

Resolution 07-09

of the

San Mateo County Harbor District

Consenting to the Assignment and Amendment of the Ground Leases for Oyster Point Marina/Park Parcels B, C, D-1, and E, E-1, E-2, E-3, and E-4

Whereas, the San Mateo County Harbor District (District) operates Oyster Point Marina in the City of South San Francisco (City), San Mateo County for the City; and

Whereas, the District has leased certain lands at Oyster Point Marina to King Ventures of San Luis Obispo, California and its subsidiary Marine Collections LLC identified as Parcels B, C, D-1, and E, E-1, E-2, E-3, and E-4 as shown in the Parcel Map attached hereto and incorporated by reference herein; and

Whereas, King Ventures has desired to amend its leases and assign them to Oyster Point MV LLC; and

Whereas, the District approved the requested amendments and assignments attached hereto and incorporated by reference herein on February 5, 2009 conditioned upon approval of the California Department of Boating and Waterways (DBW); and

Whereas, DBW is required to approve said amendments and assignments and said approval has not yet been received.

Therefore, be it resolved that the Board of Harbor Commissioners hereby consents to assignment and amendment of the Ground Leases for Oyster Point Marina/Park Parcels B, C, and D-1 by King Ventures to the Assignee, Oyster Point MV LLC, and assignment and amendment of the Ground Leases for Oyster Point Marina/Park Parcels E, E-1, E-2, E-3, and E-4 by Marine Collections LLC to the Assignee, Oyster Point MV LLC, attached hereto and incorporated by reference herein, and does hereby adopt this Resolution 07-09 subject to receipt of written approval of said amendments and assignments by DBW.

Approved this 27th Day of May, 2009 at the regular meeting of the Board of Harbor Commissioners by a recorded vote as follows:

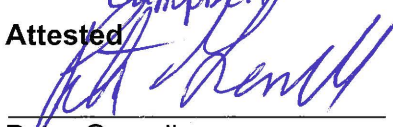
For: *Lupatone, Parravano, Tucker, Padreddii*

Against: *None*

Abstaining: *None*

Absent: *Campbell*

Attested


Peter Grenell
Acting Deputy Secretary

DISTRICT


Leo Padreddii
President

**CONSENT TO ASSIGNMENT
AND AMENDMENT OF THE PARCEL B GROUND LEASE**

THIS CONSENT TO ASSIGNMENT AND AMENDMENT OF THE PARCEL B GROUND LEASE (this "Agreement") is made as of February 5, 2009, by and between San Mateo County Harbor District ("Lessor") and Oyster Point MV LLC, a Delaware limited liability company ("Assignee").

R E C I T A L S :

A. Lessor and Oyster Point Village, a California corporation ("Lessee"), are parties to that certain ground lease dated January 3, 1985 and as more particularly described on Exhibit A, attached hereto (the "Parcel B Lease"), with respect to the portion of the property located at 360 Oyster Point Boulevard/401 Marina Boulevard in the City of South San Francisco, California, more particularly described in and defined in the Parcel B Lease as the "Premises."

B. Lessee and Oyster Point Ventures LLC, a Delaware limited liability company ("Oyster Point Ventures") are parties to that certain Agreement for Purchase and Sale of Leasehold Property, dated August 21, 2008 (as amended, the "Purchase Agreement"), and pursuant to the Purchase Agreement, Assignee, a wholly owned subsidiary of Oyster Point Ventures, desires to assume Lessee's right, title and interest in and to the Parcel B Lease on behalf of Oyster Point Ventures (the "Assignment") upon the occurrence of certain events and subject to certain conditions (the date of such Assignment, the "Assignment Date"). Capitalized terms used herein but otherwise not defined shall have the meaning ascribed to them in the Purchase Agreement.

C. Assignee desires to obtain, and Lessor is willing to provide, Lessor's consent to the Assignment in accordance with the terms of the Parcel B Lease, and Lessor agrees to consent to the Assignment under the terms and conditions set forth herein.

D. In connection with the foregoing, Lessor and Assignee desire to amend the Parcel B Lease as set forth herein.

A G R E E M E N T :

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Conditions to Effectiveness of this Agreement. The consent, certifications and amendments provided in Sections 1, 2 and 3 of this Agreement shall be effective, if ever, only upon the occurrence of all of the following: (i) the California Department of Boating and Waterways shall have affirmed its consent to the Parcel B Lease and shall have consented to the terms of this Agreement; (ii) the City of South San Francisco (the "City") and the South San Francisco Recreation and Park District shall have executed a joiner, by which the City and the South San Francisco Recreation and Park District join in the Parcel B Lease for the purposes of approving the terms of this Agreement; (iii) the City shall have approved the Memorandum of Understanding as contemplated in the Framework Agreement approved by the City by resolution #110-2008 on November 12, 2008; and (iv) Lessor shall have received from King Ventures (a) a formal letter requesting Lessor's approval of the Assignment, (b) a check for \$500.00 and (c) a complete "Proposer's Questionnaire" form.

2. Consent of Lessor. Lessor hereby consents to the Assignment effective as of the Assignment Date and Lessor hereby releases Lessee and John E. King and Carole D. King, as guarantors, with respect to the duties and obligations under the Parcel B Ground Lease and/or applicable associated guaranties.

3. Certifications. As a material inducement to Assignee to enter into this Agreement, Lessor hereby certifies the following information with respect to the Parcel B Lease:

(a) The Parcel B Lease, as described in Exhibit A, attached hereto, and as previously reviewed by both parties is a true, correct and complete copy and is in full force and effect and has not been modified.

(b) As of the date of this Agreement, there are no defaults by Lessor under the Parcel B Lease, or to Lessor's knowledge of the Lessee thereunder.

(c) Under the terms of the Parcel B Lease, the Parcel B Lease commenced on January 1, 1985, is for a term of 25-years and expires on December 31, 2009; provided, however, Lessee of the Parcel B Lease has one option to extend the Parcel B Lease for an additional 25-years in accordance with Article IX of the Parcel B Lease.

(d) The security deposit required for the Parcel B Lease is \$20,000.00, and Lessee has paid such security deposit.

(e) No percentage rent was due or payable under the Parcel B Lease for the fourth quarter of the year 2008 ending on December 31, 2008.

(f) Lessee has paid \$1,863.00 dollars in base monthly rent in the most recent period for which rent was due.

(g) The Association of Lessees as referenced to in Article X of the General Conditions does not exist and the Lessee of the Parcel B Lease is not required to financially participate in such Association of Lessees.

