CNA SURETY

Sacramento Surety Office
8880 Cal Center Drive, Suite 410, Sacramento CA 95826

James E. Reuter
Underwriting Director
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April 28, 2016

To Whom it May Concern:

Re: Nicholas Construction, Inc.

CNA Surety and Western Surety Company have been privileged to handle all of the bonding needs of Nicholas Construction, Inc. for over 13 years. We have approved projects in excess of $10,000,000 and aggregate work programs of $20,000,000. Over our history with Nicholas, they have successfully completed bonded projects totaling over Fifty Million dollars in aggregate.

Nicholas Construction, Inc. has undertaken complex engineering projects specializing in treatment and transmission projects for irrigation, potable, storm and waste water. Nicholas has successfully completed projects for numerous State and local water districts in California. Accordingly, we regard Nicholas to be one of the most well respected general engineering contractors in the region with highly skilled personnel.

Nicholas Construction, Inc. continues to maintain an excellent financial condition. We greatly value our long term relationship with this fine organization and are prepared to bond projects that they wish to undertake. This would contingent upon our satisfaction with the contract documents and Nicholas Construction, Inc. continuing to satisfy other underwriting considerations.

Name of Bonding Company/Surety

Western Surety Company is an admitted surety (approved by the California Department of Insurance) and authorized to issue surety bonds in the State of California. Western Surety Company is rated "A XIII" by A.M. Best and is an approved surety on Federal Bonds under title 31 of the United States Code per U.S. Treasury Circular 570 effective, July 1, 2015.

Name of Surety Agent

Wells Fargo Insurance Services USA, Inc.
10940 White Rock Road- 2nd Floor
Rancho Cordova, Ca 95670
Attention: Thomas R. Hucik 916-589-8036

Sincerely Yours,

James E. Reuter
Underwriting Director