

SURETY LABOR AND MATERIAL PAYMENT BOND

KNOW ALL BY THESE PRESENTS:

That ABHE & SVOBODA, INC. as Contractor, hereinafter called Principal, and FEDERAL INSURANCE COMPANY 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 TWO MILLION NINE HUNDRED NINETY NINE THOUSAND ONE HUNDRED FORTY EIGHT AND NO/100 Dollars (\$2,999,148.00), 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 FEB 11 2005 for "PEDESTRIAN FACILITIES AND ADA COMPLIANCE AT VARIOUS LOCATIONS ON KAUAI, FEDERAL-AID PROJECT NO. CMAQ-0700(50)R" 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 make payment to any Claimant, as hereinafter defined, for all labor and materials supplied to the Principal for use in the performance of the Contract, then this obligation shall be void; otherwise to remain in full force and effect.

1. 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.

2. A "Claimant" shall be defined herein as any person who has furnished labor or materials to the Principal for the work provided in the Contract.

Every Claimant who has not been paid amounts due for labor and materials furnished for work provided in the Contract may institute an action against the Principal and its Surety on this bond at the time and in the manner prescribed in Section 103D-324, Hawaii Revised Statutes, and have the rights and claims adjudicated in the action, and judgment rendered thereon; subject to the Obligee's priority on this bond. If the full amount of the liability of the Surety on this bond is insufficient to pay the full amount of the claims, then after paying the full amount due the Obligee, the remainder shall be distributed pro rata among the claimants.

Signed this 11th day of February, 2005.

ABHE & SVOBODA, INC. (Seal)

NO SEAL

Name of Principal (Contractor)

* *Gail Svoboda*

Signature

Gail Svoboda
President

Title

FEDERAL INSURANCE COMPANY

Name of Surety

* *B. L. Kellar*

Signature

B. L. Kellar
Attorney-in-Fact

Title

*ALL SIGNATURES MUST BE
ACKNOWLEDGED BY A NOTARY PUBLIC