

**AMENDMENT TO OPTION AGREEMENT
AND PURCHASE AGREEMENT**

This Amendment to Option Agreement and Purchase Agreement ("Amendment") is entered into effective November 7, 2006 ("Effective Date"), by and between Sanitary District No. 1 of Marin County ("Owner" or "District"), and Campus St. James Larkspur LLC, formerly known as Campus Cornerstone Larkspur LLC ("Optionee"), with regard to that Option Agreement between Owner and Optionee, dated October 6, 1999 (the "Option Agreement"), and the Real Property Purchase Agreement dated February 6, 2006 (the "Purchase Agreement"). The Option Agreement, Purchase Agreement, and this Amendment are collectively referred to herein as the "District - Campus Agreements."

Capitalized terms used herein shall have the same meaning as capitalized terms in the Option Agreement and Purchase Agreement except that the terms (i) "Owner" and "Seller" shall be referred to herein as the "District," and (ii) the "Property" and the "Land" shall be referred to herein as the "Optionee Property." District and Optionee are herein individually referred to as a "Party" and collectively herein as the "Parties."

Recitals

A. On September 21, 2005, the City of Larkspur ("City") adopted Ordinance No. 948, whereby it approved a General Plan Amendment, a Preliminary Development Plan, a Mitigated Negative Declaration and a Circulation Assessment Permit for the Entire Property, which approvals included (i) the development of a split level replacement facility for the District, including a parking lot for employees and visitors at the lower level of the District Site ("Lower Lot") and a parking lot for employees and parking of District vehicles at the upper level of the District Site ("Upper Lot") (collectively, the "City-Approved District Project"), (ii) an 80-unit hotel, and (iii) 126 residential units in a total of nine buildings (approvals (ii) and (iii) are referred to as the "Optionee's Project" and all three approvals collectively, the "Project"). The approval of the City-Approved District Project and the Optionee's Project are referred to as the "Project Approval." A list of the Project Approval Plans are attached as **Attachment 1**.

B. The Parties acknowledge that (i) Optionee now contemplates the subdivision of the Optionee Property into two or more parcels, one of which will be the "Hotel Parcel," identified as Parcel 1 on **Attachment 2** hereto, and the remainder of which will be the "Residential Property" identified as Parcels 2, 3 and 4 on **Attachment 2** hereto, (ii) the District's Board of Directors approved plans for the development of the District Site (which include a site plan, landscape plans, building elevations and details of materials) which are identified on **Attachment 3** (the "New District Project Plans"), which depict a project which, if developed on the District Site, would be developed in accordance with those standards shown on **Attachment 4** (the "District Site Development Standards"), and (iii) the design of the Optionee's Project (for the Hotel Parcel and the Residential Property) has not changed materially from that shown in the Project Approval Plans but has been advanced to a Precise Plan level of detail shown on the Hotel Project Draft Precise Plans and the Optionee's Draft Precise Plans for the Residential Project listed on **Attachment 5** (together, the "Optionee's Project Draft Precise Plans"). The Hotel Project Draft Precise Plans for the Hotel Parcel contemplates a hotel of 100 rooms (whereas the Project Approval was for 80 rooms) with parking shared between the

Hotel Parcel and the Lower Lot of the District Site. Subject to the approval of the City to a hotel of 100 rooms on the Hotel Parcel with parking shared on the Lower Lot of the District Site between the Hotel Parcel and the District Site, the Parties will need to enter into a shared Parking Operations Management Plan pursuant to Section 10(a) below. The Residential Project Draft Precise Plan has been approved by the District and applications for the Residential Project Precise Plan and Final Design Review for the Residential Project have been submitted to the City. The Hotel Project Draft Precise Plan has been approved by the District and applications for the Hotel Project Precise Plan and Final Design Review for the Hotel Project have been prepared and submitted to the City.

C. District presently operates largely from two areas of the Entire Property, (i) the maintenance area which comprises a maintenance building (the "Maintenance Building"), a storage and utility building, and a fuel dispensing area (collectively the "Maintenance Area"), and (ii) the District office area which comprises the District office, the board room and the crew building (collectively the "District Office Area"). Various portions of the Entire Property are currently used for parking District vehicles and employee and visitor parking. The Maintenance Area and District Office Area are shown on the drawing entitled "Improvement Plan Areas" attached hereto as **Attachment 6**.

D. Notwithstanding the New District Project Plans, or anything in the Option Agreement or the Purchase Agreement to the contrary, the District shall have the right to make a "Relocation Election" (as set forth in Section 4(g) of this Amendment) whereby District may elect to Relocate (as defined in Section 8(a)) its facilities and operations from the Optionee Property to (i) a site owned by the Central Marin Sanitation Agency ("CMSA") located in San Rafael California (the "CMSA Site") or another location instead of to the District Site (collectively, "Offsite Relocation") or (ii) to the District Site. Optionee desires to accommodate the District's ability to elect an Offsite Relocation as more particularly described in this Amendment. This Amendment is intended to address issues between the Parties that may arise with respect to the District's Relocation Election.

E. The Parties contemplate that the Marin Municipal Water District ("MMWD") and Pacific Gas & Electric Company ("PG&E") will agree to the phased installation of utilities generally consistent with that shown on the Supplemental Utility Phasing Plan attached hereto as **Attachment 7** (the "SUPP"). MMWD, PG&E and the District (as the regional sewer service provider) are referred to herein as the "Utility Companies." The Parties anticipate that the District Site will receive MMWD and PG&E service from Lincoln Village Circle ("LVC"). The Parties anticipate that the District Site and the Hotel Parcel will receive sewer service from Larkspur Landing Circle ("LLC").

F. On June 13, 2006, the City approved an Interim Grading Plan covering the Entire Property, which plan sheets are listed on **Attachment 8** (the "IGP"). For construction purposes, the IGP will be split into four major phases as described in **Attachment 9A**. The approximate boundary of each phase of the IGP is shown on **Attachment 9B**, the Interim Grading Plan Phasing Exhibit, which boundaries the Parties acknowledge may change and/or overlap to facilitate the orderly grading of the Entire Property and the work sequence of the grading contractor. Attached hereto as **Attachment 9C** is a Responsible Parties and Schedule Chart which chart indicates the responsibilities of the Parties with respect to each of the phases of the

District's Site Obligations (as defined in Section 8(a)) for the planning for the grading and infrastructure work to be undertaken by each of the Parties in connection with the IGP. Notwithstanding the foregoing, **Attachments 9A, 9B, and 9C** (referenced below) do not operate to expand the scope of District's obligations under the IGP or the District-Campus Agreements.

G. Optionee shall commence certain grading and other work on the Property prior to the Closing. As such, the District's buildings located within (i) the District Office Area, and (ii) the Maintenance Area, will need to be moved to an interim area on the Optionee Property as shown on **Attachment 10** hereto or otherwise mutually agreed to in writing by the Parties ("Interim Area") pursuant to the terms and conditions set forth in Section 8 below.

H. If, pursuant to Section 4(g), the District elects to Relocate to the District Site, the District will need to improve the Upper Lot consistent with plans and specifications to be prepared by the District which are to be consistent with the IGP and the SLEIP (defined below) and to be known as the Upper Lot Improvements Plans (the "ULIP"). When so prepared and finalized, the ULIP sheets will be listed on **Attachment 11**. District will need the Upper Lot to be served by a sewer line consistent with plans and specifications to be prepared by District which are to be consistent with the IGP and approved by the Parties and to be known as the Sewer Line Extension Improvement Plans (the "SLEIP"). When so prepared and approved, the SLEIP sheets will be listed on **Attachment 12**. If District elects to Relocate to the District Site, then to fully operate its new facilities from the District Site, the District will require access to the Lower Lot, and the Lower Lot to be improved consistent with improvement plans (the "Lower Lot Improvement Plans" or "LLIP") to be prepared based on the Hotel Draft Precise Plan. The Hotel Parcel improvement plans are referred to as the "HIP" herein. The improvement plans for Spine Road are referred to as the "SRIP" herein. The first section of Spine Road (up to and including the entry to the Hotel Parcel) improvement plans are referred to as the "SRIP Phase I" herein. The improvement plans for the remainder of Spine Road are referred to as the "SRIP Phase II" and for Link Road are referred to as the "LRIP" herein. The general location of the improvements to be constructed under the ULIP, SLEIP, LLIP, HIP, SRIP and LRIP, and other improvement features which are referenced in this Agreement, are shown on the Improvement Plan Areas.

I. The LLIP work cannot be completed until the HIP and the SRIP work is complete. If pursuant to Section 4(g), the District elects to Relocate to the District Site, Optionee has agreed to make available to the District for the period that the LLIP work is being undertaken, a temporary alternative parking lot on the Optionee Property (the "Temporary Parking Area") the location of which may change from time to time but shall be located as close as reasonably possible to the Lower Lot without impacting the timing and sequence of grading and other construction activities occurring on the Entire Property. The Temporary Parking Area is more particularly described in Section 10 below.

J. If the District elects an Offsite Relocation, the District will still need to perform certain elements of the IGP, the ULIP and other improvement plans along with certain other obligations set forth in Section 9 of the Option Agreement and Section 7.1 of the Purchase Agreement as described in Section 8 below (the "District Must Do Obligations").

K. The United States Army Corps of Engineers ("ACE") has made the preliminary determination that portions of the Entire Property including portions of the District Site and the

Optionee Property are jurisdictional. Optionee's biological consultant, WRA Environmental Consultants ("WRA"), has prepared a formal request to the ACE for a final jurisdictional determination. Both the District Site and the Optionee Property have been determined to contain waters of the United States, including wetlands ("Wetlands") and other waters ("Waters"). In order to fill or grade these areas consistent with the Project Approvals, permit authorizations and compensatory mitigation will be required from regulatory agencies, including a Section 404 Nationwide Permit from the ACE and Section 401 Certification by the Regional Water Quality Control Board ("RWQCB"). Optionee has entered into an option to purchase wetland mitigation credits ("Wetland Mitigation Credits") for mitigation of wetlands on the Entire Property, all as more particularly set forth in Section 11 below.

L. Pursuant to that certain Lot Line Adjustment LLA 04-102 dated December 15, 2005, and recorded January 11, 2006, as Series Number 2006-0002046 (the "District Site Lot Line Adjustment"), the District Site has been created as a legal parcel, which parcel contains 1.50 acres. The southwest corner of the District Parcel has since been modified for improved access via a separate lot line adjustment therefor, resulting in the District Site being approximately 1.49 acres. The reconfigured District Site is shown on **Attachment 14** (the "SW Corner Lot Modification Map").

M. Optionee exercised its option to purchase the Optionee Property on February 3, 2006. Pursuant to Section 7.1 of the Purchase Agreement thereto, the stated Closing Date was March 20, 2006 and the Removal Date was December 15, 2006. However by its notices dated March 15, 2006 and April 18, 2006, Optionee elected to postpone the date for Closing to November 30, 2006, but the Removal Date remained unchanged. As set forth in Section 18, the Parties wish to establish a new Removal Date and to resolve their disagreement as to the LD Date.

N. District and Optionee acknowledge that: (i) there are certain issues which will affect either separately or jointly the District Site and the Hotel Parcel, which need to be worked out before Closing among the District and the Hotel Parcel Buyer and Optionee as applicable, such as the reciprocal and other ingress, egress, sewer, drainage, landscape, wall and other easements, or which pertain only to the District Site and the Hotel Parcel, but not the Residential Property, as set forth in Amendment Section 13 (the "District Site – Hotel Matters"), (ii) there are other easements and infrastructure matters which may involve the Residential Property and/or the District Site, but not the Hotel Parcel, as set forth in Amendment Section 13 (collectively, the "District Site – Residential Matters"), (iii) the District may be able to remove its improvements and operations from the Maintenance Area on the Hotel Parcel before it moves its District Office and related operations from the Residential Property, and (iv) it would be better for the District if the purchase of the Hotel Parcel was not delayed until all of the matters affecting the Residential Property were resolved, or vice versa.

O. The Parties desire to amend and clarify the Option Agreement and the Purchase Agreement to account for changes in circumstances and in the Parties' mutual desires that have occurred since the date the Parties entered into the Option Agreement and the Purchase Agreement. For that reason and for other valuable consideration, the Parties hereby enter into this Amendment.

Agreement

1. Incorporation of Recitals. The foregoing Recitals are by this reference incorporated into this Amendment. With respect to any statements of fact made by a Party above, the truth, accuracy and completeness thereof are confirmed by the District and Optionee, respectively, and with respect to any statement of intention, such present intention is confirmed by the Party making same above.

2. Updates, Clarifications and Confirmations. The Parties hereby agree that:

(a) The site plan attached to the Option Agreement as Exhibit B is hereby replaced with Sheet A1-1 of the Project Approval Plans. The License Area shown on the sketch depicted on Schedule H to the Purchase Agreement is hereby changed to be in that area shown on the drawing on **Attachment 16**.

(b) If the District elects to pursue Relocation to the District Site, development of the District Site shall be consistent with the New District Project Plans and the District Site Development Standards, which plans and standards are hereby approved by Optionee. Any material changes from the New District Project Plans shall be subject to the written approval of Optionee which approval shall not be withheld if same are consistent with the District Site Development Standards. In connection with such election, the Isthmus shall be graded at District expense to the same grade as the Upper Lot and be screened as shown on the District Plans consistent with the District Site Development Standards. The District Site Restrictions (defined below in Section 2(d) below) shall include restrictions on the use of the Isthmus.

(c) In all cases, it is to the mutual benefit of the Parties for the Lower Cut Retaining Wall shown in the Approved Project Plans at the southwest corner of the District Site to be realigned cutting the southwest corner of the District Site and the northeast corner of the Hotel Parcel. The Parties hereby agree that the alignment of the Lower Cut Retaining Wall at said location shall be as shown on the Hotel Project Draft Precise Plans. Said southwest corner of the District Site with the Hotel Parcel, and District Site acreage, shall be adjusted pursuant to the SW Corner Lot Modification Map, which map shall be processed by Optionee and signed by the District.

(d) The form of instrument for recordation to create the restrictions applicable to the District Site and the form or memorandum for recordation of the right of first refusal referred to in Section 17 of the Option Agreement, shall be as set forth in **Attachment 17** (the "District Site Restrictions") and **Attachment 18** (the "Memorandum of Right of First Refusal"), respectively. The District approves same, agrees to duly execute and acknowledge each document, and authorizes the District Site Restrictions to be recorded against the District Site at the Hotel Closing, and the Memorandum of Right of First Refusal to be recorded against the District Site at the later of the Hotel Closing or the Residential Closing (as those terms are defined in Section 16).