4. Amendments. Lessor and Assignee agree that upon the Assignment Date the Parcel B Lease shall be automatically amended as follows:

(a) Article VII(A) of the Parcel B Lease, setting forth the minimum annual rent, is hereby amended and replaced in its entirety with the following:

"The minimum annual rent shall be in accordance with the following schedule:

Commencing on the Assignment Date, as defined in the Consent to Assignment and Amendment of the Parcel B Ground Lease, dated [2/5/9], the Minimum Rent shall be \$1,863.00 per month. The Minimum Rent shall be adjusted every five (5) years for inflation. For the purposes of calculating the adjustment to Minimum Rent, the first adjustment date shall be on the first of the month following the fifth (5th) anniversary of the Assignment Date. Further adjustments shall be made effective on each fifth (5th) anniversary of the adjustment throughout the period of the Lease, including any extensions.

The base for computing the adjustment shall be the most recently published index figure as of the Assignment Date as shown in the Consumer Price Index for the United States/San Francisco-Oakland/San Jose based on 1982-1984 = 100 published by the U.S. Department of Labor's Bureau of Labor Statistics (the "Beginning Index").

The index for the adjustment date shall be the index for the month in which the adjustment occurs (the "Adjustment Index"). Minimum Rent shall then be adjusted by the percentage increase of the Adjustment Index over the Beginning Index. For example, assuming the Beginning Index is 225 and the Adjustment Index is 250, the percentage to be applied is $250/225=1.11 = 111\%$ percent.

If the described index shall be no longer published, another generally recognized index as authoritative shall be substituted by agreement of the parties. If the parties are unable to agree within thirty (30) days after demand by either party, the substitute index shall, on application of either party, be selected by the chief officer of the San Francisco regional office of the Bureau of Labor Statistics or its successor."

(b) The General Conditions applicable to the San Mateo County Harbor District ground leases prior to 1992 and provided by Lessor (the "General Conditions") shall apply to the Parcel B Lease to the extent not inconsistent with the provisions of the Parcel B Lease provided the following modifications:

(i) Article VIII of the General Conditions, setting forth the insurance requirements, is hereby amended as follows:

Article VIII (D) is hereby amended such that the term "licensed to do business" in the first sentence shall be replaced with the term "authorized to do business".

Article VIII (E) is hereby amended such that the term "copies" in the first sentence is replaced with the term "certificates and/or evidence of".

(ii) Article XV of the General Conditions, setting forth the financial reporting and record keeping requirements, is hereby amended as follows:

The first sentence of Article XV is hereby amended and replaced in its entirety with the following:

"To insure complete and timely receipts of rents (minimum and percentage, unadjusted and adjusted) by District from Lessee, Lessee shall maintain a system of accounting and record keeping from the leased premises and shall keep true, accurate and complete accounts and records."

Article XV (A) is hereby amended and replaced in its entirety with the following:

"A. Business Records. Lessee shall install and maintain a system of accounts and records, which in the opinion of District,

conforms to good accounting practice. They system of accounts and records shall be submitted to District for review and approval within ninety (90) days after the commencement of the term of the Lease or after any assignment of the Lease to a new Lessee. Any changes to such approved accounting system shall be approved by the District. Such approvals by District shall not be unreasonably withheld and any disputes shall be processed in accordance with the procedures set forth in Article XIX – Claims and Disputes.”

Article XV (B) is hereby amended and replaced in its entirety with the following:

“B. Statements. Within 90 days after the close of the fiscal year, Lessee shall furnish District its annual unaudited balance sheet, its statement of operations, its statement of members’ capital and its statement of cash flows prepared on a historical costs basis.”

(iii) Article XVI of the General Conditions is hereby amended by adding the following to the end of Section A of Article XVI:

“; provided, however, all prior assignments of this Lease are hereby approved in their entirety and the written consent for such assignments is not required.”

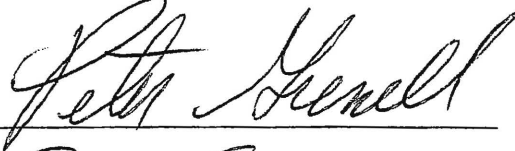
5. Except as set forth herein, all the terms and provisions of the Parcel B Lease remain in full force and effect.
6. This Agreement shall be governed and construed in accordance with the laws of the State of California.
7. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement.
8. Upon the request of either party, the parties hereto agree to execute and record a memorandum of lease, assignment and/or amendment to the Parcel B Lease as such may be appropriate.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

LESSOR:

SAN MATEO COUNTY HARBOR DISTRICT

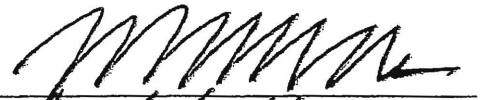
By: 

Name: PETER STONELL

Title: GENERAL MANAGER

ASSIGNEE:

OYSTER POINT MV LLC, a Delaware limited liability company

By: 

Name: Todd Star

Title: Vice president

APPROVED AS TO FORM

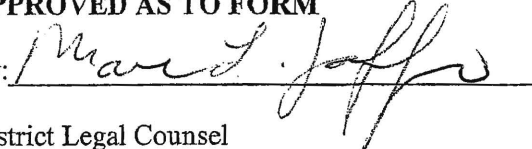
By: 
District Legal Counsel

EXHIBIT A

PARCEL B LEASE

Ground Lease between the San Mateo County Harbor District and Oyster Point Village, Ltd., dated January 3, 1985 and recorded April 9, 1987 in the official records of San Mateo County as Doc. #87052593, including the following Exhibits attached thereto:

- Exhibit A: Legal description and drawing of Parcel B;
- Exhibit B: The Design Criteria for Construction by Lessees of the San Mateo County Harbor District – 1980; and
- Exhibit C: Oyster Point Marine Specific Plan, dated September 1983, as approved by the City of South San Francisco on September 7, 1983, Resolution 124-8.

Abstract of the Lease dated January 3, 1985 between San Mateo County Harbor District.

South San Francisco Park Recreation and Parkway District County of City of South San Francisco, State of California, Resolution No. RPD-5 Approving Amendment to Oyster Point Marina Leases, dated October 23, 1985 and Amendment to Leasehold Agreement for Parcels B and D at Oyster Point Marina/Park, recorded October 27, 1985 in the official records of San Mateo County as Doc. #85138852.

Assignment of Lessee's Interest between Oyster Point Village, Ltd., and Chin Investment Company of San Francisco, dated August 2, 1989 and recorded August 25, 1989 in the official records of San Mateo County as Doc. #89113866.

Assignment and Assumption of Lease between Chin Investment Company of San Francisco and John E. King, dated October 17, 1996 and recorded October 31, 1996 in the official records of San Mateo County as Doc. #96-134637.

