

FIRST AMENDMENT TO OPTION AGREEMENTS  
BY AND BETWEEN THE CITY OF SAN JOSÉ  
AND  
COLEMAN AIRPORT PARTNERS, LLC, A CALIFORNIA LIMITED LIABILITY  
COMPANY

This First Amendment to Option Agreements (" Amendment") is made as of this 1\_\_ day of March 2009, by and between the CITY OF SAN JOSÉ, a municipal corporation ("CITY"), and COLEMAN AIRPORT PARTNERS, LLC, a California limited liability company ("Optionee").

RECITALS

A. The CITY is the owner of certain real property and improvements located at 1125 Coleman Avenue, in San José, California more particularly described on Exhibit A attached hereto and incorporated herein by reference ("Property"); and

B. The CITY and OPTIONEES entered into (i) an Option Agreement (HUD Site) dated July 24, 2008 and (ii) an Option Agreement (Development Site) dated July 24, 2008 (each individually referred to as an "Option Agreement" and collectively as the "Option Agreements"), wherein, subject to the terms and conditions contained therein, the City granted OPTIONEE an option to purchase the Property; and

C. OPTIONEE has informed the CITY that it can no longer continue to maintain the Option Deposits required by Section 1.4.1 of each of the Option Agreements and has requested that the CITY agree to eliminate the provision requiring the Option Deposits from the Option Agreements; and

D CITY believes it is in the best interest of the City to continue with the sale of the Property to OPTIONEE and to continue negotiations with OPTIONEE to accomplish the sale; and

E. The CITY and OPTIONEE now desire to amend the Option Agreements to modify the Option Agreements to allow continued negotiations of the sale of the Property to OPTIONEE.

NOW, THEREFORE, the parties hereby amend the Option Agreement as follows:

1. Section 1.4 of each of the Original Agreements is hereby deleted in its entirety. OPTIONEE is no longer required to maintain the Option Deposit and all references in the Option Agreements to the Option Deposit are of no further effect. Because

First Amendment to Option Agreement.DOC

DRAFT – Contact the Office of the City Clerk at (408) 535-1260 or [CityClerk@sanjoseca.gov](mailto:CityClerk@sanjoseca.gov) for final document.

REPLACEMENT -- Recitals B & C, Sections 1 & 3 modified.

RD:EJM:EJM  
3/5/2009

OPTIONEE had elected to maintain the Option Deposit in the form of two Letters of Credit, CITY agrees to return the letters of credit to OPTIONEE undrawn.

2. Except for the modifications in this Amendment, in all other respects, the terms and conditions in the Option Agreements shall remain unchanged and in full force and effect.
3. The effective date of this Amendment is the date set forth above.
4. This Amendment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

WITNESS THE EXECUTION HEREOF as of the day and year first hereinabove written.

"CITY"

APPROVED AS TO FORM:

THE CITY OF SAN JOSÉ, a municipal corporation

\_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

"OPTIONEES"

COLEMAN AIRPORT PARTNERS,  
LLC, a California limited liability  
company

By: \_\_\_\_\_

Title: \_\_\_\_\_

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EXHIBIT A

Legal Description  
PARCEL ONE:

PORTION OF LOT 1, BLOCK 5, Range 9 South, Map of Base Line City of San Jose, filed in Book "A" of Maps, Page 72, Santa Clara County Records, described as follows: BEGINNING in the Westerly line of South Ninth Street, distant thereon 91.8 feet Southerly from the Southerly line of William Street; thence from said Point of Beginning, Southerly along said line of South Ninth Street 45.10 feet; thence at right angles Westerly 137.50 feet; thence at right angles Northerly 45.10 feet; thence at right angles Easterly 137.50 feet to the Point of Beginning.

PARCEL TWO:

PORTION OF LOT 4, BLOCK 5, Range 9 South, Map of Base Line City of San Jose, filed in Book "A" of Maps, Page 72, Santa Clara County Records, described as follows: BEGINNING in the Southwest line of South Ninth Street at the dividing line between Lots 1 and 4, as said Street and Lots are shown on said Map; thence from said Point of Beginning Southeasterly along said line of South Ninth Street 16213 varas; thence at right angles Southwest and parallel with said dividing line, 50 varas to the Southwest line of said Lot 4; thence Northwest along the Southwest line of said 416213 varas to the common corner of Lots 1, 2, 3 and 4 in said Block; thence at right angles Northeast along the dividing line between said Lots 1 and 4, 50 varas to the Point of Beginning.

PARCEL THREE:

PORTION OF LOT 3, BLOCK 5, Range 9 South, Map of Base Line City of San Jose, filed in Book "A" of Maps, Page 72, Santa Clara County Records, described as follows: COMMENCING in the Northeast line of South Eight Street, distant thereon Southeast 137.50 feet from the Southeast line of Williams Street; thence from the Southeast line of William Street; thence from said point of commencement; Northeast along the dividing line between Lots 2 and 3 in said Block 91.75 feet to the actual point of beginning; thence from said point of beginning, Northeast along said dividing line of 45.75 feet to the most Northerly corner of said Lot 3; thence Southeast along the line dividing Lots 3 and 4 in said Block 45.10 feet; thence Southwest and parallel with the line dividing Lots 2 and 3, 45.75 feet; thence Northwest and parallel with the Northeast line of said Lot 3, 45.10 feet to the Point of Beginning.