

BUSINESS PROPOSAL FORM 4
SURETY LETTER OF INTENT
CONSTRUCTION PERFORMANCE BOND
(to be typed on Surety's Letterhead)

John Dettle
Engineering Manager
Public Works Department
City of Torrance
20500 Madrona Avenue
Torrance, CA 90503

Dear Mr. Dettle:

_____ (the "Proposer") has submitted herewith a Proposal in response to the City of Torrance, California's (the "City") Request for Proposals for Design/Build-Operate of the North Torrance Well Field Project (the "RFP"). The RFP requires the Selected Proposer to enter into an agreement to design, construct, and start-up(the "Contract Services") a water production facility (the "Facility"); cause the Facility to meet certain Performance Guarantees and to comply with all applicable permits, licenses, approvals and other Applicable Law; and perform the other related and ancillary responsibilities set forth in the RFP.

The Surety has reviewed the Proposer's Proposal which will form the basis of the Service Contract. The Surety hereby certifies that, subject to its review of the final terms and conditions of the Contract, it intends to issue on behalf of the Proposer, as security for performance under the Contract, a performance bond and a labor and materials payment bond for the benefit of the Proposer, with the City as beneficiary, in the event the Proposer is selected for final negotiations and execution of the Service Contract.

Name of Surety

Name of Authorized Signatory

Signature

Title