

**FIRST AMENDMENT TO PURCHASE AND SALE  
AND SETTLEMENT AGREEMENT**

This First Amendment to Purchase and Sale and Settlement Agreement (this “**First Amendment**”) is made and entered into as of March \_\_\_\_, 2025 (“**Amendment Date**”), by and among **JOHN W. HOFFEE** (“**Original Seller**”), **SHANNON ROAD, LLC**, a California limited liability company (“**Assignee**”), and **TOWN OF LOS GATOS**, a California municipal corporation (“**Buyer**”).

**RECITALS**

A. Original Seller and Buyer entered into that certain Purchase and Sale and Settlement Agreement with an “Effective Date” of February 12, 2025 (the “**Purchase Agreement**”), pursuant to which Original Seller agreed to sell and convey to Buyer, and Buyer agreed to purchase from Original Seller, that certain Property referred to in Recital B of the Purchase Agreement, including, without limitation, a portion of that certain real property commonly known as 14915 Shannon Road in the Town of Los Gatos, County of Santa Clara, State of California (APN 537-27-047) (the “**Larger Parcel**”), and more particularly described in Exhibit A attached to the Purchase Agreement.

B. Original Seller transferred its interest in the Larger Parcel to Assignee by Grant Deed recorded on February 26, 2025.

C. Original Seller and Buyer now desire to modify and amend the Purchase Agreement to, among other things, effectuate the assignment of Original Seller’s interest in the Purchase Agreement to Assignee, as more particularly described below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**AGREEMENT**

1. Recitals, Defined Terms. The foregoing recitations are true and correct. Each capitalized term used herein, that is not otherwise defined or modified herein, shall have the meaning ascribed to it in the Purchase Agreement.

2. Assignment and Assumption of Purchase Agreement. Original Seller hereby transfers and assigns to Assignee all of Original Seller’s right, title and interest in and under the Purchase Agreement, and Assignee hereby accepts such assignment and assumes all of Original Seller’s obligations and duties under the Purchase Agreement. Assignee hereby agrees to be bound by the terms and conditions of the Purchase Agreement, as amended by this First Amendment.

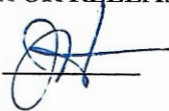
3. Extended Review Period for Title Matters. Original Seller, Assignee and Buyer hereby agree and acknowledge that the second sentence of Section 7.2 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following: “By March 21, 2025, Buyer shall have completed its review of all title matters affecting the Property to the extent desired by Buyer and shall obtain whatever assurances and/or commitments it desires from the Title Company as to title matters and the title insurance policies which Buyer desires Title Company to issue to Buyer at the Closing for the Property (the “**Title Policy**”).”

4. Waiver of Property Rights and Interests. Upon receipt by Assignee of the Purchase Price, subject to the terms and conditions set forth in the Purchase Agreement (as amended hereby), Original Seller and each member of Original Seller for itself and for its respective agents, successors and assigns, and Assignee and each member of Assignee for itself and for its respective agents, successors and assigns (collectively, the "**Releasing Parties**") fully releases, acquits and discharges Buyer and its officers, officials, board members, employees, attorneys, accountants, other professionals, insurers, and agents, all entities, boards, commissions, and bodies related to any of them, and designated volunteers (collectively, the "**Buyer Parties**") from all claims that the Releasing Parties have or may have against the Buyer Parties arising out of or related to Buyer's acquisition of the Property, including, without limitation, all of Original Seller's (and/or Assignee's) property rights and interests in the Property, including but not limited to (i) any improvements, including improvements pertaining to the realty, furniture, fixture, and equipment, (ii) business goodwill and lost income (past or future) relating to the Property, (iii) lost income, (iv) relocation benefits, if any, (v) severance damages, if any, (vi) any damages to the remaining portion of the Property not acquired by Buyer or its value, (vii) any and all rights pertaining to the Eminent Domain Law contained in the Code of Civil Procedure Sections 1230.010 et seq., including, but not limited to the Code of Civil Procedure Section 1245.235, (viii) economic or consequential damages, (ix) professional consultant fees and attorneys' fees and costs in connection with the Lawsuit or otherwise, and (x) all other costs, and any and all compensable interests, and/or damages, and/or claims, of any kind and nature, claimed or to be claimed, suffered or to be suffered, by the Releasing Parties by reason of Buyer's acquisition of the Property, provided, however, notwithstanding anything to the contrary, nothing herein shall release Buyer or any Buyer Parties from any liability resulting from Buyer's breach of any agreement, warranty, covenant or obligations for which it is responsible under the Purchase Agreement (as amended hereby).

