employee is disabled will be determined by the mutual agreement of a physician selected by the Company or its insurers (the "**Company Physician**") and a physician selected by Key Employee (" **Key Employee's Physician**"). In the event that the Company Physician and Key Employee's Physician cannot agree on whether Key Employee is Disabled, such determination will be made by a third physician who is jointly selected by the Company Physician and Key Employee's Physician.

(g) "**Good Reason**" means:

(i) a substantial reduction of Key Employee's Base Salary without Key Employee's consent,

(ii) a substantial reduction of Key Employee's duties (without the Key Employee's consent) from those in effect as of the Effective Date or as subsequently agreed to by Key Employee and the Company, or

(iii) the relocation of the Key Employee's primary work site to a location greater than 50 miles from the Key Employee's work site as of the Effective Date.

(h) "**Nonqualified Deferred Compensation Rules**" means the limitations or requirements of section 409A of the Code and the regulations promulgated thereunder.

(i) "**Protection Period**" means the period beginning on the date that is three months prior to the occurrence of a Change in Control and ending 12 months following the occurrence of a Change in Control.

(j) "**Severance Pay**" means

(i) six months of Key Employee's Base Salary as of the date of his termination of employment payable on account of a termination Without Cause or a termination by Key Employee for Good Reason not related to a Change in Control or not during the Protection Period; and

(ii) two times Key Employee's annual Base Salary as of the date of his termination of employment on account of a termination Without Cause or a termination by Key Employee for Good Reason during the Protection Period that is related to a Change in Control.

(k) "**Severance Period**" means:

(i) six months with respect to Severance Pay payable on account of a termination Without Cause or a termination by Key Employee for Good Reason not related to a Change in Control or not during the Protection Period; and

(ii) two years with respect to Severance Pay payable on account of a termination Without Cause or a termination by Key Employee for Good Reason during the Protection Period that is related to a Change in Control.

(l) "**Without Cause**" means termination by the Company of Key Employee's employment at the Company's sole discretion for any reason, other than by reason of Key Employee's death or Disability, and other than a termination based upon Cause.

1.2 Interpretations. In this Agreement, unless a clear contrary intention appears, (a) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision; (b) reference to any Article or Section, means such Article or Section hereof; and (c) the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term.

ARTICLE II
EMPLOYMENT AND DUTIES

2.1 Term. The term of this Agreement will be two years commencing on the Effective Date of this Agreement (the " **Initial Term**"). The Agreement may be extended for an additional period at the end of the Initial Term ("**Renewal Term**") upon the mutual agreement of the parties entered into at least 30 days prior to the end of the Initial Term.

2.2 Position, Duties and Services. The Key Employee will have such duties and powers as will be determined from time to time by the Board consistent therewith. The Key Employee will perform diligently and to the best of his abilities such duties. The Key Employee's employment will be subject to the supervision and direction of the Board.

2.3 Compensation.

(a) Base Salary. Key Employee will receive an initial Base Salary at the rate of $225,000 per annum payable in periodic installments in accordance with the Company's normal payroll practices and procedures, which base salary may be modified by the Company from time to time.

(b) Bonuses and Perquisites. During the Employment Period, Key Employee will be entitled to bonuses and perquisites as determined by the Board in its discretion.

(c) Incentive, Savings, Profit Sharing, and Retirement Plans. During the Employment Period, Key Employee will be entitled to participate in all incentive, savings, profit sharing and retirement plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

(d) Welfare Benefit Plans. During the Employment Term, Key Employee and/or Key Employee's family, as the case may be, will be eligible for participation in and will receive all benefits under the welfare benefit plans, practices, policies and programs applicable generally, from time to time, to other similarly situated employees of the Company.

2.4 Severance Benefit. Key Employee will be entitled to receive the severance benefits described in ARTICLE III upon his termination of employment during the term of this Agreement described in Section 2.1 provided he satisfies the requirements outlined in ARTICLE III.

