

**FIRST AMENDEDMENT TO JOINT SUBDIVISION IMPROVEMENT
AGREEMENT**

This FIRST AMENDMENT is made to the JOINT SUBDIVISION IMPROVEMENT AGREEMENT ("Agreement") by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California, and BIG WAVE, LLC, dated _____.

WHEREAS, the Parties and the GRANADA COMMUNITY SERVICES DISTRICT previously entered into the Agreement to address certain terms and conditions related to County approval of a Subdivision and mixed-use development project known as the Big Wave Community;

WHEREAS, the Parties now desire to amend certain terms of that Agreement;

WHEREAS, none of the amendments that the Parties propose relate to the provisions concerning GRANADA COMMUNITY SERVICES DISTRICT, who is also a party to the Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE MATTERS SET FORTH HEREIN, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND ADEQUACY OF WHICH IS HEREBY ACKNOWLEDGED, BIG WAVE, LLC, AND COUNTY OF SAN MATEO HEREBY AGREE TO AMEND THE AGREEMENT AS FOLLOWS:

1. Section 2A of the Agreement ("County-Required Improvements") is amended in its entirety to read as follows:
 - i. County-Required Off-Site Improvements. Notwithstanding any provision to the contrary, the completion of the Class 1 trail along Airport Street (the "Trail"), installation of the traffic signal and related intersection improvements at the intersection of Highway 1 and Cypress Avenue (the "Intersection Improvements"), installation of driveway entrances from Airport Street (the "Entrances"), and completion of a cantilevered bridge (the "Bridge") which shall fully satisfy the Conditions of Approval shall be completed not later than the date of issuance of the first certificate of occupancy for any Office Park Building or business space at the Wellness Center (excluding Wellness Center-operated businesses). The Trail, the Intersection Improvements, the Entrances, and the Bridge (together, the "County-Required Offsite Improvements") comprise all County-Required Offsite Improvements for the Development pursuant to the Conditions of Approval. The Developer has determined that the Trail will be completed at an estimated cost to the Developer of \$350,000.00; the Intersection Improvements will be completed at an estimated cost to the Developer of \$600,000.00; the Bridge will be completed at an estimated cost to the

Developer of \$150,000.00; and the Entrances will be completed at an estimated cost to the Developer of \$39,000.00, which estimated total includes the costs of engineering and contingencies. The estimated costs for these improvements have been prepared by Developer and Developer shall be obligated to fully and satisfactorily complete the County-Required Offsite Improvements as set forth herein and in Exhibit A, notwithstanding the actual cost.

- ii. **County-Required Onsite Improvements.** In addition to the County-Required Offsite Improvements, Developer shall construct an Emergency Access Route; a Meandering Walkway; and Storm Water Drainage Improvements (together, the "County-Required Onsite Improvements"), all as depicted in Exhibit A, which shall fully satisfy the Conditions of Approval. The Developer has determined that the Emergency Access Route will be completed at an estimated cost to the Developer of \$202,000.00; the Storm Water Drainage Improvements will be completed at an estimated cost to the Developer of \$137,000.00; and the Meandering Walkway will be completed at an estimated cost to the Developer of \$125,000.00; which estimated total costs includes the costs of engineering and contingencies. The obligation to construct the Onsite Improvements shall be secured by the Southern Parcel Lien, described in Section 4, below.

In the event that Developer sells an undeveloped lot to a third party, Developer shall either (1) install the County-Required Onsite Improvements necessary to serve the lot prior to the sale; or (2) provide to the County a written acknowledgment from the purchaser of the undeveloped lot acknowledging and agreeing that the purchaser shall be responsible for the installation of the County-Required Onsite Improvements in accordance with the Project Conditions of Approval prior to obtaining, and prior to the County having any obligation to issue, any Building Permits to build on the Property. Notwithstanding the provisions of any such written acknowledgment, Developer shall remain responsible to the County for the installation of the County-Required Onsite Improvements prior to any building permits being issued to build on the Property. The estimated costs for the County-Required Onsite Improvements have been prepared by Developer and Developer shall be obligated to fully and satisfactorily complete or cause to be completed the County-Required Onsite Improvements as set forth herein and in Exhibit A, notwithstanding the actual cost. As used herein, the term "Improvements" refers to the County-Required Onsite Improvements, the County-Required Offsite Improvements, and the GCSD-Required Offsite Improvements.

2. Section 4 of the Joint Subdivision Improvement Agreement is amended in its entirety to read as follows:

In addition, Developer shall pay the County the cost of inspecting all Improvements (other than sewer improvements) as required in Section 7035.2 of the Subdivision Regulations and shall pay GCSD the cost of inspection of sewer improvements.

3. Section 5 of the Joint Subdivision Improvement Agreement is amended in its entirety to read as follows:

In addition, Developer shall furnish to the County, in accordance with Chapter 5 of the Subdivision Map Act, the following security to guarantee compliance with the terms of conditional approval set by the San Mateo County Board of Supervisors on May 19, 2015 (subsequently amended on June 6, 2017 and then again on July 23, 2019). The security shall be in the form of a Lien on Real Property Pursuant to Gov. Code § 66499(a)(4) on certain real property owned by the Developer: APN 047-312-040 (the "Southern Parcel Lien"). Said security shall be documented in a form reasonably satisfactory to the County, and in accordance with the Subdivision Regulations, be filed prior to final map approval, and shall meet the conditions specified below:

A. Performance Security: Performance of the required work shall be secured by a "Faithful Performance" Security in the sum of one hundred percent (100%) of the total estimated cost of the County-Required Offsite Improvements and County-Required Onsite Improvements, including engineering and contingencies, said sum being in the total amount of \$1,603,000.00. County shall release said security partially upon the performance of the act or final completion and acceptance by the County of the County-Required Offsite Improvements and County-Required Onsite Improvements and shall release any remaining portion of said security upon the performance of the act or final completion by the County of all County-Required Offsite Improvements and County-Required Onsite Improvements.

B. Labor and Materials Payment Security: Security to guarantee payment to the contractor or Contractors retained by Developer, its subcontractors and to persons furnishing labor, materials, or equipment to them for the County-Required Offsite Improvements and the County-Required Onsite Improvements or performance of work required ("Payment Security") shall be made in the sum of fifty percent (50%) of the estimated cost of the County-Required Offsite Improvements and the County-Required Onsite Improvements, said sum being in the amount of \$801,500.00 and secured by the Southern Parcel Lien.

C. Warranty Security: Security for the guarantee and warranty of the work on the County-Required Offsite Improvements and the County-Required Onsite Improvements ("Warranty Security") shall be made for a period of one year following the completion and acceptance thereof against any defective work or labor done, or defective materials, and shall be furnished in the sum of fifty percent (50%) of the total estimated cost of the County-Required Offsite Improvements and the County-Required Onsite Improvements, said sum being in the amount \$801,500.00, secured by the Southern Parcel Lien, and effective upon

final acceptance of said work by the County and prior to release of the Performance and Payment Securities.

4. Section 12 of the Subdivision Improvement Agreement is deleted in full.

Except as amended hereby, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed this amended agreement as of the dates set out beneath their respective signatures.

Big Wave, LLC

County of San Mateo

By: 

By: _____

Printed Name: Jeffrey Reid

Printed Name: _____

Title: Managing Member

Title: _____