Assignment and Assumption of Lease between John E. King, d/b/a Oyster Point Village Limited and Oyster Point Village, dated April 15, 1997 and recorded April 25, 1997 in the official records of San Mateo County as Doc. #97-048936.

General Conditions used by the Harbor District as of the date of the Parcel B Lease.

**CONSENT TO ASSIGNMENT
AND AMENDMENT OF THE PARCEL C GROUND LEASE**

THIS CONSENT TO ASSIGNMENT AND AMENDMENT OF THE PARCEL C GROUND LEASE (this "Agreement") is made as of FEBRUARY 5, 2009, by San Mateo County Harbor District ("Lessor") and Oyster Point MV LLC, a Delaware limited liability company ("Assignee").

R E C I T A L S :

A. Lessor and Oyster Point Inn II, LLC, a California limited liability company, a California corporation ("Lessee"), are parties to that certain ground lease dated December 31, 1998 and more particularly described in Exhibit A, attached hereto, (the "Parcel C Lease"), with respect to the real property located in the City of South San Francisco, California, and more particularly described and defined in the Parcel C Lease as the "Premises."

B. Lessee and Oyster Point Ventures LLC, a Delaware limited liability company ("Oyster Point Ventures") are parties to that certain Agreement for Purchase and Sale of Leasehold Property, dated August 21, 2008 (as amended the "Purchase Agreement"), and pursuant to the Purchase Agreement, Assignee, a wholly owned subsidiary of Oyster Point Ventures, desires to assume Lessee's right, title and interest in and to the Parcel C Lease on behalf of Oyster Point Ventures (the "Assignment") upon the occurrence of certain events and subject to certain conditions (the date of such Assignment, the "Assignment Date"). Capitalized terms used herein but otherwise not defined shall have the meaning ascribed to them in the Purchase Agreement.

C. Assignee desires to obtain, and Lessor is willing to provide, Lessor's consent to the Assignment in accordance with the terms of the Parcel C Lease, and Lessor agrees to consent to the Assignment under the terms and conditions set forth herein.

D. In connection with the foregoing, Lessor and Assignee desire to amend the Parcel C Lease as set forth herein.

A G R E E M E N T :

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Conditions to Effectiveness of this Agreement. The consent, certifications and amendments provided in Sections 1, 2 and 3 of this Agreement shall be effective, if ever, only upon the occurrence of all of the following: (i) the California Department of Boating and Waterways shall have affirmed its consent to the Parcel C Lease and shall have consented to the terms of this Agreement; (ii) the City of South San Francisco (the "City") and the South San Francisco Recreation and Park District shall have executed a joiner, by which the City and the South San Francisco Recreation and Park District join in the Parcel C Lease for the purposes of approving the terms of this Agreement; (iii) the City shall have approved the Memorandum of Understanding as contemplated in the Framework Agreement approved by the City by resolution #110-2008 on November 12, 2008; and (iv) Lessor shall have received from King Ventures (a) a formal letter requesting Lessor's approval of the Assignment, (b) a check for \$500.00 and (c) a complete "Proposer's Questionnaire" form.

2. Consent of Lessor. Lessor hereby consents to the Assignment effective as of the Assignment Date and Lessor hereby releases Lessee and John E. King and Carole D. King, as guarantors, with respect to the duties and obligations under the Parcel C Ground Lease and/or applicable associated guaranties.

3. Certifications. As a material inducement to Assignee to enter into the Assignment, Lessor hereby certifies the following information with respect to the Parcel C Lease:

(a) The Parcel C Lease, as described in Exhibit A hereto and as previously reviewed by both parties is a true, correct and complete copy and is in full force and effect and has not been modified.

(b) As of the date of this Agreement, there are no defaults by Lessor under the Parcel C Lease, or to Lessor's knowledge of Lessee thereunder, except for the fact that a hotel has not been constructed on the Premises are required by the terms of the Parcel C Lease.

(c) Under the terms of the Parcel C Lease, the Parcel C Lease commenced on May 1, 2000, is for a term of 55-years and expires on April 30, 2055.

(d) The security deposit required for the Parcel C Lease is \$6,000.00, and Lessee has paid such security deposit.

(e) No percentage rent was due or payable under the Parcel C Lease for the fourth quarter of the year 2008 ending on December 31, 2008.

(f) Lessee has paid \$5,000.00 dollars in base monthly rent in the most recent period for which rent was due.

(g) The General Conditions, dated as of 1992 and provided by the Lessor do not apply to the Parcel C Lease and all applicable terms thereof are incorporated into the Parcel C Lease.

4. Amendments. Lessor and Assignee agree that upon the Assignment Date the Parcel C Lease shall be automatically amended as follows:

(a) Sections 3.1 and 3.1.1 of the Parcel C Lease, setting forth the minimum annual rent, are hereby amended and replaced in their entirety with the following:

"3.1. Minimum Rent. Commencing on the Assignment Date, as defined in the Consent to Assignment and Amendment of the Parcel C Ground Lease, dated [2/5/9], the Minimum Rent shall be \$5,000.00 per month.

3.1.1. Adjustment to Minimum Rent. The Minimum Rent shall be adjusted every five (5) years for inflation. For the purposes of calculating the adjustment to Minimum Rent, the first adjustment date shall be on the first of the month following the fifth (5th) anniversary of the Assignment Date. Further adjustments shall be made effective on each fifth (5th) anniversary of the adjustment throughout the period of the Lease.

The base for computing the adjustment shall be the most recently published index figure as of the Assignment Date as shown in the Consumer Price Index for the United States/San Francisco-Oakland/San Jose based on 1982-1984 = 100 published by the U.S. Department of Labor's Bureau of Labor Statistics (the "Beginning Index").

The index for the adjustment date shall be the index for the month in which the adjustment occurs (the "Adjustment Index"). Minimum Rent shall then be adjusted by the percentage increase of the Adjustment Index over the Beginning Index. For example, assuming the Beginning Index is 225 and the Adjustment Index is 250, the percentage to be applied is $250/225=1.11 = 111\%$ percent.

If the described index shall be no longer published, another generally recognized index as authoritative shall be substituted by agreement of the parties. If the parties are unable to agree within thirty (30) days after demand by either party, the substitute index shall, on application of either party, be selected by the chief officer of the San Francisco regional office of the Bureau of Labor Statistics or its successor."

(b) Sections 6.1, 6.2.6 and 9 of the Parcel C Ground Lease, which require the construction and operation of a hotel on the Premises, are hereby deleted in their entirety.