ARTICLE III
EARLY TERMINATION

3.1 Death. Upon the death of Key Employee during the Employment Period, the Agreement will terminate and Key Employee's estate will be entitled to payment of his Base Salary through the date of such termination plus any benefits accrued up to the date of his death payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.2 Disability. In the event of Key Employee's Disability during the term of this Agreement described in Section 2.1, the Company may terminate Key Employee's employment in which case this Agreement will terminate and Key Employee will be entitled to payment of the following benefits: (a) his Base Salary through the date of such termination; (b) long-term disability benefits pursuant to the terms of any long-term disability policy provided to similarly situated employees of the Company in which Key Employee has elected to participate; and (c) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.3 Termination for Cause or Voluntary Resignation by Key Employee. If Key Employee's employment is terminated during the term of this Agreement for Cause, or Key Employee voluntarily resigns from the employment of the Company without Good Reason, the Company will pay Key Employee through the date of termination (a) his Base Salary in effect at

the time notice of termination is given and (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant.

3.4 Termination Without Cause or for Good Reason Unrelated to a Change in Control. If, during the term of this Agreement as described in Section 2.1, the Key Employee's employment is terminated by the Company Without Cause or Key Employee terminates his employment with the Company for Good Reason, that is unrelated to a Change in Control or is not during the Protection Period, he will be entitled to (a) his unpaid Base Salary through the date of termination; (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant; and (c) Severance Pay over the course of the Severance Period. Such Severance Pay will be paid pursuant to the Company's normal payroll practices.

3.5 Termination Without Cause or for Good Reason Related to a Change in Control. If Key Employee's employment is terminated by the Company Without Cause or Key Employee terminates his employment with the Company for Good Reason during the Protection Period in connection with a Change in Control he will be entitled to (a) his unpaid Base Salary through the date of termination; (b) payment of any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant; and (c) Severance Pay over the course of the Severance Period. Such severance pay will be paid pursuant to the Company's normal payroll practices.

3.6 Termination of Company's Obligations. Upon termination of Key Employee's employment for any reason, the Company's obligations under this Agreement will terminate and Key Employee will be entitled to no compensation and benefits other than that provided in this ARTICLE III. Notwithstanding such termination, the parties' obligations under Section 3.8 of this Agreement will remain in full force and effect.

3.7 Release. Notwithstanding the foregoing provisions of this Section 3.7, Key Employee will be entitled to the additional benefits specified in Section 3.4 (regarding termination Without Cause or for Good Reason unrelated to a Change in Control) and Section 3.5 (regarding termination Without Cause or for Good Reason related to a Change in Control) (*i.e.*, those in addition to the payment of his Base Salary through the date of termination and any benefits payable pursuant to the terms of the benefit plans specified in Section 2.3 in which Key Employee is a participant), only upon his execution (and non-revocation) of a waiver and release of all claims in a form acceptable to the Company.

3.8 Non-Competition, Confidentiality.

(a) Agreement not to Compete. In consideration of the Company's promise to provide Key Employee with Confidential Information, as defined in Section 3.8(b), the other mutual promises contained in this Agreement, and Key Employee's employment with the Company, and so as to enforce Key Employee's promises regarding Confidential Information contained in Section 3.8(b) of this Agreement, Key Employee agrees that in the event his employment with the Company is terminated for any reason whatsoever, Key Employee will not, during the Severance Period (extended by any period of time during which Key Employee is in violation of this Section 3.8), directly or indirectly, carry on or conduct, in competition with the

Company or its subsidiaries or affiliates, any business of the nature in which the Company or its subsidiaries or affiliates are then engaged in any geographical area in which the Company or its subsidiaries or affiliates engage in business at the time of such termination or in which any of them, prior to termination of Key Employee's employment, evidenced in writing, at any time during the six month period prior to such termination, an intention to engage in such business. Key Employee agrees that he will not so conduct or engage in any such business either as an individual on his own account or as a partner or joint venturer or as an Key Employee, agent, consultant or salesman for any other person or entity, or as an officer or director of a corporation or as a shareholder in a corporation of which he will then own 10% or more of any class of stock.