(i) Waiver of Civil Code Section 1542. Original Seller and Assignee, each on behalf of itself and their respective agents, successors and assigns, expressly waive all rights under Section 1542 of the Civil Code of the State of California ("**Section 1542**"), or any other federal or state statutory rights or rules, or principles of common law or equity, or those of any jurisdiction, government, or political subdivision thereof, similar to Section 1542 (hereinafter referred to as a "**Similar Provision**"). Thus, Original Seller and Assignee, and each of their agents, successors and assigns, and any business, enterprise, or venture in which they are involved, may not invoke the benefits of Section 1542 or any Similar Provision in order to prosecute or assert in any manner the matters released in Section 4 above. Section 1542 provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXISTS IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Original Seller's Initials: \_\_\_\_\_



Assignee's Initials: \_\_\_\_\_



(ii) Tenant or Other Interests. Original Seller and Assignee represent and warrant that, except as specified below, there are no oral or written leases on any portion of the Property, and no claims by a third party of a right to use any portion of the Property. Original Seller and Assignee shall hold harmless and reimburse Buyer for any and all losses and expenses occasioned by any such lease or claim and arising from Buyer's efforts to remove or eliminate such lease or claim to allow development and use of the Project. The following parties have or may assert lease or other rights to use portions of the Property: Rich Worthington ("**Tenant**"), a tenant occupying the Property.

(iii) Survival. The provisions of this Section 4 shall survive the Closing and shall not be merged into the Grant Deed and shall be fully enforceable after the Close of Escrow.

5. Continuing Seller Responsibility. Notwithstanding any other provision of this First Amendment, Original Seller remains fully liable for all Seller obligations under the Purchase Agreement (as amended hereby).

6. Representations and Warranties. Assignee represents and warrants that the representations and warranties set forth in Sections 4.2, 13.1, 13.3, 13.4, 13.5, 13.6, 13.7, 13.9, 13.10, 13.11, and 14 are true, correct, and accurate as of the Amendment Date and will be accurate at the Closing Date. Original Seller represents that the representations and warranties set forth in Sections 4.2, 13.1, 13.3, 13.4, 13.5, 13.6, 13.7, 13.9, 13.10, 13.11, and 14 are true, correct, and accurate as of the Amendment Date and will be accurate at the Closing Date.

7. Notices. Notices to Assignee shall be delivered to the following address:

Richard H. Gillette  
P.O. Box 1189  
Carlsbad, CA 92018

8. Full Force and Effect. Except as specifically amended hereby, the Purchase Agreement remains unmodified and in full force and effect and is hereby ratified by the parties hereto. In the event that any of the terms or conditions of the Purchase Agreement conflict with this First Amendment, the terms and conditions of this First Amendment shall control. Any references to the "Agreement" in the Purchase Agreement or any document delivered in connection therewith shall be deemed to mean the Purchase Agreement as amended hereby.

9. Authorization. Original Seller and Assignee hereby represent to Buyer that this First Amendment has been duly authorized by Original Seller and Assignee, respectively, and that the person executing this First Amendment on behalf of Original Seller and Assignee, respectively, is duly authorized to execute this First Amendment on behalf of Original Seller and Assignee, respectively, and this First Amendment, upon execution of the same by Buyer, shall be enforceable against Original Seller and Assignee in accordance with its terms. Buyer hereby represents to Original Seller that this First Amendment has been duly authorized by Buyer and that the person executing this First Amendment on behalf of Buyer is duly authorized to execute this First Amendment on behalf of Buyer, and this First Amendment, upon execution of the same by Original Seller and Assignee, shall be enforceable against Buyer in accordance with its terms.

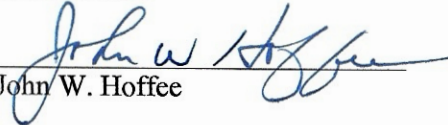
10. Counterparts; Signatures. This First Amendment may be executed and delivered by PDF, email, DocuSign or facsimile signatures and in several or separate counterparts, and each counterpart, when so executed and delivered, shall constitute an original agreement, and all such separate counterparts shall constitute but one and the same agreement.

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IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed as of the date set forth below.

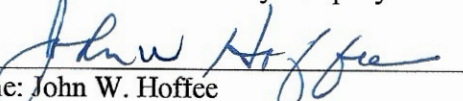
**"ORIGINAL SELLER":**

**JOHN W. HOFFEE**

By:   
John W. Hoffee

**"ASSIGNEE":**

**SHANNON ROAD, LLC,**  
a California limited liability company

By:   
Name: John W. Hoffee  
Title: Manager

**"BUYER":**

**TOWN OF LOS GATOS,**  
a California municipal corporation

By: \_\_\_\_\_  
Matthew Hudes, Mayor

Approved as to Form:

\_\_\_\_\_  
Gabrielle Whelan, Town Attorney

Attest:

\_\_\_\_\_  
Wendy Wood, CMC, Town Clerk