

SummerHill HomesSM

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June 30, 2022

ATTN: WooJae Kim

**RE: Condition of Approval 82 – Final Grind and Overlay
Subdivision No. 10441 (North 40)**

Dear Mr. Kim:

In connection with the Town's approval of the North 40 project, the Town adopted various Conditions of Approval, some of which were revised pursuant to a December 1, 2020 Agreement with the Town. The purpose of this letter is to confirm our understanding with the Town as it relates to the performance of the final "grind and overlay" along portions of Los Gatos Boulevard and Lark Avenue.

Condition of Approval 82 requires final "grind and overlay" along Los Gatos Boulevard between Lark Avenue and Burton Road, and along Lark Avenue from the Highway 17 northbound on-ramp to Los Gatos Boulevard. This final grind and overlay is to be completed when the Park and Public Works Director determines that such work is to be completed in their sole discretion. In coordination with staff, SummerHill N40 LLC ("SummerHill") and Staff have agreed to complete such grind and overlay work now. In our typical project, this work would be done last as a way to mitigate the risk of the roadway becoming damaged before the jurisdiction accepts the project and releases the subdivision bonds. In the case of North 40, that risk is higher given that the retail builder will be performing construction work on their portion of the Project, carrying with it the heightened risk of the final grind and overlay work being damaged by their contractors and suppliers.

While we are cooperating with the Town's desire to have the grind and overlay work done now, this letter is to serve as our understanding with the Town that if the grind and overlay work is damaged by anyone other than SummerHill, the Town will not look to SummerHill to repair this work and will not hold up the release of our subdivision bonds due to any such damage.

Sincerely,



Kevin Ebrahimi
Senior Vice President
SummerHill N40 LLC