(b) Confidential Information. The Company makes a binding promise not conditioned upon continued employment to provide Key Employee with certain Confidential Information above and beyond any Confidential Information Key Employee may have previously received. Key Employee will not, directly or indirectly, at any time following termination of his employment with the Company, reveal, divulge or make known to any person or entity, or use for Key Employee's personal benefit (including, without limitation, for the purpose of soliciting business, whether or not competitive with any business of the Company or any of its subsidiaries or affiliates), any information acquired during the Employment Period with regard to the financial, business or other affairs of the Company or any of its subsidiaries or affiliates (including, without limitation, any list or record of persons or entities with which the Company or any of its subsidiaries or affiliates has any dealings), other than (i) information already in the public domain; (ii) information of a type not considered confidential by persons engaged in the same business or a business similar to that conducted by the Company or its subsidiaries and affiliates; or (iii) information that Key Employee is required to disclose under the following circumstances: (A) at the express direction of any authorized governmental entity; (B) pursuant to a subpoena or other court process; (C) as otherwise required by law or the rules, regulations, or orders of any applicable regulatory body; or (D) as otherwise necessary, in the opinion of counsel for Key Employee, to be disclosed by Key Employee in connection with any legal action or proceeding involving Key Employee and the Company or any subsidiary or affiliate of the Company in his capacity as an employee, officer, director, or stockholder of the Company or any subsidiary or affiliate of the Company. Key Employee will, at any time requested by the Company (either during or within two years after his employment with the Company), promptly deliver to the Company all memoranda, notes, reports, lists and other documents (and all copies thereof) relating to the business of the Company or any of its subsidiaries and affiliates which he may then possess or have under his control.

(c) Reasonableness of Restrictions. Key Employee acknowledges that the geographic boundaries, scope of prohibited activities, and time duration set forth in this Section 3.8 are reasonable in nature and are no broader than are necessary to maintain the confidentiality and the goodwill of the Company and the confidentiality of its Confidential Information and to protect the legitimate business interests of the Company, and that the enforcement of such provisions would not cause Key Employee any undue hardship nor unreasonably interfere with Key Employee's ability to earn a livelihood. If any court determines that any portion of this Section 3.8 is invalid or unenforceable, the remainder of this Section 3.8 will not thereby be affected and will be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 3.8, or any part thereof, to be

unreasonable because of the duration or scope of such provision, such court will have the power to reduce the duration or scope of such provision and to enforce such provision as so reduced.

(d) Enforcement. Upon Key Employee's employment with an entity that is not a subsidiary or affiliate of the Company (a " **Successor Employer**") during the period that the provisions of this Section 3.8 remain in effect, Key Employee will provide such Successor Employer with a copy of this Agreement and will notify the Company of such employment within 30 days thereof. Key Employee agrees that in the event of a breach of the terms and conditions of this Section 3.8 by Key Employee, the Company will be entitled, if it so elects, to institute and prosecute proceedings, either in law or in equity, against Key Employee, to obtain damages for any such breach, or to enjoin Key Employee from any conduct in violation of this Section 3.8.

3.9 Parachute Payments. Notwithstanding anything to the contrary in this Agreement, if Key Employee is a "disqualified individual" (as defined in section 280G(c) of the Code), and the benefits provided for in this ARTICLE III, together with any other payments and benefits which Key Employee has the right to receive from the Company would constitute a "parachute payment" (as defined in section 280G(b)(2) of the Code), then the benefits provided hereunder (beginning with any benefit to be paid in cash hereunder) will be reduced (but not below zero) so that the present value of such total amounts and benefits received by Key Employee will be $1.00) less than three times Key Employee's "base amount" (as defined in section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Key Employee will be subject to the excise tax imposed by section 4999 of the Code. The determination as to whether such a reduction in the amount of the benefits provided hereunder is necessary will be made by the Board in good faith. If a reduced cash payment is made and through error or otherwise that payment, when aggregated with other payments and benefits from the Company used in determining if a "parachute payment" exists, exceeds $1.00 less than three times the Key Employee's base amount, then Key Employee will immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 3.9 will require the Company to be responsible for, or have any liability or obligation with respect to, Key Employee's excise tax liabilities under section 4999 of the Code.

