

Bond #  
105013252

## SURETY LABOR AND MATERIAL PAYMENT BOND

### KNOW ALL BY THESE PRESENTS:

That APPLY-A-LINE, INC. as Contractor, hereinafter called Principal, and TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA 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 FIVE HUNDRED THOUSAND AND NO/100 Dollars (\$ 500,000.00 ), 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 signed a Contract with Obligee on January 21, 2008 for "PAVEMENT MARKING REPAIRS AT VARIOUS LOCATION ON OAHU, PROJECT NO. HWY-OM-2007-36" 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 21<sup>st</sup> day of January, 2008.

APPLY-A-LINE, INC.

Michael Liliestrom  
Name of Principal

[Signature]  
Signature

President  
Title

TRAVELERS CASUALTY AND  
SURETY COMPANY OF AMERICA  
(Seal)

Name of Surety

\* [Signature]  
Signature Jim S. Kuroki

Attorney-in-fact  
Title

\*ALL SIGNATURES MUST BE  
ACKNOWLEDGED BY A NOTARY PUBLIC