

CONTRACT

THIS AGREEMENT, made this 14th day of December, 2004,  
by and between the STATE OF HAWAII, by its Director of Transportation, hereinafter referred  
to as "STATE", and GRACE PACIFIC CORPORATION, a Hawaii corporation, whose business  
and/or mailing address is P. O. Box 78, Honolulu, Hawaii 96810, hereinafter referred to as  
"CONTRACTOR".

WITNESSETH: That for and in consideration of the payments hereinafter mentioned, the  
CONTRACTOR hereby covenants and agrees with the STATE to complete in place, furnish and  
pay for all labor and materials necessary for "QUEEN KAAHUMANU HIGHWAY,  
RESURFACING AND INTERSECTION IMPROVEMENTS, KEKAHA KAI STATE PARK  
AND SCENIC LOOKOUT, VICINITY OF MP 92.5 TO MP 81.63, DISTRICT OF NORTH  
KONA, ISLAND OF HAWAII, FEDERAL AID PROJECT NO. NH-019-1(35)",  
or such a part thereof as shall be required by the STATE, the total amount of which labor,  
material and construction shall be computed at the unit and/or lump sum prices set forth in the  
attached proposal schedule and shall be the sum of FIVE MILLION TWO HUNDRED FORTY  
SEVEN THOUSAND TWO HUNDRED THIRTY THREE AND 90/100-----DOLLARS  
(\$5,247,233.90) as follows:

SUM OF ALL ITEMS .....\$5,247,233.90

which sum shall be provided from the following funds:

Federal Funds.....	\$ 4,167,217.52
State Funds.....	\$ 1,041,804.38
Sandwich Isles Communications, Inc.....	\$ 38,212.00
Total.....	\$ 5,247,233.90

all in accordance with the Hawaii Standard Specifications for Road and Bridge Construction, 1994, or such other standard specifications as may be provided for specifically herein, the special provisions, the amendments to special provisions, if any, all of which are hereinafter referred to as "specifications", the notice to bidders, the instructions to bidders, the proposal and plans for FEDERAL AID PROJECT NO. NH-019-1(35) on file in the office of the Director of Transportation. These documents, together with all alterations, amendments, additions and deductions thereto or therefrom, are attached hereto and/or incorporated herein by reference and made a part of this contract.

The CONTRACTOR hereby covenants and agrees to complete such construction within ONE HUNDRED EIGHTY (180) CALENDAR DAYS subject, however, to such extensions as may be provided for in writing under the specifications.

For and in consideration of the covenants, undertakings and agreements of the CONTRACTOR herein set forth and upon the full and faithful performance thereof by the CONTRACTOR, the STATE hereby agrees to pay the CONTRACTOR the sum of FIVE MILLION TWO HUNDRED FORTY SEVEN THOUSAND TWO HUNDRED THIRTY THREE AND 90/100-----DOLLARS (\$5,247,233.90) in lawful money, but not more than such part of the same as is actually earned according to the STATE's determination of the actual quantities of work performed and materials furnished by the CONTRACTOR at the unit or lump sum prices set forth in the attached proposal schedule. Such payment, including any extras, shall be made, subject to such additions or deductions hereto or hereafter made in the manner and at

the time prescribed in the specifications and this contract.

In any event, extras, in the amount of TWO HUNDRED SIXTY TWO THOUSAND THREE HUNDRED SIXTY ONE AND 70/100-----DOLLARS (\$262,361.70) in lawful money, shall be provided from the following funds:

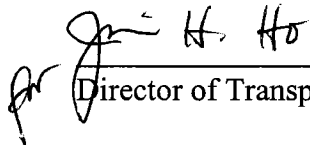
Federal Funds.....	\$ 208,360.88
State Funds.....	\$ 52,090.22
Sandwich Isles Communications, Inc.....	\$ 1,910.60
Total.....	\$ 262,361.70

Where Federal funds are involved, it is covenanted and agreed by and between the parties hereto that the sums of FOUR MILLION ONE HUNDRED SIXTY SEVEN THOUSAND TWO HUNDRED SEVENTEEN AND 52/100-----DOLLARS (\$4,167,217.52) and TWO HUNDRED EIGHT THOUSAND THREE HUNDRED SIXTY AND 88/100-----DOLLARS (\$208,360.88), portions of the contract price and extras, respectively, shall be paid out of the applicable Federal funds, and that this contract shall be construed to be an agreement to pay said sums to the CONTRACTOR only out of the aforesaid Federal funds if and when such Federal funds shall be received from the Federal Government, and that this contract shall not be construed to be a general agreement to pay said portions at all events out of any funds other than those which may be so received from the Federal Government; provided, that if the Federal share of the cost of the project is not immediately forthcoming from the Federal Government, the STATE may advance the CONTRACTOR the anticipated Federal reimbursement of the cost of the completed portions of the work from funds which have been appropriated by the STATE for its pro rata share.

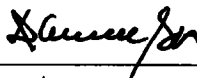
All words used herein in the singular shall extend to and include the plural. All words used in the plural shall extend to and include the singular. The use of any gender shall extend to and include all genders.

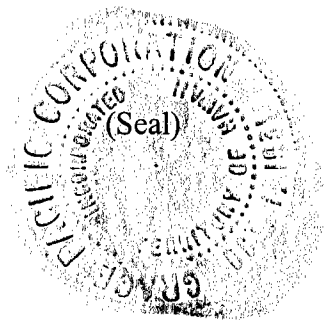
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed the day and year first above written.

STATE OF HAWAII

  
\_\_\_\_\_  
Director of Transportation

GRACE PACIFIC  
CORPORATION

  
\_\_\_\_\_  
Signature\*  
Darrell Goo  
Vice President, Operations  
\_\_\_\_\_  
Title



\*Signature must be acknowledged by  
a notary public.