(c) Section 13.7 of the Parcel C Lease, setting forth other insurance matters, is hereby amended such that the term "at least an A+ Class XV" in Section 13.7 is hereby replaced with the term "at least an A Class X".

5. Except as set forth herein, all the terms and provisions of the Parcel C Lease remain in full force and effect.

6. This Agreement shall be governed and construed in accordance with the laws of the State of California.

7. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement.

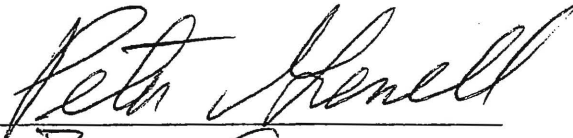
8. Upon the request of either party, the parties hereto agree to execute and record a memorandum of lease, assignment and/or amendment to the Parcel C Lease as such may be appropriate.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

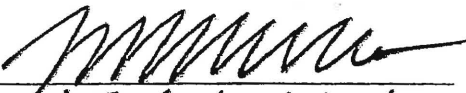
LESSOR:

SAN MATEO COUNTY HARBOR DISTRICT

By: 
Name: PETER GRENELL
Title: GENERAL MANAGER

ASSIGNEE:

OYSTER POINT MV LLC, a Delaware limited liability company

By: 
Name: Todd H. [unclear]
Title: Vice President

APPROVED AS TO FORM

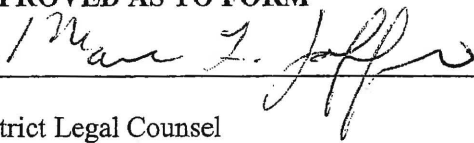
By: 
District Legal Counsel

EXHIBIT A

PARCEL C LEASE

Ground Lease between the San Mateo County Harbor District and Oyster Point Inn II, LLC, dated December 31, 1998.

- Exhibit A: Leasehold Description of Parcel C

Joinder by The City of South San Francisco and the South San Francisco Recreation and Park District, dated April 5, 1999.

Memorandum of Ground Lease Agreement and Amendment thereto dated as of April 11, 2006 and recorded April 12, 2006 in the official records of San Mateo County as Doc. #2006-054049.

Amendment to Ground Lease dated as of March 15, 2000

**CONSENT TO ASSIGNMENT
AND AMENDMENT OF THE PARCEL D-1 GROUND LEASE**

THIS CONSENT TO ASSIGNMENT AND AMENDMENT OF THE PARCEL D-1 GROUND LEASE (this "Agreement") is made as of FEBRUARY 5, 2009, by San Mateo County Harbor District ("Lessor") and Oyster Point MV LLC, a Delaware limited liability company ("Assignee").

R E C I T A L S :

A. Lessor and Oyster Point Marina Inn, a California corporation ("Lessee"), are parties to that certain ground lease dated October 13, 1989 and more particularly described on Exhibit A, attached hereto, (the "Parcel D-1 Lease"), with respect to the certain real property located at 425 Marina Boulevard in the City of South San Francisco, California, more particularly described in and defined in the Parcel D-1 Lease as the "Premises."

B. Lessee and Oyster Point Ventures LLC, a Delaware limited liability company ("Oyster Point Ventures") are parties to that certain Agreement for Purchase and Sale of Leasehold Property, dated August 21, 2008 (as amended the "Purchase Agreement"), and pursuant to the Purchase Agreement, Assignee, a wholly owned subsidiary of Oyster Point Ventures, desires to assume Lessee's right, title and interest in and to the Parcel D-1 Lease on behalf of Oyster Point Ventures (the "Assignment") upon the occurrence of certain events and subject to certain conditions (the date of such Assignment, the "Assignment Date"). Capitalized terms used herein but otherwise not defined shall have the meaning ascribed to them in the Purchase Agreement.

C. Assignee desires to obtain, and Lessor is willing to provide, Lessor's consent to the Assignment in accordance with the terms of the Parcel D-1 Lease, and Lessor agrees to consent to the Assignment under the terms and conditions set forth herein.

D. In connection with the foregoing, Lessor and Assignee desire to amend the Parcel D-1 Lease as set forth herein.

A G R E E M E N T :

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Conditions to Effectiveness of this Agreement. The consent, certifications and amendments provided in Sections 1, 2 and 3 of this Agreement shall be effective, if ever, only upon the occurrence of all of the following: (i) the California Department of Boating and Waterways shall have affirmed its consent to the Parcel D-1 Lease and shall have consented to the terms of this Agreement; (ii) the City of South San Francisco (the "City") and the South San Francisco Recreation and Park District shall have executed a joiner, by which the City and the South San Francisco Recreation and Park District join in the Parcel D-1 Lease for the purposes of approving the terms of this Agreement; (iii) the City shall have approved the Memorandum of Understanding as contemplated in the Framework Agreement approved by the City by resolution #110-2008 on November 12, 2008; and (iv) Lessor shall have received from King Ventures (a) a formal letter requesting Lessor's approval of the Assignment, (b) a check for \$500.00 and (c) a complete "Proposer's Questionnaire" form.

2. Consent of Lessor. Lessor hereby consents to the Assignment effective as of the Assignment Date and Lessor hereby releases Lessee and John E. King and Carole D. King, as guarantors, with respect to the duties and obligations under the Parcel D-1 Ground Lease and/or applicable associated guaranties.

3. Certifications. As a material inducement to Assignee to enter into the Assignment, Lessor hereby certifies the following information with respect to the Parcel D-1 Lease:

(a) The Parcel D-1 Lease, as described in Exhibit A, attached hereto, and as previously reviewed by both parties is a true, correct and complete copy and is in full force and effect and has not been modified.

(b) As of the date of this Agreement, there are no defaults by Lessor under the Parcel D-1 Lease, or to Lessor's knowledge of the Lessee thereunder.

(c) Under the terms of the Parcel D-1 Lease, the Parcel D-1 Lease commenced on September 14, 1989, is for a term of 50-years and expires on September 13, 2039.

(d) The security deposit required for the Parcel D-1 Lease is \$6,000.00, and Lessee has paid such security deposit.

(e) No percentage rent was due or payable under the Parcel D-1 Lease for the fourth quarter of the year 2008 ending on December 31, 2008.

(f) Lessee has paid \$3,375.00 dollars in base monthly rent in the most recent period for which rent was due.

(g) The Association of Lessees as referenced to in Article X of the General Conditions does not exist and the Lessee of the Parcel D-1 Lease is not required to financially participate in such Association of Lessees.