(e) The Title Company to be used in place of the Title Company referenced in Section 10 of the Option Agreement shall be California Land Title of Marin. The Title Report to be used in place of the Title Report referenced in Section 10 of the Option Agreement shall

be Cal Land Title Company Preliminary Title Report dated as of April 5, 2006, Order Number 264452 CB Supplemental ("New Title Report"), a copy of which is attached hereto as **Attachment 19**, and which covers the Optionee Property. The Permitted Exceptions (as defined in Section 10 of the Option Agreement) shall include all of those exceptions shown in the New Title Report excluding exceptions Nos. 7, 8, 9 and 11(a) (the "Unpermitted Exceptions"), which Unpermitted Exceptions shall be the responsibility of the District to remove pursuant to said Section 10 of the Option Agreement; provided, however, that Optionee shall cooperate with and assist District in removing exceptions Nos. 7 and 8 (which may include granting permissions for alternative easements). In addition, Optionee may obtain an updated title report covering the District Site to confirm that no new title exceptions which effect the District Site have appeared or been created since the Effective Date of the Option Agreement as might impact the District Site Restrictions and/or the Right of First Refusal or negatively impact any of the various easements to be created pursuant to Section 13 below.

(f) The survey to be used in place of the Survey referenced in Section 10 of the Option Agreement shall be the ALTA/ACSM survey prepared by Michael E. Ford dated April 18, 2006 ("Ford ALTA Survey"), a copy of which is attached as **Attachment 20**, which is a survey of the Optionee Property as opposed to a survey of the Entire Property.

(g) The last sentence of Section 7.1 of the Purchase Agreement is hereby deleted.

(h) Except as to any statements regarding any type of supplemental agreement, and except as further modified by this Amendment, the District hereby ratifies, confirms and approves the following: (i) the Option Agreement; (ii) the Purchase Agreement; (iii) the consent letter in favor of St. James Properties dated June 30, 2003, and countersigned by the District; (iv) the estoppel certificate dated December 2, 2005, executed by District in favor of Larkspur Landing Hotel Company, LLC; (v) the estoppel certificate dated August 2, 2006 executed by District in favor of WL Homes LLC, a Delaware limited liability company dba John Laing Homes (but not the Memorandum of Agreement attached thereto); and (vi) those other items listed on **Attachment 22** hereto. With respect to the Memorandum of Option Purchase and Sale Agreement which was previously recorded against the Optionee Property, Optionee agrees to cause same to be removed of record if and when the District agrees to promptly execute, acknowledge and deliver a replacement Memorandum thereof (in a form substantially similar to that attached hereto as **Attachment 13**) for recording purposes.

3. Approval of Plans and Schedule.

(a) The Parties agree that the Projects to be developed on their respective properties need not be exactly the same as represented on the District Plans and in the Optionee Project Draft Precise Plans but that their respective Projects must be in substantial conformance therewith. Therefore, Optionee hereby approves (i) the New District Project Plans subject to the District Site Development Standards and the District Site Restrictions, and (ii) the Pump Station shown on the Pump Station Improvement Plans listed on **Attachment 21** ("PSIP"). District hereby approves the Optionee Project Draft Precise Plans, the Hotel Project Draft Precise Plans and the IGP.

(b) The Parties acknowledge that the various grading and infrastructure work contemplated to be undertaken by the District and Optionee on their respective portions of the Entire Property, if not conducted in a proper and timely manner, may have a negative impact upon each Party's efforts to undertake its respective responsibilities under this Amendment, the Option Agreement and Purchase Agreement. Therefore, the Parties approve the Interim Grading Plan Phasing attached hereto as **Attachments 9A and 9B**, and the Responsible Parties and Schedule Chart attached hereto as **Attachment 9C** which chart also introduces the phases of the District's Site Obligations into the planning for the grading and infrastructure work to be undertaken by each of the Parties and is consistent with the Relocation Plan and Schedule described in Section 8 below.

(c) The SLEIP, the SRIP and LRIP areas are shown on **Attachment 6** and shall be prepared by the applicable Responsible Party as shown on the Responsible Parties and Schedule Chart and submitted to the other Party for approval, which approval shall not be unreasonably withheld or delayed beyond three (3) business days.

4. District Agreements and Consents. The District acknowledges that it is the regional sewer service provider for the Entire Property and therefore hereby approves the SUPP. District also agrees as follows:

(a) Upon execution of this Amendment, to immediately commence and diligently proceed to remove from inclusion in the Title Policy the Unpermitted Exceptions. District acknowledges that the foregoing is of critical importance to Optionee and that delivery of title subject only to the Permitted Exceptions is an express covenant of District and is one of Optionee's Conditions to Closing.

(b) To immediately proceed with the preparation of the IGP Phase III(A) plans.

(c) To immediately proceed with the SLEIP and, if District elects to Relocate to the District Site, (i) the ULIP and (ii) to the extent not being undertaken by Optionee, any and all other plans, specifications, drawings and documents necessary for the construction of all phases of the City-Approved District Project on the District Site, and diligently pursue bid documents, public bids and construction of the same. The ULIP shall be materially consistent with the New District Project Plans subject to the District Site Development Standards and the District Site Restrictions.

(d) To use best efforts to move all District's operations from the Optionee Property at the earliest opportunity pursuant to the Relocation Plan and Schedule, but in all cases by the Removal Date as extended pursuant to Section 18 below.

(e) Responsibility for constructing the sewer line shown on the SUPP and to be shown on the SLEIP and the ULIP, the LLIP, the HIP or the SRIP improvements, or portions thereof, will shift based on whether or not District elects an Offsite Relocation, and shall be allocated as shown on the Responsible Parties Chart. That portion of the Optionee Property whereon the SLEIP work is to be performed will become available for such work when the District Relocates off the Optionee Property.

(f) Optionee shall have the right to enter upon the Entire Property, or any portion(s) and at various times prior to Closing, to undertake work pursuant to the SUPP, the OIIP (as defined in Section 5(a) below) and any other grading, utility or improvement plan approved by the City or the Utility Companies for the benefit of Optionee's Project or any portion thereof (collectively, "Optionee's Property Improvements"), and in compliance with all applicable state, federal and local laws ("Applicable Laws"). In connection with such work, Optionee may temporarily stockpile soils and other materials on the Optionee Property generated by site activities or imported as may be necessary in connection with any of the foregoing work so long as such stockpiles do not materially interfere with District operations, increase District's obligations under the District-Campus Agreements, or diminish the Temporary Parking Area or District's access thereto. To the extent that any site activities undertaken by Optionee or its contractors, or Force Majeure events (as defined below), directly, demonstrably and materially cause interference with or delay the District's performance of any of its Site Obligations or Limited Site Obligations (as applicable) and such delay or interference could not have been reasonably mitigated by the District, then the date(s) for performance thereof by the District, the Removal Date, and the LD Date, shall each be deferred day-for-day to the extent of such proven delay provided that the District has given Optionee and its contractors prompt written notice thereof (but in no event more than three (3) business days) after the occurrence of an event which the District asserts has delayed and/or will continue to delay the District's ability to perform its Site Obligations, which notice shall include an explanation of the basis for such delay. As used herein, "Force Majeure" means earthquake, fire, tsunami or other catastrophic weather or casualty event or act of God or governmental delays in issuing governmental permits, approvals, or inspections for the Site Obligations or Limited Site Obligations (as applicable) which events are outside the reasonable control of District. The Parties acknowledge that applications for permits and/or approvals need to be submitted to governmental entities by specific dates to allow for time to process any required permits and approvals needed to allow the District to satisfy the Site Obligations or the Limited Site Obligations (as applicable) by the Removal Date. The Parties have identified such dates on **Attachment 9C** hereto. Force Majeure delay days as to delays in issuing governmental permits and approvals shall apply unless the District fails to timely meet the agreed on dates in **Attachment 9C** for submittal of governmental applications which are deemed to be complete for such permits and approvals, fails to use commercially reasonable efforts to cause timely issuance of such permits and approvals, and also fails to meet the Removal Date.

(g) During any construction activities conducted by District on or near the District Site, District shall install and maintain the Upper Lot Fencing referenced in **Attachment 3**, consisting of temporary and permanent security fencing along the top of the grade separation between the Upper Lot and the Hotel Parcel/Lower Lot in accordance with the requirements of the District Site Development Standards.

(h) Unless the District delivers written notice to Optionee prior to December 15, 2006 (the "Cut-off Date") that it has elected to Relocate to the District Site (the "Relocation Notice"), the District shall be deemed to have elected an Offsite Relocation.

(i) If District desires to remove any Heritage Trees located on the District Site, the District (at District's expense) shall obtain all necessary Heritage Tree removal permits

and shall only remove Heritage Trees on the District Site in compliance with all Applicable Laws.

5. Optionee Agreements.

(a) Optionee agrees to immediately proceed with the preparation of (i) the IGP Phase I, the IGP Phase II, and the IGP Phase IIIB, and (ii) the SRIP, the HIP (to the extent needed for access to the Lower Lot) and the LLIP (all of the foregoing, collectively the Optionee's Initial Improvement Plans or the "OIIP") and diligently pursue bid documents therefor. If District does not elect to Relocate to the District Site by the Cut-Off Date as provided above, and if the District has not by the Cut-off Date completed the SLEIP, then Optionee shall take over the responsibility for preparing the SLEIP and shall build the sewer line (with the District to pay its share of the costs therefor) as more particularly provided in **Attachment 9C**. In such event, the District's share of costs for the sewer line shall be paid or reimbursed as provided in Section 7(a) below.

(b) Provided that District obtains the necessary Heritage Tree removal permits and only removes Heritage Trees on the District Site in compliance with all Applicable Laws, Optionee agrees (at the District's cost) to mitigate somewhere on the Optionee Property any Heritage Trees which will be lost on the District Site due to the District constructing and installing the ULIP.

(c) Optionee hereby indemnifies, defends, protects and holds harmless District and all of its officers, directors, employees and agents (collectively, "District Parties") from and against any and all expenses, costs, losses, claims, actions, injuries, damages (other than consequential damages), liens, liabilities, opportunity costs, lost profits, penalties and judgments (including, without limitation, reasonable attorneys' fees, expert witness fees and costs and court costs incurred in connection therewith) (collectively, "Liabilities") to the extent arising out of or resulting from claims brought by third parties against District Parties on account of, and which in each and/or any case are caused or contributed to by Optionee and/or its contractors and agents in connection with the design and construction work to be undertaken by Optionee pursuant to this Amendment, but excluding, individually with respect to any District Party, Liabilities which are caused by the sole active negligence or willful misconduct of such District Party. This indemnification shall survive the Closing(s) and any termination of the District-Campus Agreements.

(d) Optionee hereby agrees to the provisions of Section 4(e) and 4(f).

6. Cost Sharing Arrangements Generally. Except as specifically provided herein, Optionee shall pay for the cost of improvements made to and/or on the Optionee Property and the District shall pay for the cost of improvements made to and/or on the District Site. Specific cost sharing arrangements are more particularly set forth in the Responsible Parties and Schedule Chart attached hereto as **Attachment 9C**.

7: Payment of Costs.

(a) District acknowledges and agrees that prior to the Effective Date, Optionee has paid or been invoiced for certain work which is the responsibility of the District to

pay in connection with the Option Agreement which items are listed in **Attachment 23** hereto (the "Pre-Agreement District Costs"), the documentation for such costs having already been delivered to and approved by District. Within thirty (30) days after the execution and delivery of this Amendment, District shall reimburse to Optionee those Pre-Agreement District Costs incurred by or invoiced to Optionee to date. Optionee shall thereafter invoice District twice each month for any other District Costs (such as the District's share of any Wetland Mitigation Credits pursuant to Section 11 below) which are paid by or invoiced to Optionee which are required to be paid by the District either under the District - Campus Agreements. District shall pay Optionee such District Costs within thirty (30) days of the date of the invoice therefor. In the event any that any District Costs are unpaid as of the Closing, the amount of such costs shall be credited to the Purchase Price.

(b) If District pays or is invoiced for any work required to be paid for by Optionee under the terms of the District – Campus Agreements ("Optionee Costs"), the costs thereof shall paid or reimbursed (as applicable) by Optionee within thirty (30) days of the date of invoice. In the event that any Optionee Costs are unpaid as of the Closing, the amount of such costs shall be added to the Purchase Price.

(c) The Parties agree to reimburse the other for reimbursable costs under the District-Campus Agreements which are incurred by each after Closing, thirty (30) days of the date of invoice submitted by the applicable Party. The obligations of the Parties set forth in this Section 7 shall survive the Closing(s) and the termination of the District-Campus Agreements for any reason.

8. District's Obligation to Complete Removal of Improvements.

(a) District's obligations to perform certain matters pertaining to the physical condition of the Property are set forth in Sections 9.1 and 9.3 of the Option Agreement and Section 7.1 of the Purchase Agreement (collectively, the "Site Obligations") and generally include (i) remediation of hazardous materials as set forth in the District - Campus Agreements, including, without limitation, testing and remediation of soils and groundwater under or adjacent to any existing and temporarily relocated District buildings and District facilities when demolished or relocated by the District, if and as may be required under applicable laws (collectively, "Remediation"); (ii) removal of all above and below ground improvements including, without limitation, removal of all existing and future temporary buildings and structures located on the Interim Area or elsewhere on the Optionee Property ("Removal"), (iii) grading as set forth in Section 9.3 of the Option Agreement and Section 7.1 of the Purchase Agreement consistent with the Nute Grading Plans as modified herein to account for the District's Relocation Election ("Grading"); and (vi) relocating the District operations (including, without limitation, those within the Office Area and the Maintenance Area) to a location(s) outside of the Optionee Property or entirely off the Entire Property ("Relocation" and "Relocate"). If the District elects an Offsite Relocation, then District's Site Obligations shall include only the District Must Do Obligations which are identified in **Attachment 24** hereto along with the Remediation and Removal and Grading obligations referenced above (collectively, the "Limited Site Obligations"). If the District elects to Relocate to the District Site, then the District Site Obligations shall include, without limitation, those items for which the District has responsibility as listed in **Attachment 9C**. The District shall perform either the

Site Obligations or Limited Site Obligations (as applicable) pursuant to the Relocation Plan and Schedule attached or to be attached hereto as **Attachment 25** ("Relocation Plan and Schedule"). The Relocation Plan and Schedule describes responsibilities, phases and sequencing for the District's performance of its Site Obligations or Limited Site Obligations (as applicable) and the date by when each such phase should be completed. District's failure to timely meet the interim dates set forth in **Attachment 25** shall not constitute a default nor trigger LDs unless District also fails to meet the Removal Date. Optionee agrees that if the District does not Relocate to the District Site, then District need not develop the District Site or perform any specific site work thereon other than the Limited Site Obligations, although the District Site Restrictions and other obligations which under the District – Campus Agreements are to survive the Closing, shall remain in effect.

