

END OF YEAR RECOMMENDATION LETTER

The end of the year is fast approaching. What you do with your finances before then can have a huge impact on your bond capacity next year. As your bond agent, we highly recommend that you:

* Consult a construction-oriented CPA before year end. Surety underwriters rely heavily on your year-end financial statement. Please contact us for referrals.

* Keep as much money as possible in your company. Be cautious of dividend distributions at year end which reduce your working capital. Remember, "Cash is king in the bond business."

* Invest in a CPA prepared, percentage of completion basis financial statement. These statements should include "notes and schedules." Ask your prospective CPA for a sample financial statement if you are unsure. You will need a "compilation" statement for bonds up to about \$1,000,000. Above that, sureties will require a "reviewed" statement. Statements are due by March 31st.

Note: These comments are based on our observations and experiences relating to bonding only. Please consult with your CPA regarding tax issues.

It is our goal to increase your bonding capacity. Ignoring this advice could result in your inability to bond sizable projects next year. We are available to discuss your questions or concerns, so please call!

Sincere wishes for a Happy Thanksgiving.



Joshua A. Etemadi



Edin R. Zukanovic



John M. Hughes