4. Amendments. Lessor and Assignee agree that upon the Assignment Date the Parcel D-1 Lease shall be automatically amended as follows:

(a) Article VII(A) of the Parcel D-1 Lease, setting forth the minimum annual rent, is hereby amended and replaced in its entirety with the following:

"The minimum annual rent shall be in accordance with the following schedule: Commencing on the Assignment Date, as defined in the Consent to Assignment and Amendment of the Parcel D-1 Ground Lease, dated [2/5/9], the Minimum Rent shall be \$3,375.00 per month. The Minimum Rent shall be adjusted every five (5) years for inflation. For the purposes of calculating the adjustment to Minimum Rent, the first adjustment date shall be on the first of the month following the fifth (5th) anniversary of the Assignment Date. Further adjustments shall be made effective on each fifth (5th) anniversary of the adjustment throughout the period of the Lease.

The base for computing the adjustment shall be the most recently published index figure as of the Assignment Date as shown in the Consumer Price Index for the United States/San Francisco-Oakland/San Jose based on 1982-1984 = 100

published by the U.S. Department of Labor's Bureau of Labor Statistics (the "Beginning Index").

The index for the adjustment date shall be the index for the month in which the adjustment occurs (the "Adjustment Index"). Minimum Rent shall then be adjusted by the percentage increase of the Adjustment Index over the Beginning Index. For example, assuming the Beginning Index is 225 and the Adjustment Index is 250, the percentage to be applied is $250/225=1.11 = 111\%$ percent.

If the described index shall be no longer published, another generally recognized index as authoritative shall be substituted by agreement of the parties. If the parties are unable to agree within thirty (30) days after demand by either party, the substitute index shall, on application of either party, be selected by the chief officer of the San Francisco regional office of the Bureau of Labor Statistics or its successor."

(b) The General Conditions applicable to the San Mateo County Harbor District ground leases prior to 1992 and provided by Lessor (the "General Conditions") shall apply to the Parcel D-1 Lease to the extent not inconsistent with the provisions of the Parcel D-1 Lease provided the following modifications:

(i) Article VIII of the General Conditions, setting forth the insurance requirements, is hereby amended as follows:

Article VIII (D) is hereby amended such that the term "licensed to do business" in the first sentence shall be replaced with the term "authorized to do business".

Article VIII (E) is hereby amended such that the term "copies" in the first sentence is replaced with the term "certificates and/or evidence of".

(ii) Article XV of the General Conditions, setting forth the financial reporting and record keeping requirements, is hereby amended as follows:

The first sentence of Article XV is hereby amended and replaced in its entirety with the following:

"To insure complete and timely receipts of rents (minimum and percentage, unadjusted and adjusted) by District from Lessee, Lessee shall maintain a system of accounting and record keeping from the leased premises and shall keep true, accurate and complete accounts and records."

Article XV (A) is hereby amended and replaced in its entirety with the following:

"A. Business Records. Lessee shall install and maintain a system of accounts and records, which in the opinion of District, conforms to good accounting practice. They system of accounts and records shall be submitted to District for review and approval within ninety (90) days after the commencement of the

term of the Lease or after any assignment of the Lease to a new Lessee. Any changes to such approved accounting system shall be approved by the District. Such approvals by District shall not be unreasonably withheld and any disputes shall be processed in accordance with the procedures set forth in Article XIX – Claims and Disputes.”

Article XV (B) is hereby amended and replaced in its entirety with the following:

“B. Statements. Within 90 days after the close of the fiscal year, Lessee shall furnish District its annual unaudited balance sheet, its statement of operations, its statement of members’ capital and its statement of cash flows prepared on a historical costs basis.”

(iii) Article XVI of the General Conditions is hereby amended by adding the following to the end of Section A of Article XVI:

“; provided, however, the prior assignment of this Lease is hereby approved in its entirety and the written consent for such assignment is not required.”

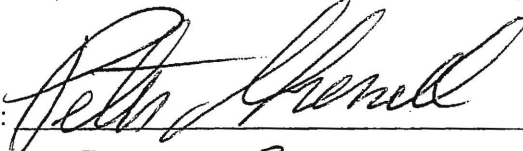
5. Except as set forth herein, all the terms and provisions of the Parcel D-1 Lease remain in full force and effect.
6. This Agreement shall be governed and construed in accordance with the laws of the State of California.
7. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement.
8. Upon the request of either party, the parties hereto agree to execute and record a memorandum of lease, assignment and/or amendment to the Parcel D-1 Lease as such may be appropriate.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

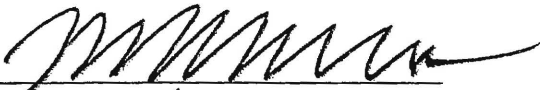
LESSOR:

SAN MATEO COUNTY HARBOR DISTRICT

By: 
Name: PETER GRENELL
Title: GENERAL MANAGER

ASSIGNEE:

OYSTER POINT MV LLC, a Delaware limited liability company

By: 
Name: TODD SKLAR
Title: VICE PRESIDENT

APPROVED AS TO FORM

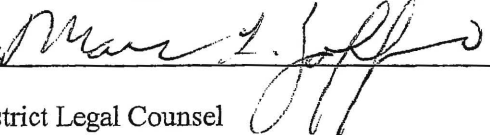
By: 
District Legal Counsel

EXHIBIT A

PARCEL D-1 LEASE

Ground Lease between the San Mateo County Harbor District and Inn Development, Inc., dated September 14, 1989 and recorded October 13, 1989 in the official records of San Mateo County as Doc. #89137949, including the following Exhibits attached thereto:

- Exhibit A: The Design Criteria for Construction by Lessees of the San Mateo County Harbor District – 1980; and
- Exhibit B: Oyster Point Marine Specific Plan, dated September 1983, as approved by the City of South San Francisco on September 7, 1983, Resolution 124-8.

Assignment and Assumption of Lease between Inn Development, Inc., and Oyster Point Marina Inn, dated April 3, 1997 and recorded April 25, 1997 in the official records of San Mateo County as Doc. #97-048940.

General Conditions used by the Harbor District as of the date of the Parcel D-1 Lease.

**CONSENT TO ASSIGNMENT
AND AMENDMENT OF THE PARCEL E, E-1, E-2, E-3 and E-4 GROUND
LEASE**

THIS CONSENT TO ASSIGNMENT AND AMENDMENT OF THE PARCEL E, E-1, E-2, E-3 and E-4 GROUND LEASE (this "Agreement") is made as of February 5, 2009, by San Mateo County Harbor District ("Lessor") and Oyster Point MV LLC, a Delaware limited liability company ("Assignee").