(b) "DTSC Clearance" as used herein means issuance of remediation clearance or other equivalent documentation (such as a "no further action" letter) evidencing District's completion of such Remediation to the extent satisfactory to the RWQCB or the California Department of Toxic Substances Control ("DTSC") as to the Optionee Property. District has remediated the Optionee Property (except the District Office Area, the Maintenance Area, and the existing access road area, collectively referred to herein as the "Secondary Testing Area") to Residential Standards and obtained DTSC Clearance therefor. "Residential Standards" as used herein means chemicals at or below levels permitted under United States Environmental Protection Agency Region IX Residential Preliminary Remediation Goal Guidelines, California Environmental Protection Agency Residential California Human Health Screening Levels, or RWQCB Environmental Screening Level Guidelines. As part of the District's remaining Remediation obligations, District shall promptly (in accordance with **Attachment 25**) test Secondary Testing Area samples, with results to be provided to Optionee's environmental consultant, Erler & Kalinowski, Inc., for review. To the extent that such testing reveals chemicals and petroleum hydrocarbons exceeding Residential Standards, District shall immediately begin Remediation thereof. The Parties shall re-test the Secondary Testing Area after such Remediation is substantially complete, and shall then meet and confer (in consultation with JLH) in good faith in order to determine whether application for DTSC Clearance as to the Secondary Testing Area is necessary. If the Parties determine such application is not necessary, then District's Remediation obligations shall be deemed satisfied for purposes of the Removal Date and the LD Date only. If, however the Parties determine that application for DTSC Clearance (or such other notification as is deemed appropriate) as to the Secondary Testing Area is necessary, the Parties shall cooperate to compile, assess, and submit information and data sufficient for review, evaluation and approval by DTSC; if possible, such application or other notification shall be in the form of a supplemental letter and be designed to not reopen the prior DTSC Clearance. The parties acknowledge that necessary applications or other notifications need to be submitted to DTSC with sufficient lead time to allow for DTSC review, evaluation and approval in order to meet the Removal Date; such dates shall be identified on **Attachment 9C** hereto. For purposes of the Removal Date and the LD Date only, District's application, other notification, or request for DTSC Clearance as to the Secondary Testing Area shall be deemed a "completion" of District's Remediation so long as the remaining Site Obligations or Limited Site Obligations have been completed by April 15, 2007, in which case the Removal Date and LD Date time periods are tolled until DTSC responds denying DTSC Clearance ("Tolling"); provided however, that in the event DTSC requires

further Remediation, District shall perform such Remediation and the Tolling shall cease until such Remediation is completed.

(c) District shall undertake the Initial Site Obligations (defined below) in substantial accordance with the Relocation Plan and Schedule, and regardless of whether the District has delivered or delivers to Optionee a Relocation Notice. The "Initial Site Obligations" consist of (A) relocation of the District's buildings, facilities and operations from (i) the District Office Area, and (ii) the Maintenance Area, to the Interim Area or other off-site location, (B) District's Remediation and Removal obligations pertaining to the Secondary Testing Area, and (C) grading of such the Secondary Testing Area consistent with the standards set forth in the Nute Grading Plans). The Initial Site Obligations shall constitute a component of District's Site Obligations. Optionee agrees to cooperate in good faith with the District's Initial Site Obligations provided, however, that all cost therefor (other than otherwise specifically provided in this Amendment) shall be borne by the District and such cooperation or any lack thereof shall not relieve or release the District from its responsibility to perform the Initial Site Obligations. The foregoing rights and obligations for the District to temporarily relocate shall apply only prior to the Closing and are in addition to any rights and obligations pertaining to the License Area as provided in Section 7.1 of the Purchase Agreement.

(d) Once District Relocates from the Interim Area or the Optionee Property, whichever occurs first, District will diligently pursue at its own cost the Removal obligations including those located on the Interim Area consistent with the Nute Grading Plans. Provided that (a) the District Relocates to the Interim Area or from the Optionee Property entirely by February 15, 2007 and (b) the District has completed the Limited Site Obligations by April 15, 2007, then Optionee shall pay to District the sum of Twenty Thousand Dollars (\$20,000) within two business days following delivery by the District of written notice that the Limited Site Obligations are complete. For purposes of this Section 8(d) only, delays due to Force Majeure events as set forth in Section 4(f) shall not apply to the foregoing dates.

(e) Optionee and District agree that the self help and liquidated damages remedies granted to Optionee under Section 7.1 of the Purchase Agreement apply only to the Site Obligations or Limited Site Obligations (as applicable) that may remain unfinished after the Removal Date if and when the Closing occurs.

(f) In light of the right for the District to make the election to Relocate to the CMSA Site or the District Site as provided in this Amendment and Optionee's willingness to accommodate such election as provided herein, District specifically acknowledges that liquidated damages as provided in Section 7.1 of the Purchase Agreement (as modified pursuant to this Amendment) may accrue prior to the Closing in the event that the District fails to complete Site Obligations or the Limited Site Obligations (as applicable) by the Removal Date.

(g) District's indemnification obligations as set forth in Option Agreement Section 11 shall run to each LLHC and JLH as of the Effective Date, to the same extent as applicable in the Option Agreement.

9. Acceptance of the Lower Lot Improvements and the Lower Cut Retaining Wall.
District shall accept the Lower Lot improvements made pursuant to the LLIP and the Lower Cut

Retaining Wall upon certification by the Project Engineer, Michael Tarnoff, or in his absence Marty Goldsborough, both of LDSI, Inc., in consultation with the District's Project Manager, Nute Engineering, that the District Site Improvements are complete.

10. District Lower Lot.

(a) District and Optionee hereby approve the terms and conditions of a document entitled the "Parking Operations Management Plan" ("POMP"), a copy of which is attached hereto as Attachment 26, for the joint maintenance and operations and use of the Lower Lot and the adjacent Hotel parking area together shown on Attachment 27 hereto (collectively, the "Shared Parking Area") by the District and the owner and patrons of the Hotel Parcel. The easement agreement(s) referenced in Section 13(a)(ii) and (v) and 13(c)(iii) shall be consistent with the POMP.

(b) In consideration of the District's agreement to grant the ingress/egress and parking easement over the Lower Lot to the Hotel Parcel (as provided in Section 13 below) so as to share parking with the Hotel Parcel on the Lower Lot, and to the use, maintenance and operational parameters set forth in the POMP, Optionee agrees (i) to grant or cause the owner of the Hotel Parcel to grant, to the District a reciprocal parking easement over that portion of the Shared Parking Area which is located on the Hotel Parcel, and (ii) at its own expense to grade and finish the District's Lower Lot (as shown on the Improvement Plan Areas and creating no fewer than twenty-six (26) parking spaces on the Lower Lot) consistent with the Hotel Project Draft Precise Plans (the "Lower Lot Improvement Obligation") for the benefit of the Hotel Parcel and the District Site and to maintain the same at no expense to the District (the "Lower Lot Maintenance Obligation"). District acknowledges and agrees that Optionee (i) may undertake at its expense the Lower Lot Improvement Obligation on the Lower Lot, (ii) has contracted to sell the Hotel Parcel to Larkspur Landing Hotel Company, LLC or its assignee (the "Hotel Parcel Buyer"), (iii) may assign the Lower Lot Improvement Obligation to the Hotel Parcel Buyer, and (iv) will assign the Lower Lot Maintenance Obligation to the Hotel Parcel Buyer, and that upon any such assignment, Optionee will be released from the assigned obligations. Such assignment(s) will occur as part of the Hotel Closing pursuant to assignment instrument(s) executed and delivered to the Hotel Parcel Buyer at the Hotel Closing and may be incorporated into one reciprocal parking and access easement agreement to be prepared pursuant to Section 13 below. The terms of said assignment instrument(s) shall be subject to the approval of the District which approval shall not be unreasonably withheld or delayed and shall be given in time so that the Hotel Closing is not delayed. The District, Optionee and Hotel Parcel Buyer shall work together in good faith and cooperate in finalizing the form and content of a Shared Parking Easement over the Shared Parking Area provided that the terms and conditions of such easement incorporate the terms and conditions of the POMP and satisfy any municipal conditions that may be imposed by the City with respect to the City's approval of the Hotel Project Precise Plan and Final Design Review for the Hotel Project.

(c) District acknowledges that (i) access to the Lower Lot may be restricted from time to time until completion of Optionee's Project, and (ii) the Lower Lot Improvement Obligation may not be fully met until completion of the parking on the Hotel Parcel. Optionee (or the Hotel Parcel Buyer) will complete the Lower Lot Improvement Obligation at the same time the hotel parking lot located on the Hotel Parcel is completed. During the times that the

Lower Lot is not available for District parking, Optionee shall make the Temporary Parking Area available. The Temporary Parking Area shall be an area (i) located within the Optionee's Property as close as reasonably possible to the Lower Lot without impacting the timing and sequence of grading and other construction activities occurring on the Entire Property, (ii) which may be relocated from time to time, (iii) shall be of sufficient size to accommodate thirty (30) vehicles, and (iv) have access to Spine Road or Link Road. District understands that (i) the Lower Lot will not be graded and available for parking until the IGP Phase II work is complete which may not be until after Closing, (ii) the delay in completing the Lower Lot grading shall not be a reason for District to delay commencing and/or completing its Removal Obligations, and (iii) after the grading of the Lower Lot is complete, the Lower Lot will not be available for parking for the period of time while the Lower Lot is being improved pursuant to the LLIP. Optionee agrees to minimize such period of unavailability and provide alternative temporary parking in the Temporary Parking Area.

11. Wetland Mitigation. A portion of the Entire Property has been determined by the ACE to be jurisdictional Wetlands or Waters. District shall at its own expense, mitigate any Wetlands or Waters located on the District Site ("District's Wetland Mitigation Obligation"), and Optionee shall at its own expense mitigate any Wetlands or Waters located on the Property ("Optionee's Wetland Mitigation Obligation"). District acknowledges that Optionee currently has an option to purchase up to two (2) Burdell Wetland Credits of one-tenths of an acre each ("Burdell Credit"), which option must be exercised by November 22, 2006. Optionee shall establish an escrow for the Burdell Credit purchase ("Burdell Escrow"). Optionee shall exercise such option as to both Burdell Credits, and shall, in exchange for District depositing a \$57,000 payment therefor into the Burdell Escrow, and shall then either (i) transfer to District one (1) Burdell Credit or (ii) apply such Burdell Credit on District's behalf towards satisfying District's Wetland Mitigation Obligation in the event District cannot do so. Issuance of a Section 404 Nationwide Permit by the ACE and/or a Section 401 Certification permit by the RWQCB, and/or a Section 1600 Streambed Alteration permit issued by the California Department of Fish and Game, for the Optionee Property, if so required, shall be a condition to Closing. Optionee's exercise of the option and conveyance of a Burdell Credit to District shall not be construed as any representation or warranty by Optionee that such conveyance shall be sufficient to entirely satisfy the District's Wetland Mitigation Obligation nor any covenant by Optionee to otherwise provide additional Wetlands Credits for District's use in satisfying District's Wetland Mitigation Obligation.

12. [Deleted]

13. Reservation of Easements. The following easements will be reserved or granted, as appropriate, to the parties indicated upon Closing of the applicable transaction (see Section 16 below), or at an earlier date (A) if included as part of the Map and Precise Plan Approvals (as defined in Section 17(c) below), or (B) if and when required by the City and/or any Public Utility in order to be able to commence grading and install utilities pursuant to the IGP and the SUPP:

(a) Easements appurtenant to the District Site:

(i) Right of ingress and egress over future Spine Road and Link Road located on the Optionee Property to the Lower Lot;

(ii) Right of ingress and egress over the driveway portion of the future parking lot area on the Hotel Parcel plus the right to construct such access on the Hotel Parcel at the cost and expense of the Hotel Parcel if the Hotel Parcel Buyer fails to do so;

(iii) Rights of access over a portion of the Hotel Property to maintain the Fill Retaining Wall and the Lower Cut Retaining Wall;

(iv) Temporary and permanent drainage Rights over the Optionee Property; and

(v) Right of ingress and egress and parking over and on the Hotel Parcel and that portion of the future parking lot thereon as generally shown on **Attachment 27** to permit joint use of thereof by the District and the owner and patrons of the Hotel Property, all to be included within the reciprocal parking easement over the Shared Parking Area as more particularly described in Section 10 above.

(b) Easement appurtenant to the District's Pump Station:

(i) Right of access over a portion of the Optionee Property to permit the construction and maintenance of certain improvements associated with the sewer pump located on the adjoining property owned by District (the "Sewer Pump Access Easement Area") as shown on the Improvement Plan Areas.

(c) Easements burdening the District Site:

(i) In favor of Marin Municipal Water District, over a portion of the Lower Parking Lot for purposes of installing and maintaining a water line lateral and possibly loop line serving the Optionee Property and the District Site;

(ii) In favor of PG&E, over a portion of the Lower Parking Lot for purposes of installing and maintaining utility lines serving the Optionee Property if required;

(iii) Right of ingress and egress and parking over and on the Lower Parking Lot to permit joint use of thereof by the District and the owner and patrons of the Hotel Property, including the right to construct and maintain such Lower Parking Lot access and parking to allow the satisfaction of the Lower Lot Improvement Obligation and the Lower Lot Maintenance Obligation by Optionee or its assigns, all to be included within the reciprocal parking easement over the Shared Parking Area as more particularly described in Section 10 above; and

(iv) Access rights in favor of the Hotel Parcel: (A) to construct and maintain any decorative finish to the Lower Cut Retaining Wall and Fill Retaining Wall and any landscaping located at the lower level, all at the sole cost and expense of Hotel Parcel, (B) to install and maintain (should the District fail to do so) screen fencing and landscaping located at the top of the Lower Cut Retaining Wall, the Fill Retaining Wall and the Isthmus, and landscaping located on the Isthmus, with the right to recover the costs thereof from the District, (C) to maintain the Lower Cut Retaining Wall and the Fill Retaining Wall to the extent that District fails to maintain, with the right to recover the costs thereof from the District, and (D) to

construct and maintain the Residential Retaining Wall located along the District's southern-most property line with the Residential Property.

(d) The exact locations, dimensions, terms and conditions and parties of the foregoing easements shall be prepared and agreed prior to the applicable Closing and granted or reserved, as appropriate, as part of said Closing.

14. Traffic Impact Fees. During the appeal period for the Map and Precise Plan Approvals but in no event later than thirty (30) days after the recordation of a Vesting Tentative Map covering at least the Residential Property, the Parties shall meet and agree on the amount of Traffic Impact Fees payable to the City of Larkspur based on then adopted traffic impact fee schedule (the "TIF Amount"). Thereafter, the difference between the sum of One Million Three Hundred Thousand Dollars (\$1,300,000) and the TIF Amount paid (or to be paid) to the City ("TIF Delta") shall be paid by Optionee to District as part of the Purchase Price on Closing as more particularly set forth in Section 16(e) below.

15. [Deleted].

16. Bifurcation of the Closing.

(a) District hereby approves the partial assignment of Optionee's rights under the Option Agreement and the Purchase Agreement to Larkspur Landing Hotel Company, LLC ("LLHC") as respects the Hotel Parcel, and to WL Home LLC, dba John Laing Homes ("JLH") as respects the Residential Property. Therefore, and notwithstanding anything to the contrary in the Option Agreement and/or the Purchase Agreement, District and Optionee agree that the Closing of the sale of the Hotel Parcel ("Hotel Closing") may occur in a separate escrow from the Closing of the sale of the Residential Property ("Residential Closing"), as provided in this Section 16; provided, however, that the Parties intend that the Hotel Closing and the Residential Closing shall occur on the same date and Optionee agrees to use good faith diligent efforts to cause LLHC and JLH to be in a position to Close separately with the District on the same date.

