

STANFORD
UNIVERSITY



LARRY HORTON
*Senior Associate Vice President
Director of Government and
Community Relations*

February 7, 2006

The Honorable Steve Toben, Mayor
The Honorable Maryann Moise Derwin
The Honorable Ed Davis
The Honorable Ted Driscoll
The Honorable Richard Merk
Town of Portola Valley
765 Portola Road
Portola Valley, CA 94028

Dear Mayor Toben and Council Members:

Recently, Santa Clara County and Stanford concluded an agreement requiring Stanford to pay for improvements to trails.

One of the trails covered by the agreement is the trail along Alpine Road in unincorporated San Mateo County and in Portola Valley. Stanford is offering to pay to improve that trail in both San Mateo County and Portola Valley in accordance with the provisions of the Santa Clara County-Stanford agreement.

Whether, when, and how the trail in Portola Valley is improved is, of course, the decision of Portola Valley. The conditions under which Portola Valley can receive the funds to improve the trail are specified in the agreement between Santa Clara County and Stanford entitled AGREEMENT FOR TRAIL EASEMENTS, CONSTRUCTION, MANAGEMENT AND MAINTENANCE AND GRANTS OF EASEMENTS ("Agreement"), a copy of which is attached.

Without in any way intending to modify the terms of the Agreement, let me summarize the main provisions of the offer of funding to Portola Valley:

1. Portola Valley may receive up to \$2.8 million dollars from Stanford for improvements to the Alpine Road trail in Portola Valley that are completed by December 31, 2011.
2. To receive such funds, Portola Valley must enter into an agreement with Stanford that specifies the scope of work to be undertaken, commits to complete the work by December 31, 2011, identifies who will design, construct, manage, and maintain the trail, and sets forth the provisions for transfer of and accounting for funds.
3. Funds from Stanford can be used for construction of the trail improvements and for costs to comply with CEQA and implement mitigation measures. There are a number of mechanisms available to Portola Valley to receive payment:
 - A. a lump sum payment, or
 - B. submission of invoices to Stanford for payment, or
 - C. in accordance with terms agreed to by Stanford and Portola Valley.

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Note: In completing the recent Sand Hill Road improvements in the City of Menlo Park and San Mateo County, both the County and the City chose to negotiate an agreement whereby Stanford performed the work for each jurisdiction and Stanford assumed the risk of cost overruns.

4. Separately, we will deliver to Portola Valley two copies of "Conceptual Plans, C1 Trail-Alignment, April 11, 2005" that have already been determined to qualify for funding under the Agreement. These plans were prepared to comply with the Santa Clara County guidelines for a Class-1 trail for pedestrians and bicyclists, but Portola Valley may prefer to follow different plans, which will be eligible for Stanford funding if those plans are approved by the Santa Clara County Director of Parks and Recreation.

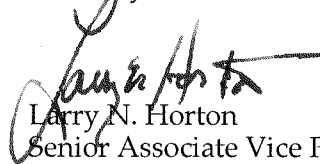
The Agreement also contains provisions for an annual building cost index increase in funding, for a possible two-year extension of the deadline for accepting funding or completing construction, for consultations and reports, and other matters.

Finally, the Agreement specifies that if Portola Valley does not enter into an agreement with Stanford by December 31, 2011, Stanford shall pay \$2.8 million (plus indexed increases as specified) to Santa Clara County.

I believe my summary above is an accurate description of the benefits and conditions of the Agreement that apply to Portola Valley. I have sought to provide a concise, general summary. If there is any question about any difference between the Agreement and my summary here, the text of the Agreement will govern.

Stanford looks forward to working with Portola Valley to achieve a significant improvement in the Alpine Road trail, including correcting potential problems related to the nearness of the Alpine Road trail to the creek.

Sincerely,



Larry N. Horton
Senior Associate Vice President and
Director of Government and Community Relations

cc: Portola Valley Public Works Director Howard Young
Stanford Vice Provost for Land and Buildings Robert Reidy