R E C I T A L S :

A. Lessor and Marine Collections LLC, a California limited liability company ("Lessee"), are parties to that certain ground lease dated October 13, 1989 and as more particularly described in Exhibit A, attached hereto, (the "Parcel E Lease"), with respect to the certain real property located at 671 Marina Boulevard in the City of South San Francisco, California and more particularly described in and defined in the Parcel E Lease as the "Premises."

B. Lessee and Oyster Point Ventures LLC, a Delaware limited liability company ("Oyster Point Ventures") are parties to that certain Agreement for Purchase and Sale of Leasehold Property, dated August 21, 2008 (as amended the "Purchase Agreement"), and pursuant to the Purchase Agreement, Assignee, a wholly owned subsidiary of Oyster Point Ventures, desires to assume Lessee's right, title and interest in and to the Parcel E Lease on behalf of Oyster Point Ventures (the "Assignment") upon the occurrence of certain events and subject to certain conditions (the date of such Assignment, the "Assignment Date"). Capitalized terms used herein but otherwise not defined shall have the meaning ascribed to them in the Purchase Agreement.

C. Assignee desires to obtain, and Lessor is willing to provide, Lessor's consent to the Assignment in accordance with the terms of the Parcel E Lease, and Lessor agrees to consent to the Assignment under the terms and conditions set forth herein.

D. In connection with the foregoing, Lessor and Assignee desire to amend the Parcel E Lease as set forth herein.

A G R E E M E N T :

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Conditions to Effectiveness of this Agreement. The consent, certifications and amendments provided in Sections 1, 2 and 3 of this Agreement shall be effective, if ever, only upon the occurrence of all of the following: (i) the California Department of Boating and Waterways shall have affirmed its consent to the Parcel E Lease and shall have consented to the terms of this Agreement; (ii) the City of South San Francisco (the "City") and the South San Francisco Recreation and Park District shall have executed a joinder, by which the City and the South San Francisco Recreation and Park District join in the Parcel E Lease for the purposes of approving the terms of this Agreement; (iii) the City shall have approved the Memorandum of Understanding as contemplated in the Framework Agreement approved by the City by resolution #110-2008 on November 12, 2008; and (iv) Lessor shall have received from King Ventures (a) a formal letter requesting Lessor's approval of the Assignment, (b) a check for \$500.00 and (c) a complete "Proposer's Questionnaire" form.

2. Consent of Lessor. Lessor hereby consents to the Assignment and effective as of the Assignment Date, Lessor hereby releases Lessee and John E. King and Carole D. King, as guarantors, with respect to the duties and obligations under the Parcel E Ground Lease and/or applicable associated guaranties.

3. Certifications. As a material inducement to Assignee to enter into this Agreement, Lessor hereby certifies the following information with respect to the Parcel E Lease:

(a) The Parcel E Lease, as described in Exhibit A hereto, and as previously reviewed by both parties is a true, correct and complete copy and is in full force and effect and has not been modified.

(b) As of the date of this Agreement, there are no defaults by Lessor under the Parcel E Lease, or to Lessor's knowledge of the Lessee thereunder.

(c) Under the terms of the Parcel E Lease, the Parcel E Lease commenced on July 1, 1986, is for a term of 25-years and expires on June 30, 2011; provided, however, Lessee of the Parcel E Lease has one option to extend the Parcel E Lease for an additional 25-years in accordance with Article IX of the Parcel E Lease.

(d) The security deposit required for the Parcel E Lease is \$6,000.00, and Lessee has paid such security deposit.

(e) No percentage rent was due or payable under the Parcel E Lease for the fourth quarter of the year 2008 ending on December 31, 2008.

(f) Lessee has paid \$7,400.00 dollars in base monthly rent in the most recent period for which rent was due.

(g) The Association of Lessees as referenced to in Article X of the General Conditions does not exist and the Lessee of the Parcel E Lease is not required to financially participate in such Association of Lessees.

4. Amendments. Lessor and Assignee agree that upon the Assignment Date, the Parcel E Lease shall be automatically amended as follows:

(a) Article VII(A) of the Parcel E Lease, setting forth the minimum annual rent, is hereby amended and replaced in its entirety with the following:

"The minimum annual rent shall be in accordance with the following schedule:

Commencing on the Assignment Date, as defined in the Consent to Assignment and Amendment of the Parcel E, E-1, E-2, E-3 and E-4 Ground Lease, dated 2/5/9, the Minimum Rent shall be \$7,400.00 per month. The Minimum Rent shall be adjusted every five (5) years for inflation. For the purposes of calculating the adjustment to Minimum Rent, the first adjustment date shall be on the first of the month following the fifth (5th) anniversary of the Assignment Date. Further adjustments shall be made effective on each fifth (5th) anniversary of the adjustment throughout the period of the Lease, including any extensions.

The base for computing the adjustment shall be the most recently published index figure as of the Assignment Date as shown in the Consumer Price Index for the United States/San Francisco-Oakland/San Jose based on 1982-1984 = 100 published by the U.S. Department of Labor's Bureau of Labor Statistics (the "Beginning Index").

The index for the adjustment date shall be the index for the month in which the adjustment occurs (the "Adjustment Index"). Minimum Rent shall then be adjusted by the percentage increase of the Adjustment Index over the Beginning Index. For example, assuming the Beginning Index is 225 and the Adjustment Index is 250, the percentage to be applied is $250/225=1.11 = 111\%$ percent.

If the described index shall be no longer published, another generally recognized index as authoritative shall be substituted by agreement of the parties. If the parties are unable to agree within thirty (30) days after demand by either party, the substitute index shall, on application of either party, be selected by the chief officer of the San Francisco regional office of the Bureau of Labor Statistics or its successor."

(b) Article VI(E) is hereby added to the Parcel E Lease as follows:

"Lessor hereby grants Lessee a right of access for the term of the Lease (as may be extended), for the reasonable and non-exclusive access to the underground UST fuel tanks fuel tanks and the above ground fuel lines and fuel valves, referenced in the Lease but which are not located on the Premises, as shown on Exhibit D."

(c) Exhibit D referenced in Article VI(E) is hereby added with the attached Exhibit B, hereto.

(d) The General Conditions applicable to the San Mateo County Harbor District ground leases prior to 1992 and provided by Lessor (the "General Conditions") shall apply to the Parcel E Lease to the extent not inconsistent with the provisions of the Parcel E Lease, provided the following modifications:

(i) Article VIII of the General Conditions, setting forth the insurance requirements, is hereby amended as follows:

Article VIII (D) is hereby amended such that the term "licensed to do business" in the first sentence shall be replaced with the term "authorized to do business".

Article VIII (E) is hereby amended such that the term "copies" in the first sentence is replaced with the term "certificates and/or evidence of".

