EXHIBIT “C”
January 16, 2007

William H. Cilker
CILKER ORCHARDS
1631 Willow Street
Suite 225
San Jose, Ca 95125

RE: ONE PEARL PLACE, STUCCO ISSUES

Dear Mr. Cilker,

I am in receipt of your December 19, 2006 letter and attached photographs raising certain issues related to stucco at the One Pearl Place Apartments. I look forward to meeting with you on January 18, 2007 to review these issues in person and discuss your concerns. To the extent possible, we can also begin to develop a course of action and address any necessary repairs.

That being said and as you are aware, Western National Construction is not in a position to make repairs to any conditions at the property. Moreover, the Settlement Agreement and Release entered between Western National Construction and Cilker Apartments in March of 2006 released certain of these claims directly against Western National Construction. Nonetheless and as we discussed, Western National Construction is willing to assist you in reviewing the conditions at the property, and identifying the proper subcontractors who may be responsible for any such conditions. Moreover, Western National Construction can assist you in contacting and coordinating such subcontractors to make any necessary repairs.

Again, I look forward to seeing you again. Hopefully, we will be able to reach a rapid resolution of these issues.

Sincerely,

WESTERN NATIONAL CONSTRUCTION

[Signature]

President

JG/Hf

cc: Mike Hayde & Jeff Scott