

THE
BOND EXCHANGE
AND INSURANCE AGENCY

October 21, 2011

RE: Varkel Construction, Inc.

Dear Prequalification Department:

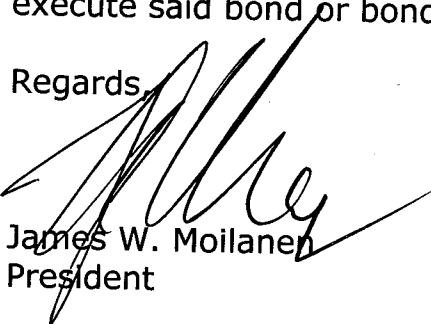
The Bond Exchange & Insurance Agency has the pleasure of handling Varkel Construction, Inc.'s bonding requirements. All bonds provided for Varkel Construction, Inc. are executed through a licensed California carrier, which is Federal Treasury listed and is rated "B+" or greater by A.M. Best. Varkel Construction, Inc.'s is qualified to bond jobs in the \$1 million range.

Our investigation of Varkel Construction, Inc. clearly indicates a company thoroughly versed in the construction industry with a wealth of experienced people who have become known for their ability to complete jobs on schedule and within budget, complemented with excellent workmanship. We have found their relationships with subcontractors and suppliers to be far above average, which we feel is of great importance to a well-run project.

We assure you that based on our normal conditions being prevalent and all underwriting conditions being met, we can foresee no difficulty in fulfilling requests by your organization to execute faithful performance and labor and materials bonds, as required by the terms of any contract awarded to them.

You understand, of course, that any arrangement for the final bond or bonds is a matter between the Contractor and ourselves and we assume no liability to third parties or to you for any reason we do not execute said bond or bonds.

Regards,



James W. Moilanen
President