

SURETY PERFORMANCE BOND

KNOW ALL BY THESE PRESENTS:

That HAWAIIAN DREDGING CONSTRUCTION COMPANY, INC. as Contractor, hereinafter called Principal, and Fidelity and Deposit Company of Maryland and Zurich American Insurance Company, Acting Jointly & Severally as Surety, hereinafter called Surety, a corporation(s) authorized to transact business as a surety in the State of Hawaii, are held and firmly bound unto the State of Hawaii, its successors and assigns, hereinafter called Obligee, in the amount of EIGHTEEN MILLION FOUR HUNDRED TWENTY THREE THOUSAND AND NO/100 DOLLARS (\$18,423,000.00), to which payment Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above-bound Principal has entered into a Contract with Obligee dated DEC -3 2002 for "HAWAII BELT ROAD, KUPAPAULUA BRIDGE WIDENING, ISLAND OF HAWAII, FEDERAL-AID PROJECT NO. BR-019-2(38)", hereinafter called Contract, which Contract is incorporated herein by reference and made a part hereof.

NOW THEREFORE, the condition of this obligation is such that:

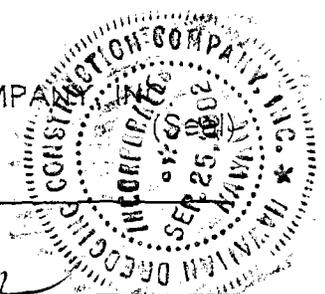
If the Principal shall promptly and faithfully perform, and fully complete the Contract in strict accordance with the terms of the Contract as said Contract may be modified or amended from time to time; then this obligation shall be void; otherwise to remain in full force and effect.

Surety to this Bond hereby stipulates and agrees that no changes, extensions of time, alterations, or additions to the terms of the Contract, including the work to be performed thereunder, and the specifications or drawings accompanying same, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such changes, extensions of time, alterations, or additions, and agrees that they shall become part of the Contract.

In the event of Default by the Principal, of the obligations under the Contract, then after written Notice of Default from the Obligee to the Surety and the Principal and subject to the limitation of the penal sum of this bond, Surety shall remedy the Default, or take over the work to be performed under the Contract and complete such work, or pay moneys to the Obligee in satisfaction of the surety's performance obligation on this bond.

Signed this 3rd day of December, 2002

HAWAIIAN DREDGING
CONSTRUCTION COMPANY



Name of Principal

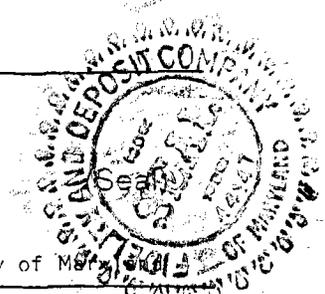
* William J. Wilson

Signature

William J. Wilson

President

Title



Fidelity and Deposit Company of Maryland

Name of Surety

* Richard Adair

Signature

Richard Adair, Attorney in Fact

Title

Zurich American Insurance Company

Andrew K. Platt
BY: Andrew K. Platt, Attorney in Fact



*ALL SIGNATURES MUST BE ACKNOWLEDGED
BY A NOTARY PUBLIC