(b) Optionee intends, and has entered (or will enter) into separate contracts with LLHC and JLH, respectively, which will provide that Optionee's rights and obligations under the District – Campus Agreements as pertain to Hotel Parcel will be assigned to LLHC and as pertain to the Residential Property will be assigned to JLH immediately prior to the applicable Closing with the District in back-to-back escrows, so that at the time of Closing, the "buyer" for the Hotel Parcel shall be LLHC and the "buyer" for the Residential Property shall be JLH. Notwithstanding such assignments, (i) Optionee shall not be released from any obligations under the District – Campus Agreements (except as to the Lower Lot Maintenance Obligation as provided in Section 10(b)(iv)), and (ii) the scope of any costs, obligations or liability that the District may face on account of the allocation of Optionee's rights under the District – Campus Agreements to LLHC and JLH shall not exceed the scope of any costs, obligations or liability that the District would face but for such allocation.

(c) If both Closings occur on the same date, then that portion of Purchase Price allocated to the Hotel Parcel shall be Two Million Five Hundred Thousand Dollars (\$2,500,000) and that portion of the Purchase Price allocated to the Residential Property shall be

the total Purchase Price payable for the Optionee Property under the Option Agreement less Two Million Five Hundred Thousand Dollars (\$2,500,000); provided, however, all Option Consideration shall be allocated between the two closings in proportion to the allocation of the Purchase Prices set forth above.

(d) If both Closings do not occur on the same date, then:

(i) if the Hotel Closing occurs first, that portion of the Purchase Price allocated to the Hotel Parcel and immediately payable by Optionee to District shall be Two Million Five Hundred Thousand Dollars (\$2,500,000), and that portion of the Purchase Price allocated to the Residential Property shall be the total Purchase Price payable for the Optionee Property under the Option Agreement less Two Million Five Hundred Thousand Dollars (\$2,500,000); provided however, that all Option Consideration paid by Optionee shall be allocated to the Purchase Price for the Residential Property, and payment of the TIF Delta shall be handled as set forth in Section 16(e).

(ii) if the Residential Closing occurs first, that portion of the Purchase Price allocated to the Residential Property and immediately payable by Optionee to District shall be the total Purchase Price payable for the Optionee Property under the Option Agreement less One Million Five Hundred Thousand Dollars (\$1,500,000), and that portion of the Purchase Price allocated to the Hotel Property shall be One Million Five Hundred Thousand Dollars (\$1,500,000); provided however, that all Option Consideration paid by Optionee shall be allocated to the Purchase Price for the Hotel Parcel, and payment of the TIF Delta shall be handled as set forth in Section 16(e).

(e) In all cases, Campus St. James Larkspur, LLC ("Campus") shall be responsible for payment to District of the TIF Delta. At the Residential Closing, Optionee shall pay to District an amount which represents the Parties' best estimate of the TIF Delta based upon Traffic Impact Fee rates in effect on the date of such Closing. When actual Traffic Impact Fees for the Hotel Project and Residential Project have been paid, Campus and District shall meet and confirm the amount of any shortfall or overpayment in the TIF Delta and the Party owing any shortfall or reimbursement shall pay same to the other Party within ten (10) business days of such confirmation.

(f) Subject to Section 17 below, the respective rights, obligations, representations and warranties of Optionee and District, and their respective conditions precedent to the purchase and sale of the Optionee Property, shall be separately applicable to the purchase and sale of the Hotel Parcel and to the Residential Property to the extent such are directly and/or separately relevant thereto. LLHC shall have no obligation under the District – Campus Agreements to perform any of Optionee's obligations under the District – Campus Agreements to the extent that the same pertain to the Residential Property and JLH shall have no obligation under the District – Campus Agreements to perform any of Optionee's obligations under the District – Campus Agreements to the extent that the same pertain to the Hotel Parcel. Furthermore, the default by either LLHC or JLH under the District – Campus Agreements with respect to the Hotel Parcel or the Residential Property, respectively, shall not constitute a default with respect to the Residential Property or the Hotel Parcel, respectively, except if the same act also constitutes a default with respect to such other property under the District --

Campus Agreements. In addition, any waiver by Optionee of any condition under the District – Campus Agreements as to the Hotel Parcel shall not constitute a waiver of such condition as pertains to the Residential Property, and vice versa. Optionee shall cause separate escrows to be opened for the Residential Property transaction and the Hotel Parcel transaction. Therefore, the individual term “Closing” as used in the District – Campus Agreements shall be interpreted to mean either or both of the “Hotel Closing” and the “Residential Closing” as each such Closing is defined in Section 16(b), above. For each transaction, after all conditions precedent to the Closing of the sale of the applicable property have been satisfied or waived by the benefited Party thereto, including all additional or modified conditions to the applicable Closing which have been included by virtue of this Amendment, Optionee shall deliver a separate written notice to the District confirming Optionee’s understanding that all such conditions to Closing have been satisfied or waived and specifying the date for Closing of the purchase and sale of the applicable property, which date shall be no less than five (5) calendar days nor more than fifteen (15) days after the date of the applicable written notice; provided, however, as provided above, Optionee agrees to use good faith diligent efforts to cause LLHC and JLH to be in a position to Close with the District on the same date.

(g) Nothing with respect to the bifurcation of the Closing as provided above shall relieve or release Campus St. James Larkspur, LLC of its obligation to purchase the Optionee Property pursuant to the District – Campus Agreements.

17. Additional Conditions to the Closings. The following conditions shall be additional conditions precedent to the obligation of the Parties (as so indicated) to each the Hotel Closing and the Residential Closing.

(a) Issuance of a Section 404 Nationwide Permit by the ACE and/or a Section 401 Certification permit by the RWQCB, and/or a Section 1600 Streambed Alteration Permit issued by the California Department of Fish and Game, if required as provided in Section 11 above, shall be a condition to Closing in favor of Optionee independently with respect to both the Hotel Parcel and the Residential Property to the extent that any jurisdictional Wetlands or Waters are found on such site (with respect to each property, the “Wetlands Clearance”).

(b) Receipt of the DTSC Clearance as described in Section 8(a) above shall be a condition to closing in favor of Optionee independently with respect to both the Hotel Parcel and the Residential Property.

(c) Optionee’s receipt of approval by the City of: (i) a Vesting Tentative Map and Precise Development Plan for the Residential Property which are not materially inconsistent with the approved Master Project Property Preliminary Development Plan as contained in Ordinance No. 948, (ii) a Parcel Map to create a legal parcel for the Hotel Property and such Parcel Map has been recorded plus the SW Corner Lot Modification Map (together, the “Map and Precise Plan Approvals”) on terms and conditions which are not materially inconsistent with the approved Master Project Property Preliminary Development Plan and either all periods for appealing such approvals have expired or if appeals have been filed, all such appeals have been fully and finally resolved in a manner that leaves such approvals in place without modifications, conditions or exactions materially more detrimental than those imposed by the final approval of the City which gave rise to the appeal, shall be a condition to closing in favor

of Optionee with respect to the Residential Property only.

(d) Optionee's receipt of approval by the City of a Parcel Map to create a legal parcel for the Hotel Property and such Parcel Map has been recorded plus the SW Corner Lot Modification Map (together, the "Hotel Parcel Map Approvals") on terms and conditions which are not materially inconsistent with the approved Master Project Property Preliminary Development Plan and either all periods for appealing such approvals have expired or if appeals have been filed, all such appeals have been fully and finally resolved in a manner that leaves such approvals in place without modifications, conditions or exactions materially more detrimental than those imposed by the final approval of the City which gave rise to the appeal, shall be a condition to closing in favor of Optionee with respect to the Hotel Parcel only. (The foregoing conditions and passage of time described in Sections 17(c) and (d) are referred to herein as the "Completed Map and Precise Plan Approvals").

(e) Optionee's completion of the work identified on the IGP pertaining to the Hotel Parcel shall be a condition to closing in favor of Optionee with respect to only the Hotel Parcel. District and Optionee furthermore expressly affirm that neither the commencement nor the completion of any grading and/or infrastructure work on or for the Hotel Parcel and/or the Residential Property by Optionee is a condition precedent to the obligation of either Party to Close the purchase and sale of the Residential Property.

(f) Section 16.1.5 of the Option Agreement is hereby deleted in its entirety and replaced with the following: "Optionee's receipt of (i) a determination by the City whether any further repair work is needed to strengthen the existing dam for Tubb Lake in Miwok Park which is adjacent to the Entire Property ("Tubb Dam") in order for the Optionee's Project to be safe from damage due to potential breach of the Tubb Dam due to any currently defective conditions in the construction or maintenance thereof, and (ii) if any repair work is needed, to obtain from the City rights of access thereto sufficient to permit such repair work to be performed, shall be a condition to closing in favor of Optionee independently with respect to both the Hotel Parcel and the Residential Property."

(g) That the District Site – Hotel Matters have been agreed to among the District, the Hotel Parcel Buyer and Optionee shall be a condition to closing in favor of District and Optionee with respect to only the Hotel Parcel, but shall not be a condition precedent to the of the sale of the Residential Property.

(h) That the District Site – Residential Matters have been agreed to among the District, JLH and Optionee shall be a condition to closing in favor of District and Optionee with respect to only the Residential Property, but shall not be a condition precedent to the Closing of the sale of the Hotel Closing.

(i) For purposes of the District – Campus Agreements, any waiver by District of any condition as to the Hotel Parcel shall not work as a waiver of such condition as to the Residential Property, or vice versa.

(j) That the District has completed all of its Site Obligations; provided, however, the foregoing condition shall not serve to waive, limit, alter or otherwise diminish the rights of Optionee under Section 7.1 of the Purchase Agreement.

18. Extension of the Removal Date, LD Date as to Site Obligations. The Parties hereby extend the Removal Date under Section 7.1 of the Purchase Agreement to the later of: (i) the date of the DTSC Clearance for the Secondary Testing Area (subject to the last sentence of Section 8(b)), (ii) the date the Wetlands Clearance for the Optionee Property, (iii) the date the Completed Map and Precise Plan Approvals, has/have been received, or (iv) April 15, 2007; provided, however, the Removal Date may be further extended if the District's performance of its Site Obligations are delayed beyond the forgoing date pursuant to Section 4(f) above. The Parties further agree that the term "LD Date" as to District's failure to complete its Site Obligations shall mean the Removal Date as redefined above, and further that the Removal Date and LD Date are to be determined independent of any Closing Date or Closing under the District – Campus Agreements.

19. Other Terms of the Option Agreement; Integration. Except as amended, modified, supplemented and/or superseded by the terms and conditions of this Amendment, the terms and conditions of the Option Agreement and Purchase Agreement shall remain the same. This Amendment (including all Attachments hereto, which are hereby incorporated by reference), the Option Agreement, and the Purchase Agreement, along with all items ratified by the District listed or referenced in Section 2(h) above, comprise the entire integrated understanding between the Parties concerning the subject matter hereof, and supersede all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. Notwithstanding the foregoing, nothing in this Amendment is intended or shall be construed to ratify any statements regarding any type of supplemental agreement.

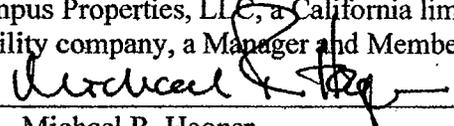
IN WITNESS WHEREOF, the Parties have executed this Amendment as of the Effective Date notwithstanding the date of signature set forth opposite their signature:

OPTIONEE:

CAMPUS ST. JAMES LARKSPUR LLC, a Delaware limited liability company

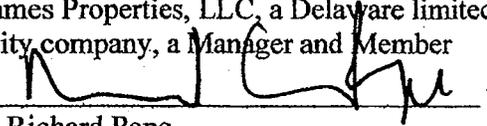
DATED: November 7th, 2006

By: Campus Properties, LLC, a California limited liability company, a Manager and Member

By: 
Michael R. Hooper,
Member, Campus Properties, LLC

DATED: November 7th, 2006

By: St. James Properties, LLC, a Delaware limited liability company, a Manager and Member

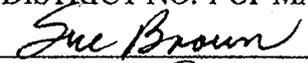
By: 
Richard Pope
Its: Chief Executive Officer

DATED: November 7, 2006

OWNER:

SANITARY DISTRICT NO. 1 OF MARIN COUNTY

DATED: November 7, 2006

By: 
Name: Sue Brown
Its: President

By: 
Name: Patricia Burke
Its: Secretary

Attachments

- Attachment 1 - Project Approval Plans (list)
- Attachment 2 - Hotel Parcel and Residential Property (drawing)
- Attachment 3 - New District Project Plans.
- Attachment 4 - District Site Development Standards
- Attachment 5 - Optionee's Project Draft Precise Plans (list)
- Attachment 6 - Improvement Plan Areas (drawing)
- Attachment 7 - Schematic Utility Phasing Plan (SUPP)
- Attachment 8 - Interim Grading Plan (list)
- Attachment 9A - IGP Phases Description
- Attachment 9B - Interim Grading Plan Phasing Exhibit
- Attachment 9C - Responsible Parties and Schedule Chart
- Attachment 10 - Interim Area (drawing)
- Attachment 11 - Upper Lot Improvement Plans (ULIP) (list) **[to be prepared after execution of Amendment]**
- Attachment 12 - Sewer Line Extension Improvement Plans (SLEIP) (list) **[to be prepared after execution of Amendment]**
- Attachment 13 - (Revised) Memorandum of District-Campus Agreements
- Attachment 14 - SW Corner Lot Modification Map
- Attachment 15 - [Deleted.]
- Attachment 16 - Alternative License Area (drawing)
- Attachment 17 - District Site Restrictions
- Attachment 18 - Memorandum of Right of First Refusal
- Attachment 19 - New Title Report (copy)
- Attachment 20 - Ford ALTA Survey (copy)

- Attachment 21 - Pump Station Improvement Plans (PSIP) (list)
- Attachment 22 - Additional Ratification Items (list)
- Attachment 23 - Pre-Agreement District Costs
- Attachment 24 - District "Must Do" Obligations
- Attachment 25 - Relocation Plan and Schedule
- Attachment 26 - Parking Operations Management Plan (POMP)
- Attachment 27 - Shared Parking Area

Attachment 1

Project Approval Plans

Smith & Smith Sheets T1, A – 1, A – 2 and A – 3 dated July 6, 2005.

LDSI Sheets C1 – C5 dated July 6, 2005.

