

COUNTY OF EL DORADO

330 Fair Lane
Placerville, CA 95667
(530) 621-5390
(530) 622-3645 Fax

JAMES S. MITRISIN
Clerk of the Board



BOARD OF SUPERVISORS

RON MIKULACO
District I

RAY NUTTING
District II

BRIAN K. VEERKAMP
District III

RON BRIGGS
District IV

NORMA SANTIAGO
District V

October 2, 2013

By email and first class mail

West Valley, LLC
c/o AKT Development Corporation
7700 College Town Drive, Suite 101
Sacramento, CA 95826

Mr. Tim Taron, Esq.
Hefner, Stark & Marois
2150 River Plaza Drive, Suite 450
Sacramento, CA 95833-4136

Lennar Communities, Inc.
1420 Rocky Ridge Drive
Roseville, CA 95661

Re: Silva Valley Parkway Interchange

Gentlemen:

Thank you for appearing at the Board meeting on September 30, 2013, and for previously meeting with the Board's ad hoc committee on September 25, 2013 to discuss the project shortfall and to reach consensus on funding.

On September 30, 2013, at the Board of Supervisors meeting, West Valley, LLC represented to the Board that you are prepared to and will fund the Shortfall, in cash, on the week of October 14, 2013 and no later than close of business on October 17, 2013¹. We appreciate that and look forward to working with you to deliver construction of the Silva Valley Parkway Interchange Project.

County has also indicated its willingness to approve your Proposals inclusive of a reduction in the Shortfall amount by \$2,832,034.00 under the terms set forth by the Board if cash, in the amount of the Shortfall minus that reduction, is received by October 17, 2013.

There remains one matter that we view as a housekeeping issue. We are aware that, prior to the Board of Supervisors meeting on September 30, 2013, West Valley, LLC had taken the position, by letter dated June 10, 2013 and in testimony before the Board on June 11, 2013, that West Valley, LLC viewed the timing of their obligation to fund the Shortfall in cash to be within 30 days of the award of


¹ At the meeting of the ad hoc committee and staff, we presented to you a full accounting, with significant back-up, of the estimated project costs, the balance of the funds in the Silva Valley Parkway Interchange Set-aside Account, and of actual revenues through September 23, 2013. We were pleased to include within that accounting a reduction in project costs as County has now secured the extension of the State and Local Partnership Program ("SLPP") grant to the County in the sum of \$1,000,000.00. The adjusted shortfall identified between the total funding available and the anticipated costs is \$20,535,394.00 (the "Shortfall").

the construction contract. The County disagreed with this interpretation. However, we believe that this timing disagreement need not be resolved. West Valley, LLC representatives have received the County's request for the Shortfall in cash based upon actual bids, and have received a full accounting of the Shortfall. County has conceptually awarded the construction contract to the lowest responsible responsive bidder subject only to the receipt of the Shortfall funds. West Valley, LLC have represented their intent to fund the Shortfall in cash no later than close of business October 17, 2013. Thus, it appears that West Valley, LLC's timing issue is no longer of concern, nevertheless, without waiving any rights, obligations, and defenses County now has with regard to the timing issue, if West Valley, LLC fails to meet the October 17, 2013 funding requirement which is an express condition to approval of your two Proposals by the Board, please consider this letter as written request to fund the Shortfall in its entirety in the sum of \$20,535,394.00 within thirty (30) days of receipt of this letter.

Again, we are pleased that the parties have reached resolution on our differences and found a funding conclusion that meets both parties' needs in a manner that will facilitate the efficient delivery of this very important project.

Sincerely,

By:



Ron Briggs

Chairman, Board of Supervisors