3.10 Payments Subject to Section 409A of the Code. Notwithstanding the foregoing provisions of this ARTICLE III, if the payment of any severance compensation or severance benefits under this ARTICLE III would be subject to additional taxes and interest under section 409A of the Code because the timing of such payment is not delayed as provided in section 409A(a)(2)(B) of the Code, then any such payments that Key Employee would otherwise be entitled to during the first six months following the date of Key Employee's termination of employment will be accumulated and paid on the date that is six months after the date of Key Employee's termination of employment (or if such payment date does not fall on a business day of the Company, the next following business day of the Company), or such earlier date upon which such amount can be paid under section 409A of the Code without being subject to such additional taxes and interest.

ARTICLE IV
MISCELLANEOUS

4.1 Governing Law. This Agreement is governed by and will be construed in accordance with the laws of the State of Texas, without regard to the conflicts of law principles of such State.

4.2 Amendment and Waiver. The provisions of this Agreement may be amended, modified or waived only with the prior written consent of the Company and Key Employee, and no course of conduct or failure or delay in enforcing the provisions of this Agreement will be construed as a waiver of such provisions or affect the validity, binding effect or enforceability of this Agreement or any provision hereof.

4.3 Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction by reason of applicable law will, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

4.4 Entire Agreement. Except as provided in the written benefit plans and programs referenced in Section 2.3(c) and Section 2.3(d), this Agreement embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

4.5 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city, and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

4.6 Headings. The paragraph headings have been inserted for purposes of convenience and will not be used for interpretive purposes.

4.7 Actions by the Board. Any and all determinations or other actions required of the Board hereunder that relate specifically to Key Employee's employment by the Company or the terms and conditions of such employment will be made by the members of the Board other than Key Employee (if Key Employee is a member of the Board), and Key Employee will not have any right to vote or decide upon any such matter.

4.8 Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

COMPANY:

ORION MARINE GROUP, INC.

By: /s/ J. Michael Pearson
Name: J. Michael Pearson
Title: President and Chief Executive Officer

KEY EMPLOYEE:

/s/ J. Cabell Acree III

Exhibit 21.1

LIST OF SUBSIDIARIES

Name of Subsidiary	Jurisdiction of Formation	Effective Ownership
Orion Administrative Services, Inc.	Texas	Orion Marine Group, Inc. — 100%
OCLP, LLC	Nevada	Orion Marine Group, Inc. — 100%
OCGP, LLC	Texas	OCLP, LLC — 100%
Orion Construction LP	Texas	OCLP, LLC — 99% OCGP, LLC — 1%
Misener Marine Construction, Inc.	Florida	Orion Construction LP — 100%
KFMSLP, LLC	Nevada	Orion Construction LP — 100%
KFMSGP, LLC	Texas	KFMSLP, LLC — 100%
King Fisher Marine Service LP	Texas	KFMSLP, LLC — 99% KFMSGP, LLC — 1%
F. Miller Construction, LLC	Louisiana	Orion Marine Group, Inc. — 100%

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated August 20, 2007, accompanying the consolidated financial statements and schedule of Orion Marine Group, Inc. contained in the Registration Statement on Form S-1 and related Prospectus. We consent to the use of the aforementioned reports in the Registration Statement on Form S-1 and related Prospectus, and to the use of our name as it appears under the caption "Experts."

/s/ GRANT THORNTON LLP

Houston, Texas
August 20, 2007