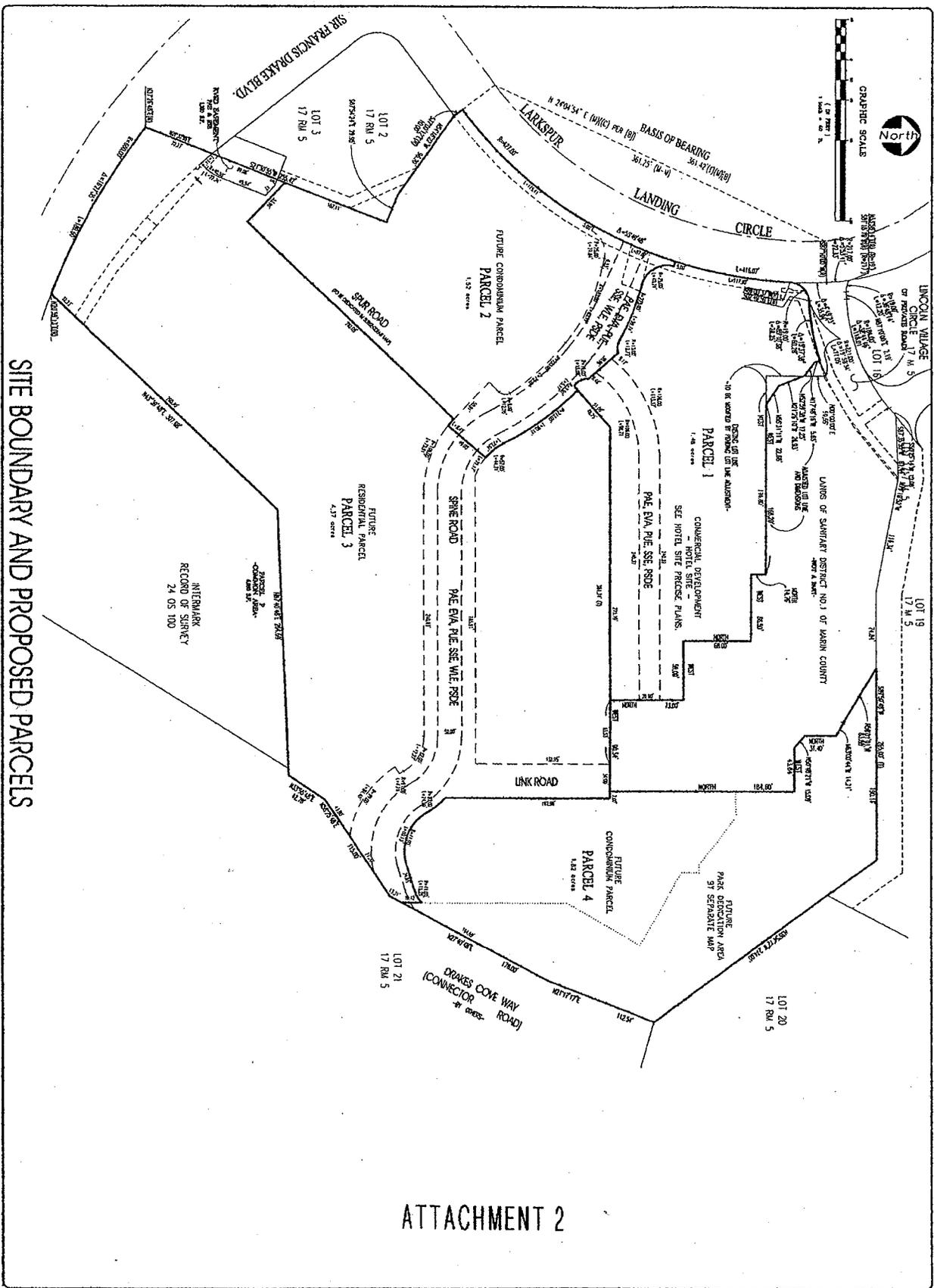
LDSI Sheet CR1 Connector Road plan dated July 6, 2005.

JBZ Architecture & Planning, Greenway Town Home, Sheets 1 – 4 dated April 21, 2005.

MBH Architects, Tam View, Sheets A.1 to A.6 dated April 21, 2005

MBH Architects, Parkside, Sheets A.1 to A.5 dated April 21, 2005

Strauss Architects, Sheet 1 of 1, 2000 Larkspur Landing Circle Hotel dated April 21, 2005.



SITE BOUNDARY AND PROPOSED PARCELS

ATTACHMENT 2

Sheet
TM-3
 of 8 Sheets
 Job No. 0234-020
 File Name



No.	Date	By	Revision

Land of Ross Valley Sanitary District
TENTATIVE PARCEL MAP
2000 Larkspur Landing Circle
 Larkspur, Marin County, California

Checked
 Drawn
 Date
 Scale

LDSI
 Land Development Solutions, Inc.
 1510 Coast Ave. Suite 102
 Novato, CA 94945
 Tel (415) 893-8100
 Fax (415) 893-9555

Attachment 3

New District Project Plans

Plans prepared by Forsher Guthrie entitled Sanitary District No. 1 of Marin County, Site Plan and Elevations Sheet A1 dated June 9, 2006.

ATTACHMENT 4

June 13 2006

District Site Development Standards

Setbacks:

Building: 10 feet from property line.

Upper Lot Parking: 7.5 feet from property line, bottom of Lower Cut Retaining Wall, and Fill Retaining Wall

Height: Not to exceed 24' feet from finish grade of the Upper Lot.

Upper Lot Fencing: To be continuous commencing at Lincoln Village Circle and located directly on top of Lower Cut Retaining Wall, and Fill Retaining Wall, and at top of Isthmus bank:

Lower Cut Retaining Wall: 42 inch metal fence with 50% screen painted dark green/grey.

Fill Retaining Wall: 42 inch metal fence with 50% screen painted dark green/grey to the south east corner of the District building. From the south east corner of the District building east to the isthmus a 6 foot vertical board fence to match District building siding, to be dark grey green in color.

Isthmus: 6 foot vertical board fence to match District building siding, to be dark grey green in color. The fence to commence at the north east corner of the Isthmus continuing east around the isthmus.

Planting: Evergreen trees 20 feet on center behind metal fencing and wood board fencing. Evergreen vine behind mesh fence. Native grasses and associated species with coast live oaks in naturalistic groupings to create an "oak knoll" planting concept. There will be additional planting behind the mesh fence at the District Visitor Parking Lot to minimize the impact of car lights in hotel rooms.

Retaining Walls:

Fill Retaining Wall: Interlocking block to match Drakes Cove.

Isthmus Retaining Wall: Interlocking block to match Drakes Cove.

Accessories such as light fixtures, hanging baskets etc. permitted.

Lower Lot: Finished to match hotel Parking lot.

Site Drainage: District to treat own water before discharge to hotel parcel or residential site.

Attachment 5

Optionee's Project Draft Precise Plans

Residential

All dated May 1, 2006

T-1	Cover Sheet	Smith & Smith
A-1	Site Plan	Smith & Smith
A-2	Setback Plan	Smith & Smith
A2.1.1	Basement Floor Plan	MBH Architects
A2.1.2	First Floor Plan	MBH Architects
A2.1.3	Second Floor Plan	MBH Architects
A2.1.4	Third Floor Plan	MBH Architects
A2.1.5	Roof Plan	MBH Architects
A2.2.1	Basement Floor Plan	MBH Architects
A2.2.2	First Floor Plan	MBH Architects
A2.2.3	Second Floor Plan	MBH Architects
A2.2.4	Third Floor Plan	MBH Architects
A2.2.5	Roof Plan	MBH Architects
A2.3.1	Floor Plans - Basement & Level 1	MBH Architects
A2.3.2	Floor Plans - Level 2 & Level 3	MBH Architects
A2.4.1	Floor Plan & Partial Site Plan	MBH Architects
A3.1.1	East Elevation	MBH Architects
A3.1.2	West Elevation	MBH Architects
A3.1.3	North Elevation	MBH Architects
A3.1.4	South Elevation	MBH Architects
A3.1.5	Courtyard - Building 1	MBH Architects
A3.1.6	Courtyard - Building 2	MBH Architects
A3.2.1	West Elevation	MBH Architects
A3.2.2	North Elevation	MBH Architects
A3.2.3	East Elevation	MBH Architects
A3.2.4	South Elevation	MBH Architects
A3.3.1	Exterior Elevations	MBH Architects
A3.3.2	Exterior Elevations	MBH Architects
A3.3.3	Recycling/Meter Building Elevations	MBH Architects
A3.4.1	Exterior Elevations	MBH Architects
A3.4.2	Exterior Elevations	MBH Architects
A3.5.1	Building Sections	MBH Architects
A4.1.1	Unit Floor Plans	MBH Architects
A4.1.2	Unit Floor Plans	MBH Architects

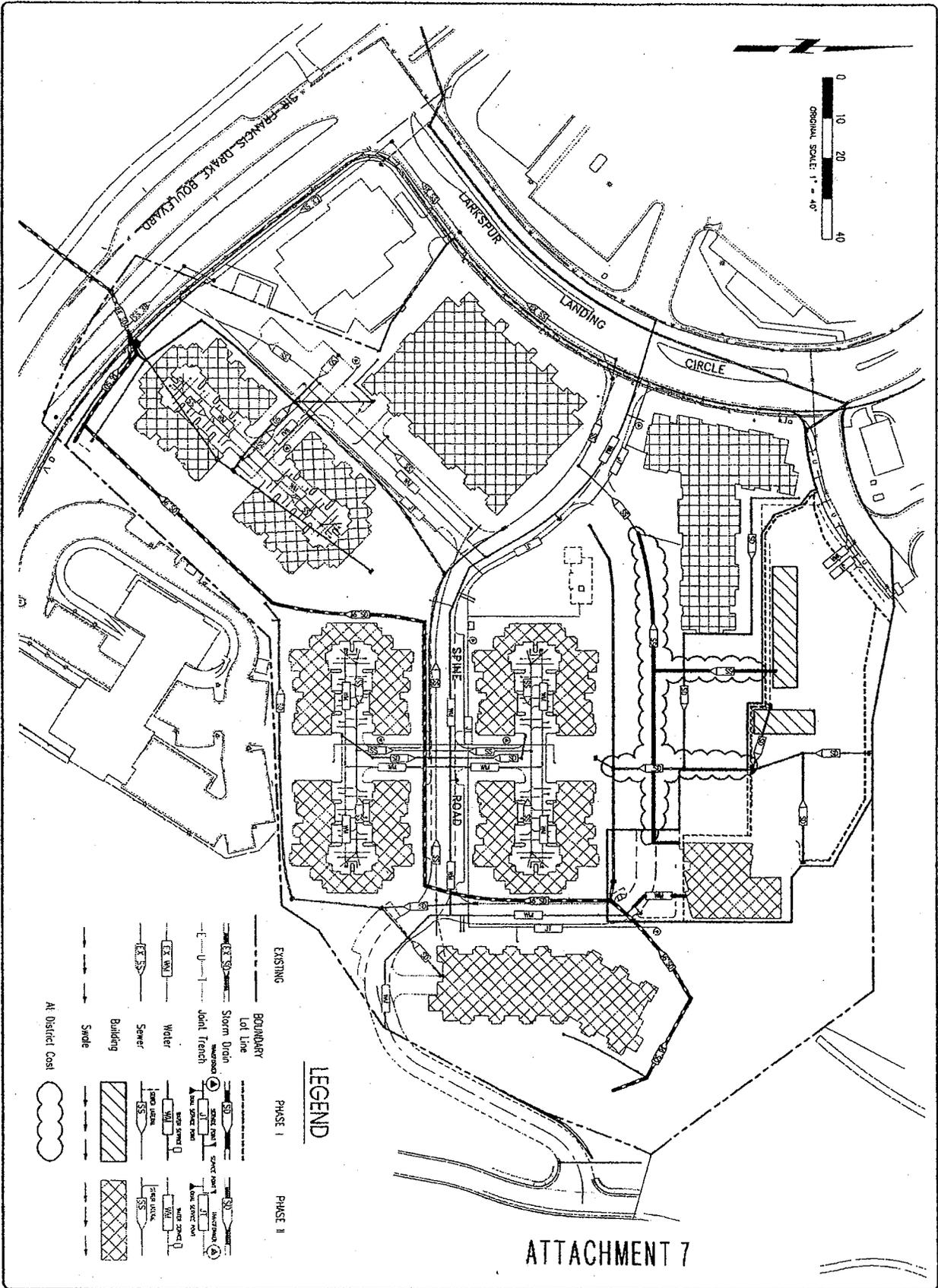
L1.0	Landscape Plan	Smith & Smith
L1.1	Landscape Plan	Smith & Smith
L1.2	Landscape Plan	Smith & Smith
L1.3	Landscape Plan	Smith & Smith
L1.4	Landscape Plan	Smith & Smith
L1.5	Landscape Plan	Smith & Smith
L2.1	Landscape Elevations	Smith & Smith
L3.1	Landscape Details	Smith & Smith
L3.2	Landscape Furnishings	Smith & Smith
L3.3	Plant Materials	Smith & Smith
L4.1	Biological and Tree Mitigation Plan	Smith & Smith

C-1	Cover Sheet, notes, details	LDSI
C-2	Sheet Indx & Dimensional Plan	LDSI
C-3	Grading & Drainage Plan	LDSI
C-4	Grading & Drainage Plan	LDSI
C-5	Grading & Drainage Plan	LDSI
C-6	Utility Plan	LDSI
C-7	Heritage Tree Removal Plan	LDSI
C-8	Erosion Control Plan	LDSI

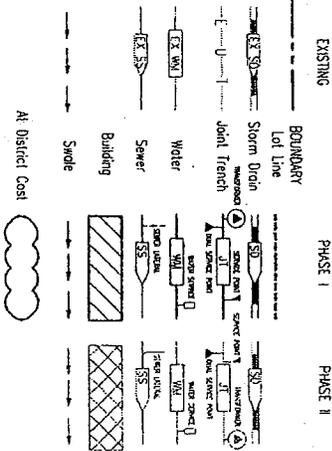
Hotel

All prepared by Patri Merker Architects with revision date 6/1/06 except as noted

A0.01	Cover Sheet	Patri Merker
A1.01	Site Plan	Patri Merker
A2.01	Ground Floor Plan	Patri Merker
A2.02	Second Floor Plan	Patri Merker
A2.03	Third Floor Plan	Patri Merker
A2.04	Fourth Floor Plan	Patri Merker
A2.05	Roof Plan	Patri Merker
A3.01	Building Elevations	Patri Merker
A3.02	Building Elevations	Patri Merker
A3.03	Building Elevations	Patri Merker
A3.04	Enlarged Sign Elevations	Patri Merker
A3.05	Site Sections	Patri Merker
A3.06	Site Sections	Patri Merker
L1.0	Landscape Plan	RHAA
H-1	Hotel Grading Plan	LDSI



ATTACHMENT 7



LEGEND

Larkspur Landing Circle
SCHEMATIC UTILITY PHASING PLAN
 2000 Larkspur Landing Circle
 Larkspur Area, Marin County, California

Project	CA-1
Drawn	H.T.
Checked	J.P.B.
Date	11/29/06
Scale	AS SHOWN

LDSI
 Land Development Solutions, Inc.
 1510 Grant Ave., Suite 102
 Novato, CA 94945
 Tel: (415) 892-6165
 Fax: (415) 892-6095

Sheet 1 of 1
 Date: 02/14/07
 Title: SCHEMATIC UTILITY PHASING PLAN

Project Title: 2000 Larkspur Landing Circle
 Location: Larkspur, CA
 Client: LDSI

Revision	Date	By	Check

Attachment 8

Interim Grading Plan approved by the Larkspur Planning Commission June 13, 2006.

