

CONTRACT

THIS AGREEMENT, made this 24th day of March, 2004, by and between the STATE OF HAWAII, by its Director of Transportation, hereinafter referred to as "STATE", and PREFERRED CONSTRUCTORS, INC., a Hawaii corporation, whose business and/or mailing address is P. O. Box 390, Hauula, Hawaii 96717 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 "KAMEHAMEHA HIGHWAY DRAINAGE IMPROVEMENTS, VICINITY OF WAI'AU POWER PLANT, DISTRICT OF EWA, ISLAND OF OAHU, PROJECT NO. 99E-01-03" 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 FOUR HUNDRED FIFTY TWO THOUSAND THREE HUNDRED SEVENTY TWO AND NO/100-----DOLLARS (\$452,372.00) as follows:

SUM OF ALL ITEMS.....\$452,372.00

which sum shall be provided from state funds, all in accordance with the Hawaii Standard Specifications for Road, Bridge and Public Works 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 PROJECT NO. 99E-01-03, and any supplements thereto, 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 TWENTY (120) WORKING DAYS from the date indicated in the notice to proceed from the STATE subject, however, to such extensions as may be provided for in writing under the specifications.

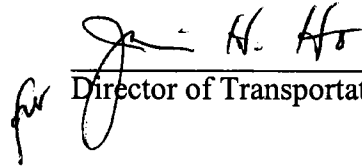
For and in consideration of the covenants, undertakings and agreements of the CONTRACTOR herein set forth and upon the full and faithful performance thereof by the CONTRACTOR, the STATE hereby agrees to pay the CONTRACTOR the sum of FOUR HUNDRED FIFTY TWO THOUSAND THREE HUNDRED SEVENTY TWO AND NO/100---DOLLARS (\$452,372.00) 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 shall not exceed TWENTY TWO THOUSAND SIX HUNDRED NINETEEN AND NO/100-----DOLLARS (\$22,619.00) in lawful money and shall be provided from State funds.

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.

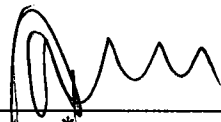
IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed the day and year first above written.

STATE OF HAWAII



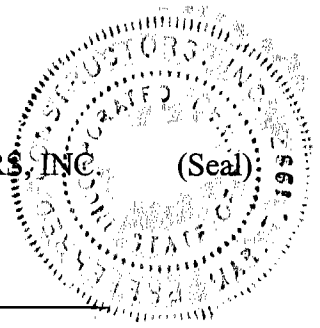
Director of Transportation

PREFERRED CONSTRUCTORS, INC. (Seal)



Signature*
President

Title



*Signature must be acknowledged by a notary public.