(ii) Article XV of the General Conditions, setting forth the financial reporting and record keeping requirements, is hereby amended as follows:

The first sentence of Article XV is hereby amended and replaced in its entirety with the following:

“To insure complete and timely receipts of rents (minimum and percentage, unadjusted and adjusted) by District from Lessee, Lessee shall maintain a system of accounting and record keeping from the leased premises and shall keep true, accurate and complete accounts and records.”

Article XV (A) is hereby amended and replaced in its entirety with the following:

“A. Business Records. Lessee shall install and maintain a system of accounts and records, which in the opinion of District, conforms to good accounting practice. They system of accounts and records shall be submitted to District for review and approval within ninety (90) days after the commencement of the term of the Lease or after any assignment of the Lease to a new Lessee. Any changes to such approved accounting system shall be approved by the District. Such approvals by District shall not be unreasonably withheld and any disputes shall be processed in accordance with the procedures set forth in Article XIX – Claims and Disputes.”

Article XV (B) is hereby amended and replaced in its entirety with the following:

“B. Statements. Within 90 days after the close of the fiscal year, Lessee shall furnish District its annual unaudited balance sheet, its statement of operations, its statement of members’ capital and its statement of cash flows prepared on a historical costs basis.”

(iii) Article XVI of the General Conditions is hereby amended by adding the following to the end of Section A of Article XVI:

“; provided, however, the prior assignments of this Lease are hereby approved in their entirety and the written consent for such assignments is not required.”

5. Except as set forth herein, all the terms and provisions of the Parcel E Lease remain in full force and effect.

6. This Agreement shall be governed and construed in accordance with the laws of the State of California.

7. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same Agreement.

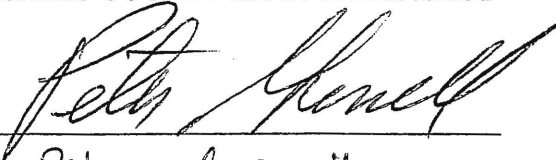
8. Upon the request of either party, the parties hereto agree to execute and record a memorandum of lease, assignment and/or amendment to the Parcel E Lease as such may be appropriate.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

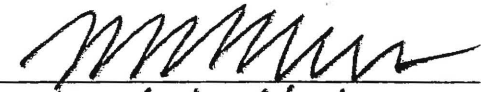
LESSOR:

SAN MATEO COUNTY HARBOR DISTRICT

By: 
Name: Peter Grenell
Title: General Manager

ASSIGNEE:

OYSTER POINT MV LLC, a Delaware limited liability company

By: 
Name: Todd Sklar
Title: Vice President

APPROVED AS TO FORM

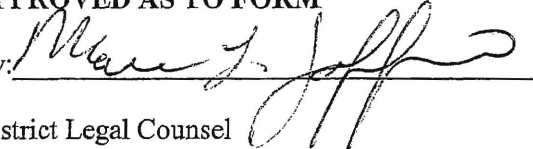
By: 
District Legal Counsel

EXHIBIT A

PARCEL E LEASE

Ground Lease between the San Mateo County Harbor District and Steve Duguay and V.I.P. Marine, Inc., dated July 1, 1986 and recorded December 8, 1988 in the official records of San Mateo County as Doc. #88167037, including the following Exhibits attached thereto:

- Exhibits A-A-5: Legal descriptions and drawings of Parcels E, E-1, E-2, E-3 and E-4;
- Exhibit B: The Design Criteria for Construction by Lessees of the San Mateo County Harbor District – 1980; and
- Exhibit C: Oyster Point Marine Specific Plan, dated September 1983, as approved by the City of South San Francisco on September 7, 1983, Resolution 124-8.

Assignment between V.I.P. Marine, Inc. and Steve Duguay and Summit Marine Corporation, dated December 15, 1989 and recorded March 16, 2001 in the official records of San Mateo County as Doc. # 2001-033859.

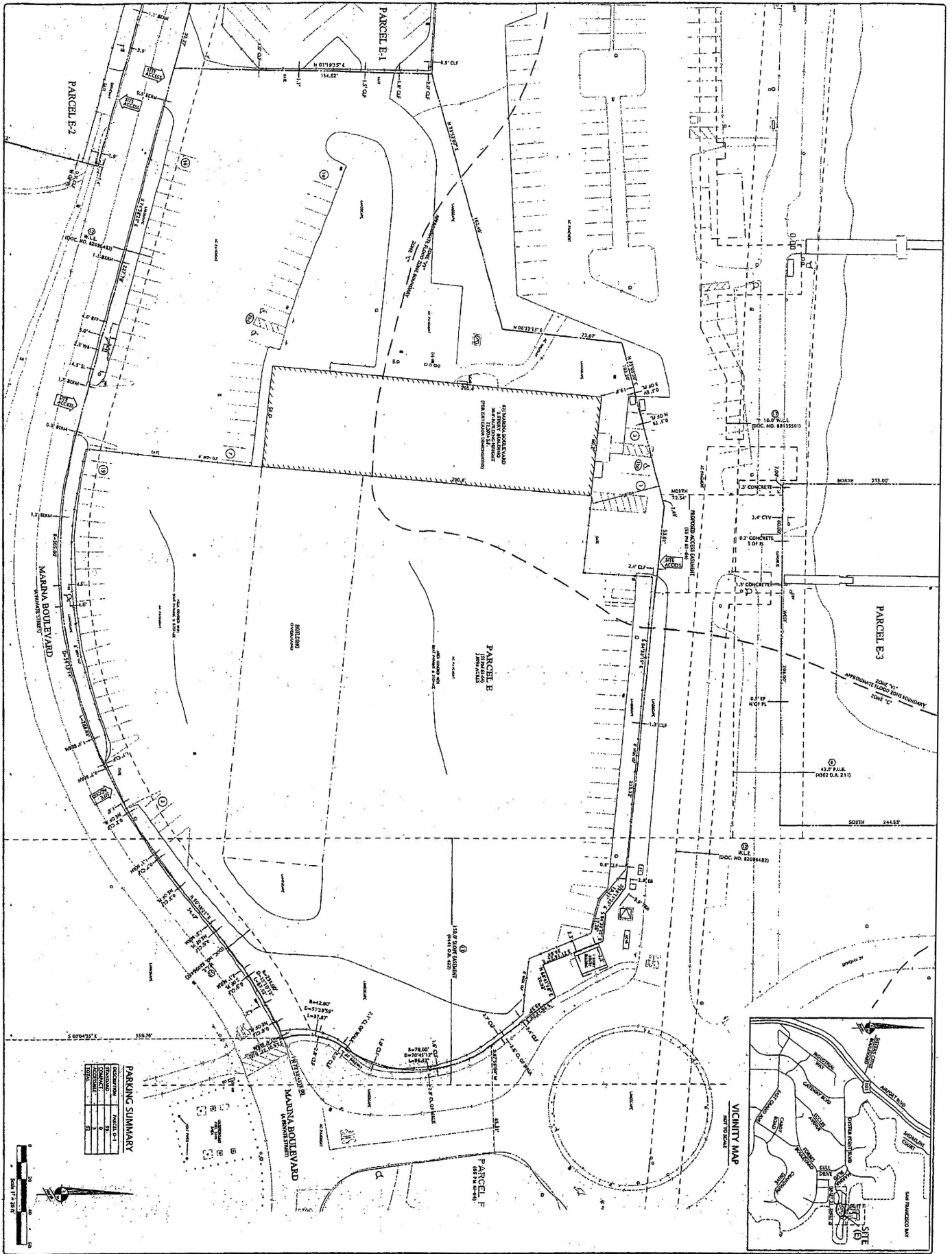
Assignment of Lease Agreement between SM Realty, Inc., formerly known as Summit Marine Corporation, and Marine Collections, LLC, dated March 5, 2001 and recorded March 16, 2001 in the official records of San Mateo County as DOC #2001-033859.