LDSI plans entitled Interim Grading Plan dated May 1, 2006

GP-1 – GP-5, and EC1

Heritage Tree Removal Plan approved by the Larkspur Planning Commission June 13, 2006.

LDSI plans entitled Heritage Tree Plan dated May 1, 2006

CampusStJames/District/A7

Attachment 9A

2000 Larkspur Landing Circle

IGP Phases Description

October 27, 2006

Implementation of the IGP will proceed in multiple phases:

Phase I: Initial clearing, grubbing and cutting of the Larkspur Landing Circle Hill (LLCH) and fill Area X of the Southern Residential Area (SRA) following relocation of the existing Board Room to the north of the existing Crew Room, and removal of existing asphalt, drainage and utilities. Construction of the 36 Inch Storm Drain (36SD) Phase I.

Phase II: Initial clearing, grubbing and cutting of the Larkspur Landing Circle Peninsular (LLCP) and fill of (i) the Hotel Parcel Parking Lot Area (HPLA), (ii) the north portion of the Lower Lot (LL) of the District Site (LLN) and the south portion of the Lower Lot of the District Site (LLS), and (iii) area W1. The removal of the existing Fuel Storage, demolition of the existing Shop and Wooden Shed and associated utilities in the Maintenance Area (MA) and the LLCP (Demolition Plan Phase I).

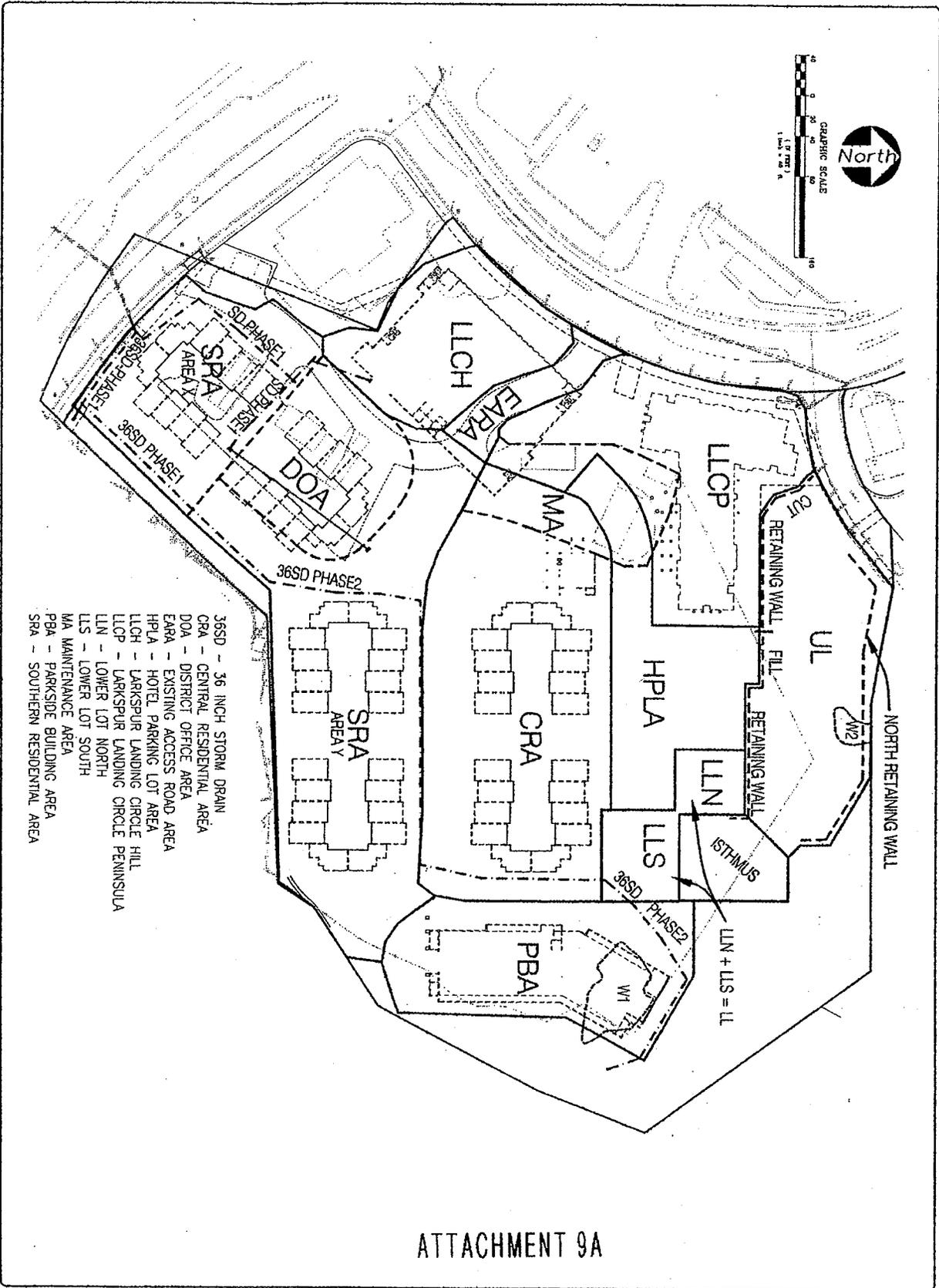
Phase IIIA: Initial clearing, grubbing, cutting and filling of the Upper Lot (UL) of the District Site including area W2 and filling of Central Residential Area (CRA). Construction of the Fill Retaining Wall.

Phase IIIB: Further cutting of the LLCP (or cutting a portion of the Upper Lot of the District site (UL)) and construction of the Cut Retaining Wall.

Phase IV: Further cutting of the LLCH, the LLCP, and the UL, and cutting Parkside Building Area (PBA), Area X of the SRA (when surcharging is complete) and a portion of the Existing Access Road Area (EARA) following demolition of the Existing Access Road (EAR)(Demolition Plan Phase III), and filling Area Y of the SRA following demolition of the existing District Office and removal of the existing Crew Room and relocated Board Room (Demolition Plan Phase II), and overall fine grading. Construction of 36SD Phase II.

See attached Exhibit for acronyms.

CampusStJames/IGP/PhasingPlan102751



Sheet	1
of 1 Sheet	
Site No. 0224-C-02	
File Name	

	Date	By	Notes

Land of Ross Valley Sanitary District

EXHIBIT

Larkspur, Marin County, California

Drawn	
Checked	
Scale	AS SHOWN

LDSI

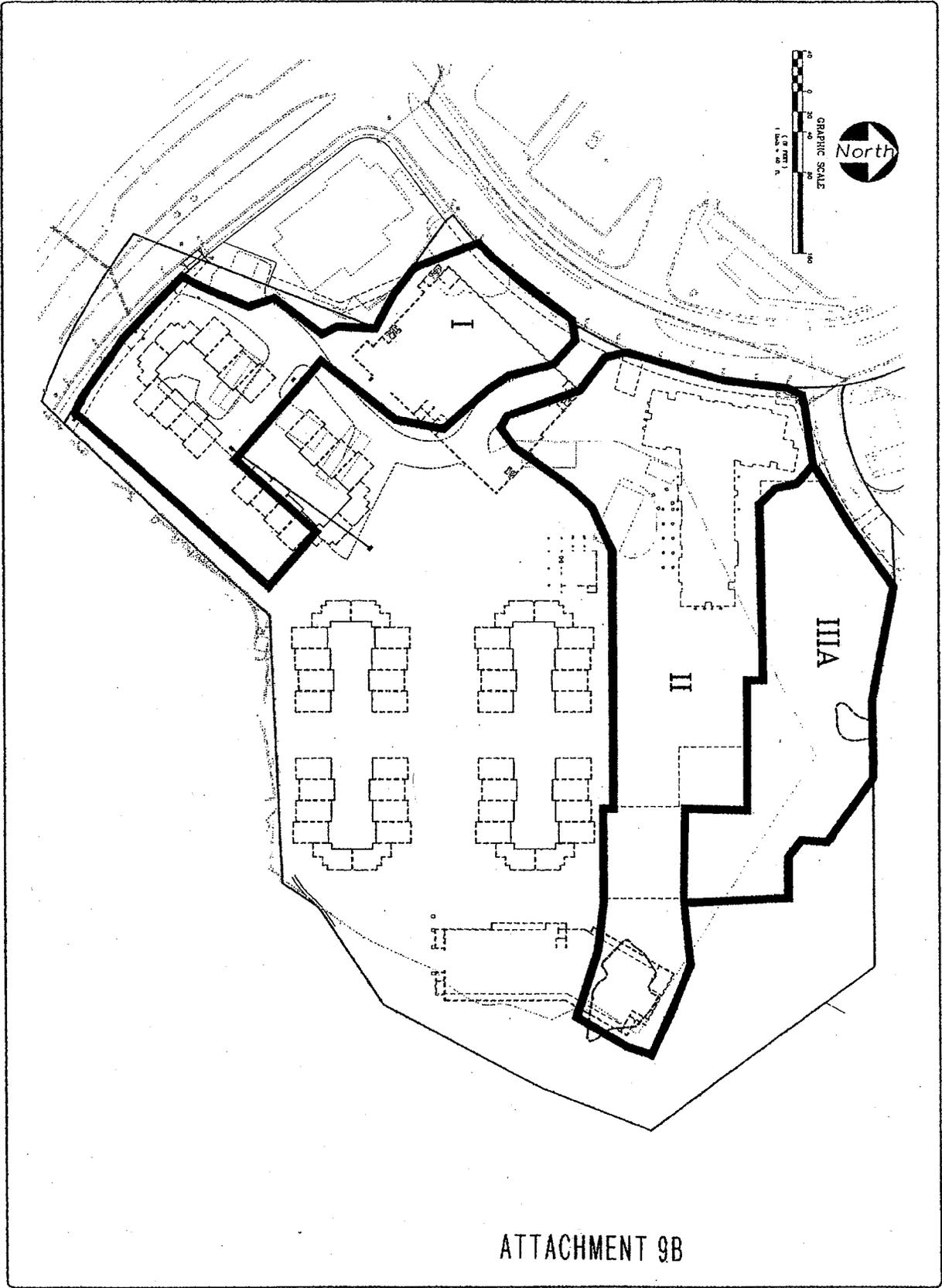
Land Development Solutions, Inc.

1910 Grant Ave., Suite 100

Novato, CA 94945

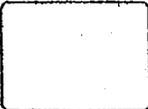
Tel: (415) 893-8183

Fax: (415) 893-8083



ATTACHMENT 9B

Sheet
1
of 2 sheets
Job No. 0224-020
File Name: 0224-020



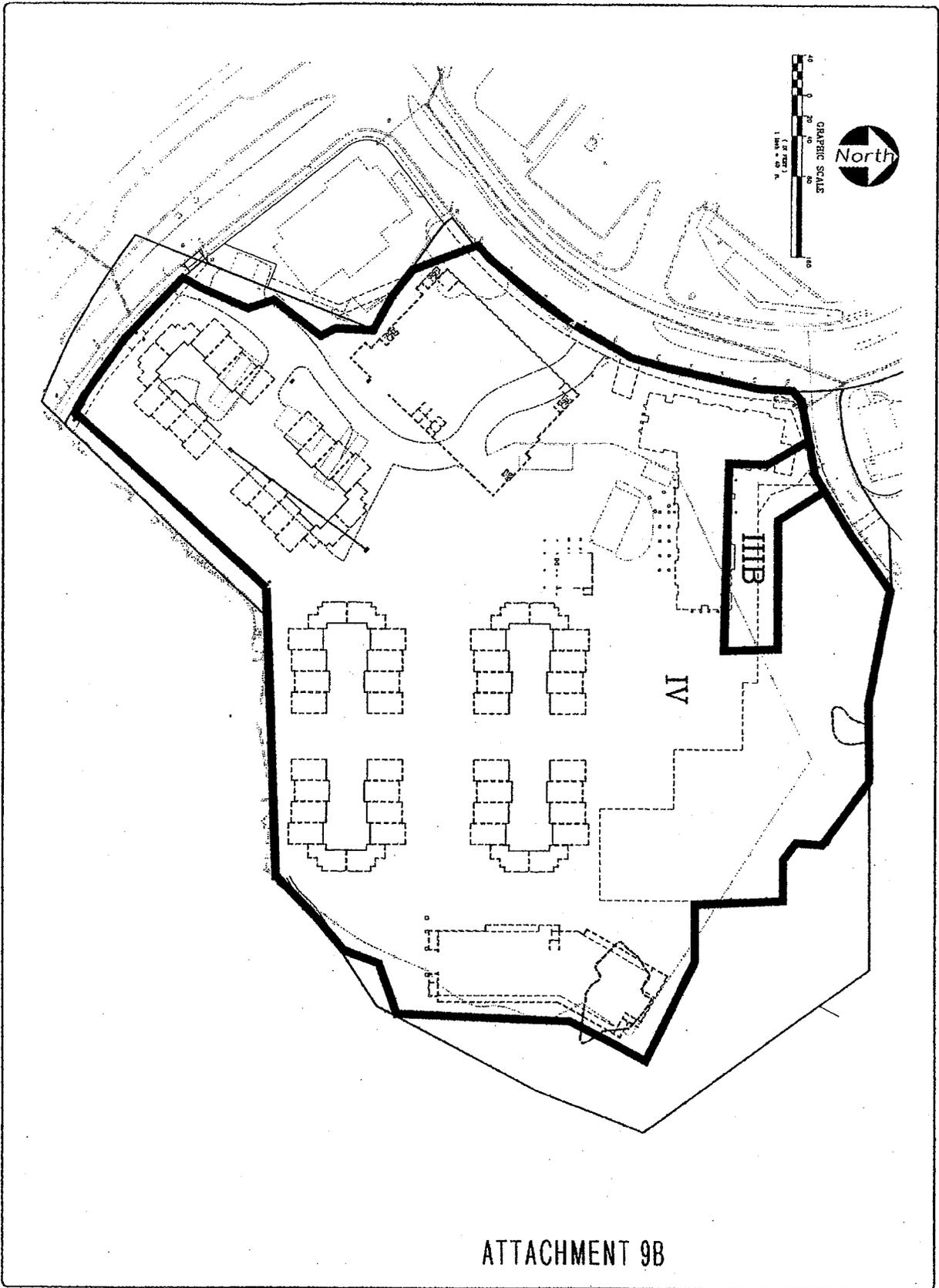
No.	Date	By	Revision

Revised Block

Land of Ross Valley Sanitary District
**INTERIM GRADING PLAN
 PHASING EXHIBIT**
 Larkspur, Marin County, California

