

S. JOSEPH SIMITIAN
SANTA CLARA COUNTY SUPERVISOR, DISTRICT FIVE

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July 22, 2014

Kari Saragusa
Lehigh Hanson, Inc.
12667 Alcosta Blvd.
Suite 400
San Ramon, CA 94583

Dear Mr. Saragusa:

I just wanted to confirm my understanding following our recent conversation regarding Lehigh's obligation under its use permit for a performance bond in the amount of \$75,000. As we discussed, the County has no record that Lehigh has posted such a bond at present, or indeed for a great many years now.

It is my understanding, based on our recent conversation, that you and your team will either provide evidence that such a bond has been posted; or, alternatively, will post a satisfactory bond in the amount of \$75,000 at the earliest possible opportunity. As we discussed, the performance bond in question is necessary in order to meet the conditions of approval under the Lehigh Cement Plant use permit.

It is also my understanding that Lehigh's legal counsel has been in touch with our County Counsel in order to confirm that commitment. Please feel free to be in touch with me personally if there is any need to correct or clarify my understanding. Thank you once again for your prompt response.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Joseph Simitian".

S. Joseph Simitian
County Supervisor, Fifth District

LEHIGH
HEIDELBERGCEMENT Group

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July 29, 2014

The Honorable S. Joseph Simitian
Santa Clara County Supervisor, District Five
70 West Hedding Street, 10th Floor
San Jose, California 95110

Dear Mr. Simitian,

I am in receipt of your letter dated July 22, 2014 regarding a missing performance bond in the amount of \$75,000.

Per our recent conversation, Lehigh immediately researched the bond to determine its origin and any reasons why it was no longer in-place. Our research did not disclose any formal action that terminated the need for the bond based on our Conditional Use Permit. Upon learning this, Lehigh immediately secured a new performance bond in the amount of \$75,000. A record of that bond was delivered to the County's Legal Department earlier this week.

In the end, your understanding was correct. A bond was needed, and that issue has been rectified. Thank you for your assistance in this matter. The County and Lehigh have developed a tremendous working relationship over the last few years. This remedy is proof that open communications and transparency are critical to maintaining a productive partnership.

Sincerely,



Kari D. Saragusa
President, Lehigh Southwest Cement Company