

SURETY PERFORMANCE BOND

KNOW ALL BY THESE PRESENTS:

BOND NO. TF 0764

That GRACE PACIFIC CORPORATION, as Contractor, hereinafter called Principal, and FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC., 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 Oblige, in the amount of FIVE MILLION FIVE HUNDRED NINE THOUSAND FIVE HUNDRED NINETY FIVE AND 60/100---- DOLLARS (\$5,509,595.60), 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 Oblige dated December 14, 2004 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)" 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.

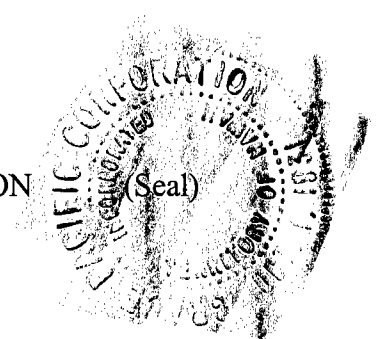
In the event of Default by the Principal, of the obligations under the Contract, then after written Notice of Default from the Obligee to the Surety and the Principal and subject to the limitation of the penal sum of this bond, Surety shall remedy the Default, or take over the work to be performed under 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 14th day of December, 2004.

GRACE PACIFIC CORPORATION

Darrell Goo
Signature*

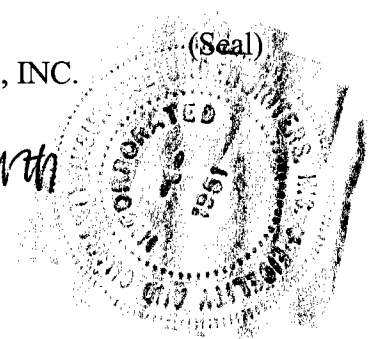
Darrell Goo
Vice President, Operations
Title



FIDELITY AND GUARANTY
INSURANCE UNDERWRITERS, INC.

Kathy Ann McElrath
Signature*

Kathy Ann McElrath
Attorney-in-Fact
Title



*Signatures must be acknowledged
by a notary public