Drawn	MLT
Checked	MLT
Date	11/03/06
Scale	AS SHOWN

LDSI
 Land Development Solutions, Inc.
 1510 Grant Ave. Suite 102
 Novato, CA 94945
 Tel (415) 893-8193
 Fax (415) 893-9063



ATTACHMENT 9B

Sheet
 2
 of 2 sheets
 App No. 0224-022
 File Name: 9801

Land of Ross Valley Sanitary District
**INTERIM GRADING PLAN
 PHASING EXHIBIT**
 Larkspur, Marin County, California

LDSI
 Land Development Solutions, Inc.
 1510 Grand Ave., Suite 102
 Novato, CA 94945
 Tel: (415) 892-8163
 Fax: (415) 892-9003

ATTACHMENT 9C

RESPONSIBLE PARTIES & SCHEDULE 11/6/06 16:52 **ATTACHMENT 9C**

Demolition Permit Phases I to III	Preparation of Plans	Construction	District Schedule for Completion	Optionee Condition to Close	Cost **
	District	District	12/15/06	Yes	District
IGP Phase I Work	Optionee	Optionee			Optionee
36 inch Storm Drain Phase I	Optionee	Optionee			Optionee
Storm Drain Phase I	Optionee	Optionee			Optionee
IGP Phase II Work	Optionee	Optionee			Optionee
Lower Cut Retaining Wall	Optionee	Optionee			Optionee
Res. Parcel Retaining Wall	Optionee	Optionee			Optionee
LL Grading	Optionee	Optionee			Optionee
UL Drainage on hotel site - 15 inch pipe	Optionee	Optionee			District
IGP Phase IIIA Permit	District		1/15/07	Yes	District
IGP Phase IIIA Work	District	District	Removal Date	Yes	District
Temp. Drainage on Optionee Property	District	District	Removal Date	Yes	District
Fill Retaining Wall	District	District	Removal Date	Yes	District
Isthmus inc retaining walls	*** District	District	Removal Date	Yes	District
IGP Phase IIIB (grading depends on who goes first)	District				
Grading on LLCP	Optionee	District	Removal Date	Yes	District reimburse by Optionee
OR Grading on UL	Optionee	Optionee			Optionee reimburse by District
Cut Retaining Wall	Optionee	Optionee			Optionee
IGP Phase IV Work	Optionee	Optionee			Optionee
Temp Parking Area with Access	Optionee	Optionee			Optionee
36 inch Storm Drain Phase II	Optionee	Optionee			Optionee
Pump Station Retaining Walls	Optionee	Optionee			Optionee
SLEIP	**** District	District	Removal Date	Yes	Optionee to hotel lateral, District thereafter
SUPP - Water Main Lateral - LL	Optionee	Optionee			District
SUPP - Water Main Loop - LL *	Optionee	Optionee			District
SUPP - Joint Trench - LL *	Optionee	Optionee			District

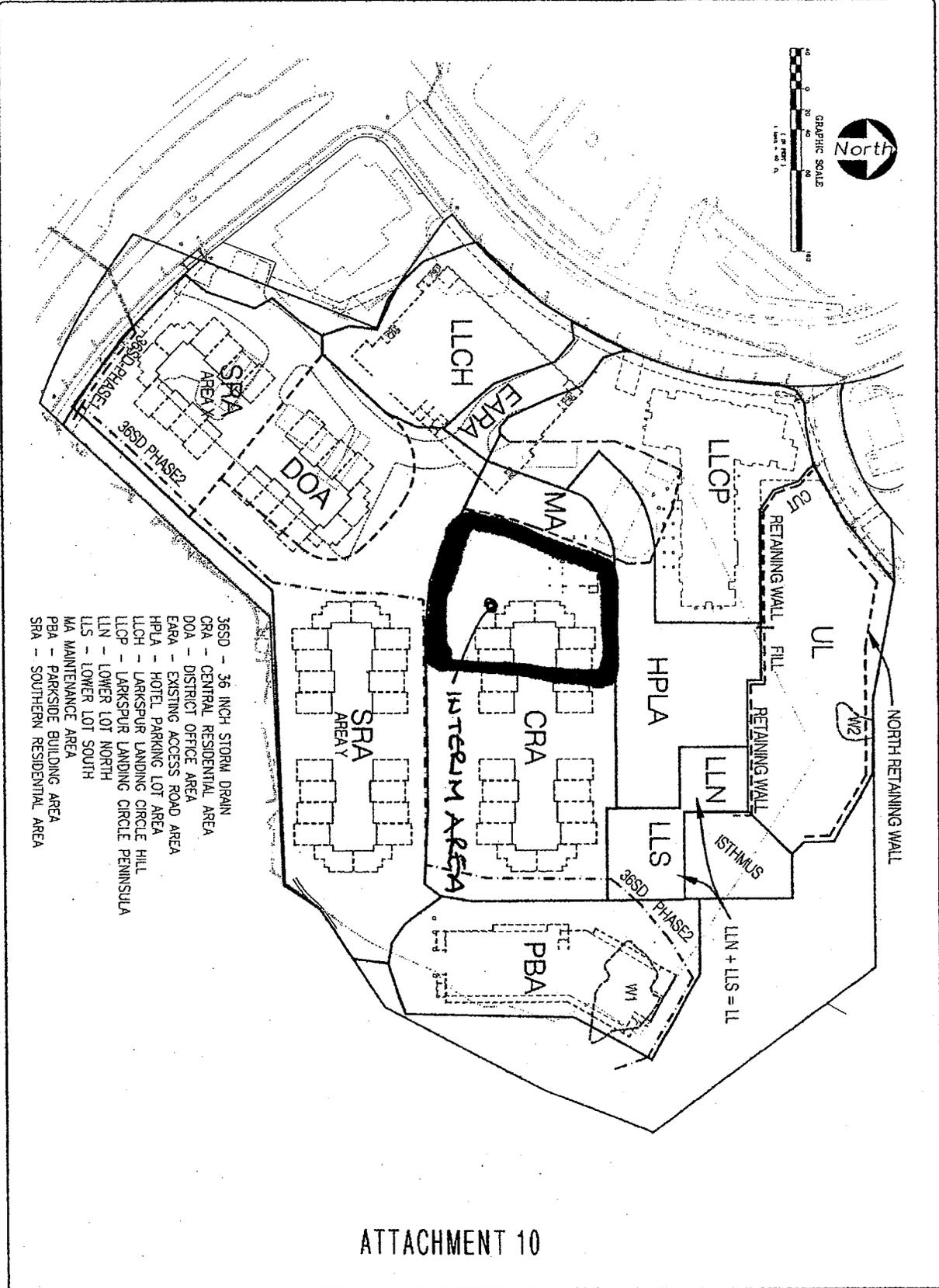
ULIP	***** District	01/15/07	Yes	District
ULIP Construction Work		Removal Date	Yes	District
LLIP	Optionee			Optionee
HIP	Optionee			Optionee
SRIP I	Optionee			Optionee

Heritage Tree Mitigation	Optionee	Optionee	District for Heritage Trees on District Site
--------------------------	----------	----------	--

ASSUMES DISTRICT ELECTS TO RELOCATE TO DISTRICT SITE AND MUST COMPLETE ITS SITE OBLIGATIONS

- * If required
- ** Each party is responsible for costs of improvements on its own Parcel except as otherwise provided
- *** If District makes election to move to District Site
- **** Campus assumes responsibility for SLEIP plans and construction if District elects Off Site Relocation, for completion anytime
- ***** Extent of ULIP dependants upon whether District elects to Relocate to District site or Off Site Relocation

COE = Close of Escrow



ATTACHMENT 10

Sheet	1
of	1
Map No.	0224-022
File Name	

Date	By	Revision

Land of Ross Valley Sanitary District
EXHIBIT
 Larkspur, Marin County, California

Drawn	M.T.
Designed	M.T.
Checked	H.P.S.
Date	10/27/09
Scale	AS SHOWN

LDSI
 Land Development Solutions, Inc.
 1510 Grand Ave., Suite 102
 Novato, CA 94945
 Tel: (415) 869-9163
 Fax: (415) 869-9080

WHEN RECORDED MAIL TO:

DLA Piper US LLP
2000 University Avenue
East Palo Alto, CA 94303-2248
Attention: Patrick J. McGaraghan, Esq.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF OPTION PURCHASE AND SALE AGREEMENT

This Memorandum of Agreement (this "**Memorandum**") is made as of this ___ day of November, 2006, by and between CAMPUS ST. JAMES LARKSPUR, LLC, a Delaware limited liability company ("**Seller**"), WL HOMES, LLC, a Delaware limited liability company dba JOHN LAING HOMES ("**Buyer**"), and SANITARY DISTRICT NO. 1 OF MARIN COUNTY, a public district of the State of California (the "**District**").

RECITALS

A. The District is the owner of certain real property located in the City of Larkspur, County of Marin (the "**County**"), State of California, as described more particularly on Exhibit A attached hereto (the "**Option Property**").

B. The District, as owner, and Seller's predecessor-in-interest, as optionee, are parties to that certain unrecorded Option Agreement dated as of October 6, 1999, as amended from time to time, that certain unrecorded Real Property Purchase Agreement attached to the Option Agreement as Exhibit C thereto, including modifications to such agreements pursuant to that certain unrecorded Amendment to Option Agreement and Purchase Agreement dated November ___, 2006 (as so amended and modified, collectively the "**Option Agreement**") wherein the District granted Seller the exclusive option to purchase the Option Property, pursuant to the terms and conditions set forth in the Option Agreement. A memorandum of the Option Agreement (the "**Original Memorandum**") was recorded in the official records of the County (the "**Official Records**") on 10th February 2000 as 00-7418.

C. Seller, as seller, and Buyer, as buyer, have entered into that certain unrecorded Option Purchase and Sale Agreement dated June 6, 2006, as amended from time to time (the "**Residential Purchase Agreement**") wherein Seller agreed to assign certain rights and obligations of Seller under the Option Agreement (collectively, the "**Assigned Rights**") to Buyer as more particularly described in the Residential Purchase Agreement. The Assigned Rights include Seller's right to purchase a portion of the Property (the "**Residential Parcel**") as described in the Residential Purchase Agreement that will be created as a separate legal parcel, but not to purchase the remainder of the Option Property (the "**Hotel Parcel**"). At such time as the Residential Parcel becomes a separate legal parcel, this Memorandum shall be modified at

the request of any party hereto so as to be applicable to only the Residential Parcel and so as to exclude the Hotel Parcel.

D. The District provided its consent to assignment (in accordance with the Residential Purchase Agreement) by Seller of the Assigned Rights to Buyer pursuant to that certain unrecorded estoppel and consent executed by the District on or about August 2, 2006 (the "**District Estoppel and Consent**"), which the District hereby acknowledges and ratifies, except as to any statements regarding any type of supplemental agreement, and except as further modified by the unrecorded Amendment to Option Agreement and Purchase Agreement dated November __, 2007.

E. Buyer and Seller desire to execute this Memorandum and cause the same to be recorded in the Official Records for the purpose of memorializing the Residential Purchase Agreement and the District Estoppel and Consent and to provide third parties with notice of the Residential Purchase Agreement and the District Estoppel and Consent.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer, Seller and the District hereby acknowledge and agree as follows:

AGREEMENT

1. Pursuant to the Residential Purchase Agreement, the District Estoppel and Consent and this Memorandum, Buyer has the right to acquire Seller's right to purchase the Residential Parcel upon the terms and conditions set forth in the Residential Purchase Agreement.

2. The term of the Residential Purchase Agreement, and any rights or interest of Buyer in and to the Property created thereby, shall begin on June 6, 2006, and shall end upon termination of the Option Agreement.

3. The sole purpose of this Memorandum is to give notice of the Residential Purchase Agreement, the District Estoppel and Consent and all of the terms, covenants and conditions respectively contained therein to the same extent as if the same were fully set forth herein, and all of the terms, conditions and provisions of the Residential Purchase Agreement and the District Estoppel and Consent are subject to the Option Agreement.

4. The Original Memorandum is subject to the terms and conditions contained in the Option Agreement and this Memorandum.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first above written.

BUYER:

WL HOMES, LLC,
a Delaware limited liability company dba JOHN LAING HOMES

By: _____

Name: _____

Title: _____

SELLER:

CAMPUS ST. JAMES LARKSPUR, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

DISTRICT:

SANITARY DISTRICT NO. 1 OF MARIN COUNTY,
a public district of the State of California

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____
Notary Public, personally appeared _____

_____ personally known to me
Or
_____ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

(SEAL)

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____
Notary Public, personally appeared _____

_____ personally known to me
Or
_____ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

SIGNATURE OF NOTARY PUBLIC

(SEAL)