General Conditions used by the Harbor District as of the date of the Parcel E, E-1, E-2, E-3 and E-4 Lease.

EXHIBIT B

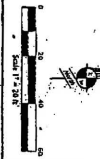
EXHIBIT D TO THE PARCEL E LEASE

(See Attached ALTA Survey of Parcels E, E-1, E-2, E-3 and E-4)



PARKING SUMMARY

CONSTRUCTION	ANALYSIS
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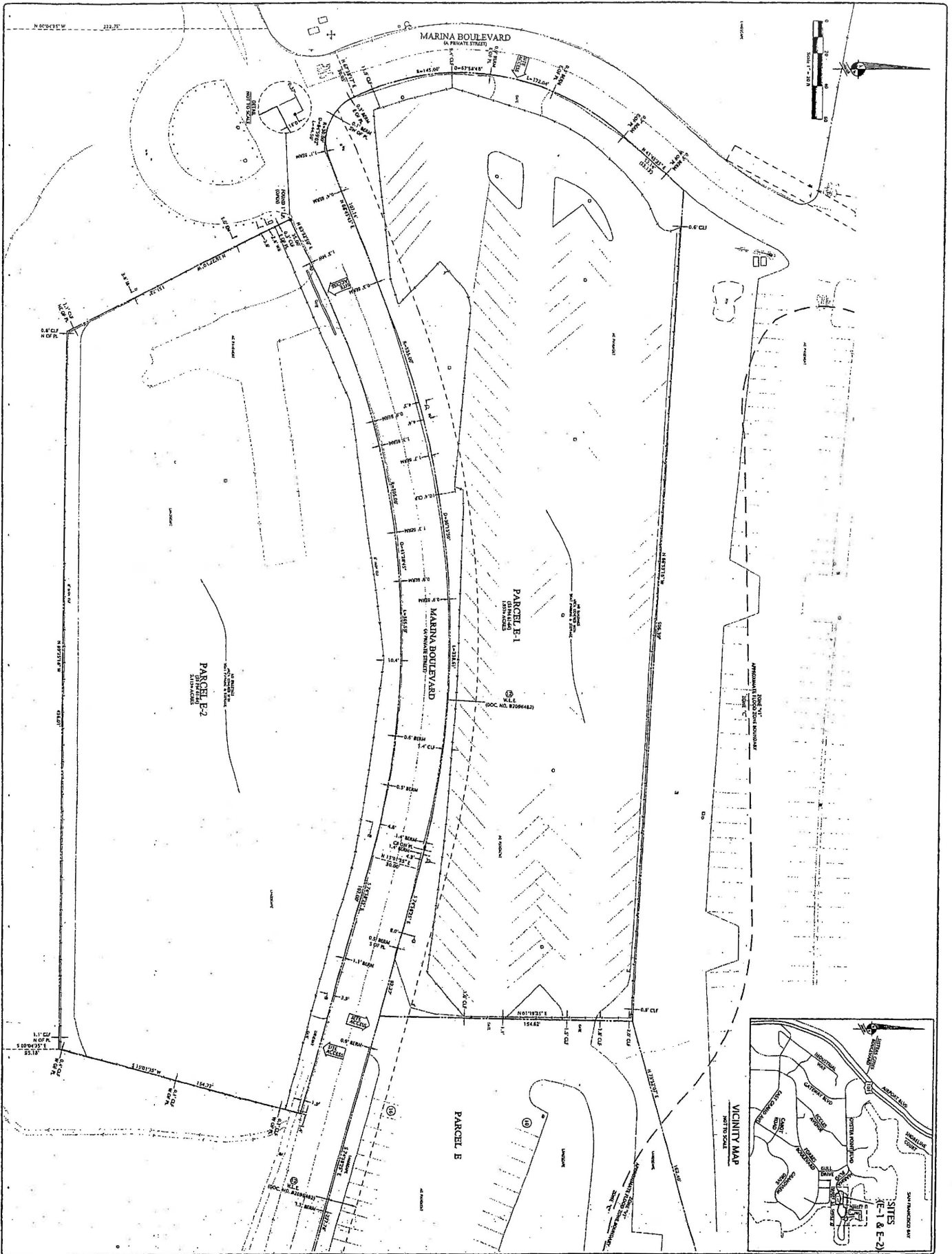


ALTA/ACSM LAND TITLE SURVEY
FOR: SKS INVESTMENTS

KIER & WRIGHT
CIVIL ENGINEERS & SURVEYORS, INC.
2310 Sloat Boulevard, Sausalito, CA 94965
San Francisco, California 94133
(415) 727-5882
(415) 727-5841

NO.	REVISION	DATE	BY	CHKD.
1	ISSUED			
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4				
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NO.	REVISION	DATE	BY	CHKD.
1	ISSUED			
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ALTA/ACSM LAND TITLE SURVEY
FOR: SKS INVESTMENTS

DATE	2008
SCALE	1" = 20'
CONDUCTED BY	J.W.
DATE	12/11/08
BY	AW
REVISION	3

SOUTH SAN FRANCISCO

CALIFORNIA

KIER & WRIGHT
CIVIL ENGINEERS & SURVEYORS, INC.
8330 Lovell Boulevard, Building 22
San Jose, California 95128
408-727-6601
408-727-6641

REVISION	BY	DATE

