August 22, 2014

Members of the Board,

The check is in the bank! The AC Martin award was \$1,475,994.74. This money will go into the Measure RR account. Our team did great work to secure these funds!

Bill

From: Gary Nellesen Date: 8/20/2014

Subject: Mt. SAC v. AC Martin - Payment of Arbitration Award

Please see the attached information. We received the \$1.4 million, which is the amount of the award less the fee earned by AC Martin but held and not paid. The arbitrator agreed with our assessment of what AC Martin had earned (85% of the construction administration phase).

I have asked Rosa to set up a special account tied to measure R or RR as per the direction we received from bond counsel last year. I recommend that we add the \$1.4 million to the measure RR program contingency.

From: Jessica E. Ehrlich Date: August 20, 2014 To: Gary Nellesen

Subject: Mt. SAC v. AC Martin - Payment of Arbitration Award

Gary,

Please see the <u>attached</u> copy of the letter and check in the amount of \$1,475,994.74 sent overnight to Teresa Patterson's attention representing payment from AC Martin pursuant to the arbitration award.

Thank you.

Best regards, Jessica E. Ehrlich, Esq. Orbach Huff Suarez & Henderson LLP

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