EXHIBIT A
TO MEMORANDUM OF AGREEMENT

LEGAL DESCRIPTION OF PROPERTY

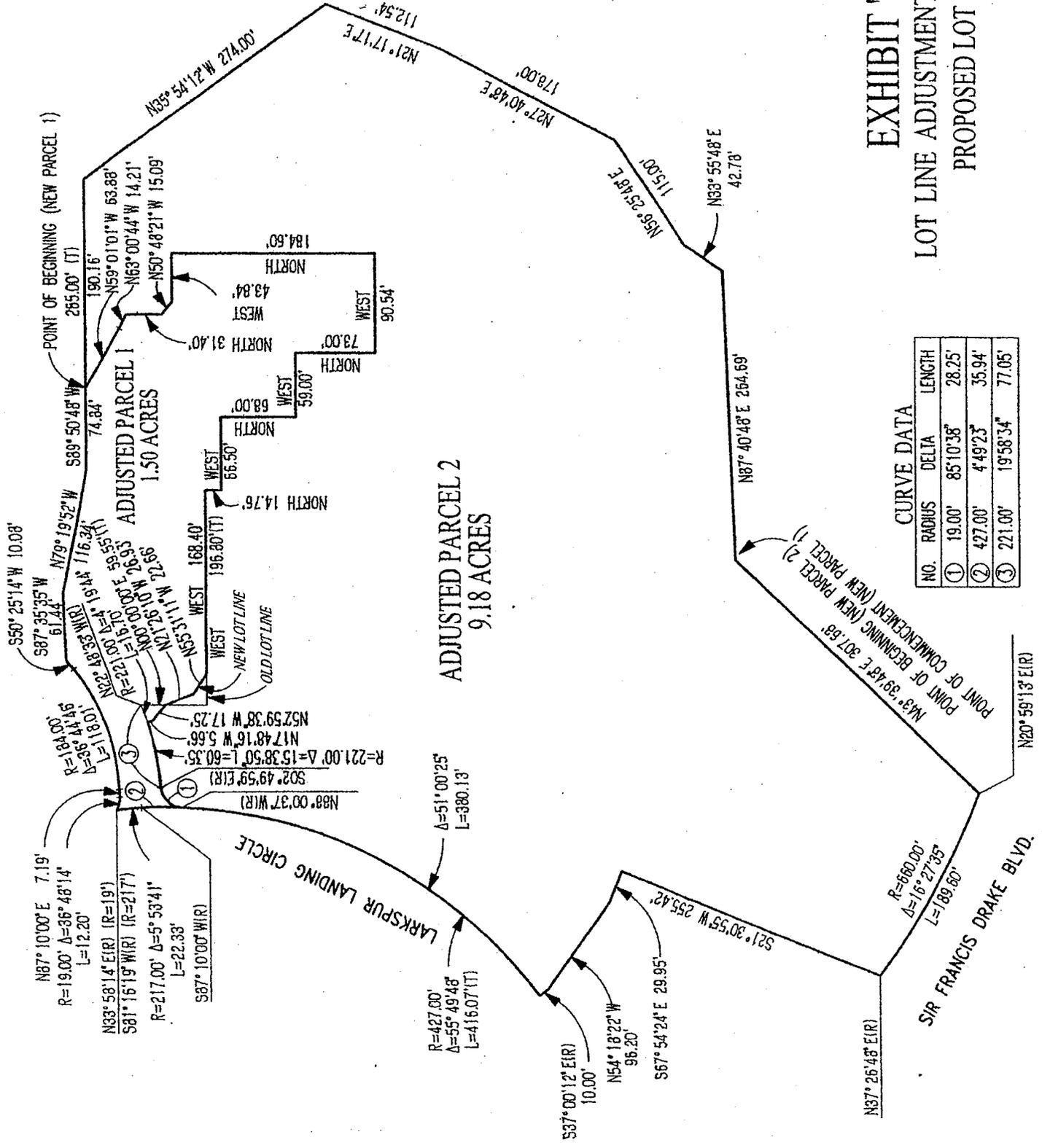
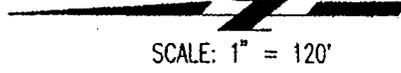
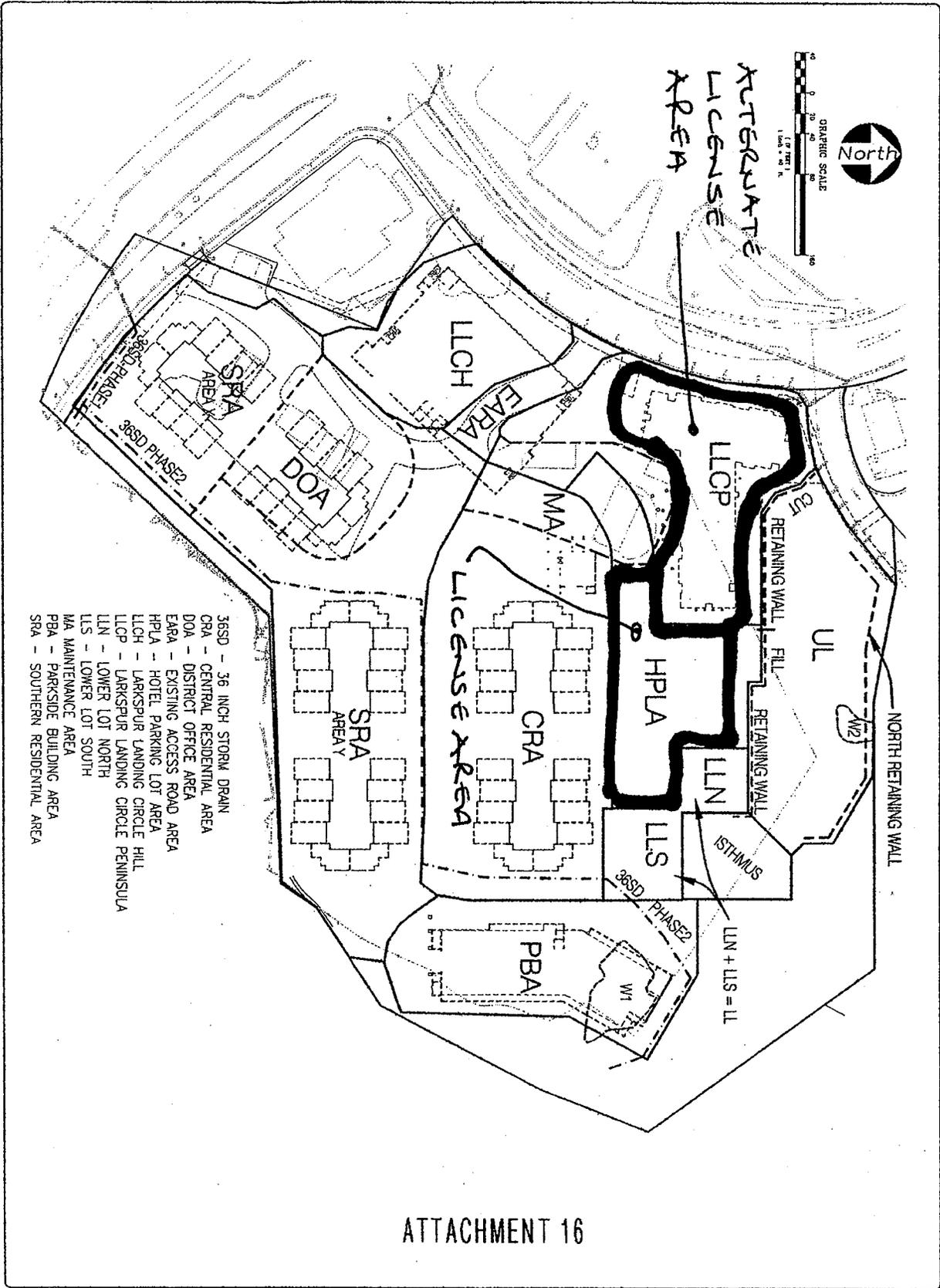


EXHIBIT 'F'
LOT LINE ADJUSTMENT PLAT MAP
PROPOSED LOT LINES

CURVE DATA

NO.	RADIUS	DELTA	LENGTH
①	19.00'	85°10'38"	28.25'
②	427.00'	4°49'23"	35.94'
③	221.00'	19°58'34"	77.05'



- 36SD - 36 INCH STORM DRAIN
- CRA - CENTRAL RESIDENTIAL AREA
- DOA - DISTRICT OFFICE AREA
- EARA - EXISTING ACCESS ROAD AREA
- HPLA - HOTEL PARKING LOT AREA
- LLOCH - LARKSPUR LANDING CIRCLE HILL
- LLOCP - LARKSPUR LANDING CIRCLE PENINSULA
- LLN - LOWER LOT NORTH
- LLS - LOWER LOT SOUTH
- MA - MAINTENANCE AREA
- PBA - PARKSIDE BUILDING AREA
- SRA - SOUTHERN RESIDENTIAL AREA

Sheet
1
of 1 sheets
JOB NO. 0722-0202
DATE 07/20/02
BY [Signature]

#	Date	By	Revisions

Land of Ross Valley Sanitary District
EXHIBIT
Larkspur, Marin County, California

Drawn	
Checked	
Designed	
Scale	AS SHOWN

LDSI
Land Development Solutions, Inc.
1510 Grant Ave., Suite 102
Novato, CA 94945
Tel: (415) 894-5153
Fax: (415) 894-9283

**Recording Requested by and
When Recorded Mail to:**

Campus St. James Larkspur, LLC
c/o Campus Properties, LLC
1348 Fourth Street, Suite 200
San Rafael, CA 94901

(Above Space for Recorder's Use Only)

DECLARATION OF RESTRICTIONS ON LAND

This Declaration of Restrictions is made on this _____ day of _____, 2006 ("Effective Date") by and between SANITARY DISTRICT NO. 1 OF MARIN COUNTY, ("District") and CAMPUS ST. JAMES LARKSPUR, LLC, a Delaware Limited Liability Company, formerly known as CAMPUS CORNERSTONE LARKSPUR LLC ("Campus") with reference to the following facts:

WHEREAS, District is owner of that certain real property situated in the City of Larkspur, County of Marin, State of California, more particularly described in **Exhibit 1** attached hereto and incorporated herein by this reference (the "District Site"); and

WHEREAS, Campus is owner of that certain real property situated in the City of Larkspur, County of Marin, State of California, more particularly described in **Exhibit 2** attached hereto and incorporated herein by this reference (the "Hotel Property"); and

WHEREAS, it is the desire and intention of all the parties to this Agreement to place certain restrictions on the District Site, so that all of the Hotel Property will be benefited and each successive owner of all or a part of the Hotel Property will be benefited by the preservation of the value and character of the District Site and the Hotel Property;

NOW, THEREFORE, in consideration of the ownership and intended use of the respective properties and the promises of the parties to this Declaration, and expressly for the benefit of, and to bind, their successors in interest, the parties agree as follows:

1. The use and development of the District Site shall be restricted as follows:

(A) Only for any one of the following uses and development: (i) that contemplated by City of Larkspur ("City") Ordinance No. 948 approving a Preliminary Development Plan, Mitigated Negative Declaration and a Circulation Assessment Permit as same may apply to the District Site as shown in the approved project plans therefor (the "Project Approval Plans"), a copy of which are on file with the City of Larkspur, or (ii) that shown on the plans for the District Site approved by the District Board on _____, 200_ (the "New District Project Plans"), a copy of which are held in the respective offices of District and Campus, or (iii) improvements including an office

building of approximately 6,000 square feet and approximately 5,000 additional gross square feet of improvements for a maintenance facility, provided that parking for 2,500 square feet of the office building use shall be limited to parking within the District Site (including the Isthmus, Lower Lot and Upper Lot as those terms are defined in that certain unrecorded Option Agreement dated as of October 6, 1999, as amended from time to time, that certain unrecorded Real Property Purchase Agreement attached to the Option Agreement as Exhibit C thereto, including modifications to such agreements pursuant to that certain unrecorded Amendment to Option Agreement and Purchase Agreement dated November ____, 2006 (and, notwithstanding any agreement to the contrary, in no event shall be permitted on the Hotel Property); and provided, however, that use of the District Site for maintenance purposes shall only be permitted for so long as District owns the District Site and uses it as its administrative headquarters, and during such period District shall be entitled to use the District Site for the routine maintenance and storage of vehicles and equipment regularly used in connection with District's governmental services. In each case, District shall keep Campus informed of and consult with Campus concerning the overall design of improvements to the District Site, which shall be designed to achieve the lowest practical finished elevations and all improvements shall be constructed with colors, materials and other aesthetic design elements that are respectful of and harmonious with the hotel project to be constructed on the Hotel Property adjacent to the District Site and that would minimize the impact of the improvements of the District Site on the Hotel Property.

(B) All retaining or architectural walls, if any, and landscaping located at the common border between the District Site and the Hotel Property shall be designed, installed and maintained to provide aesthetic screening from the ground and second of the hotel and otherwise from the ground level of the Hotel Property to hide the activities and improvements on the District Site; and

(C) All construction activities on the District Site and once the improvements on the District Site are completed, all operations on the District Site shall be conducted in a manner that will minimize any noise, dust, smell, soil erosion, traffic, interference or other disturbance of any tenants, guests, visitors or other occupants or owners of the Hotel Property, provided further that District shall use its best efforts to avoid, and if total avoidance is not physically possible, to use its best efforts to minimize the use of the maintenance facilities and all maintenance vehicles before 7:00 a.m. and after 5:00 p.m. on Monday through Friday and all day on Saturday and Sunday. District shall in particular instruct its employees, contractors and vendors to reverse any vehicles equipped with back up beepers into their specific assigned spaces in the afternoons to avoid backing up in the mornings.

(D) District may elect to grade the Isthmus to the same elevation as the "Lower Lot" portion of the District Site, and use said Isthmus only for the parking of private, non-commercial vehicles. The Lower Lot portion of the District Site is identified in that certain Reciprocal Parking Easement of even date herewith.

2. The covenants and restrictions set forth in this Declaration shall terminate and be of no further force and effect if Campus, or its specified successor in interest or assign, exercises its right to purchase and purchases the District Site pursuant to that

certain Right of First Refusal to purchase the District Site set forth in that certain Option Agreement dated as of October 6, 1999, executed between District, as Optionor, and Campus, as Optionee, all as defined and set forth in that certain Memorandum of Right of First Refusal of even date herewith and recorded against the District Site and Hotel Property.

3. The foregoing covenants by the District and restrictions upon the development, use and operation of the District Site shall be for the benefit of the Hotel Property, and the burdens of these covenants and restrictions shall run with the land of the District Site and shall be binding on all successive owners of the District Site and all parties and persons claiming under the District, and the benefits of these covenants and restrictions shall run with the land of the Hotel Property and shall inure to the benefit of all successive owners of the Hotel Property, in perpetuity, subject to Section 2 above. The parties hereto intend by entering into this Declaration to create covenants which run with the land of the burdened and benefited properties which will be enforceable as equitable servitudes, covenants under Civil Code Section 1468, or otherwise pursuant to law. Every person who now or hereafter owns, occupies or acquires any right, title or interest in or to any portion of the properties subject to this Declaration, is and shall be conclusively deemed to have examined and consented and agreed to every covenant, condition and restriction contained in this Declaration, and whether or not any reference to this Declaration is contained in the instrument by which such person acquired an interest in said property.

4. In the event of any dispute between the parties, whether based on contract, tort or other cause of action or involving bankruptcy or similar proceedings, in any way related to this Declaration, the non-prevailing party shall pay to the prevailing party all reasonable attorneys' fees and costs and expenses of any type, without restriction by statute, court rule or otherwise, incurred by the prevailing party in connection with any action or proceeding (including arbitration proceedings, any appeals and the enforcement of any judgment or award), whether or not the dispute is litigated or prosecuted to final judgment. The "prevailing party" shall be determined based upon an assessment of which party's major arguments or positions taken in the action or proceeding could fairly be said to have prevailed (whether by compromise, settlement, abandonment by the other party of its claim or defense, final decision, after any appeals, or otherwise) over the other party's major arguments or positions on major disputed issues. Any fees and costs incurred in enforcing a judgment shall be recoverable separately from any other amount included in the judgment and shall survive and not be merged in the judgment.

5. All Attachments referenced herein are incorporated into this Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all the Parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver. If any provision or portion hereof is declared invalid, unenforceable or in

conflict with any law of any jurisdiction within which the Property is situated, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

6. All notices, requests and demands to be made hereunder shall be in writing at the address for the Party set forth next to its signature on this Agreement, provided that if either Party transfers its of record fee interest in its respective Property, then notice may be given to its successor fee owner at the address of the then-current fee owner of such Property that is maintained by the Marin County Tax Assessor's Office, by any of the following means: (a) personal service (including service by overnight courier service); or (b) registered or certified, first class US mail, return receipt requested. Each Party's addresses set forth below may be changed by notice to the other Party given in the same manner provided above. Any notice, request or demand sent pursuant to subsection (a) hereof shall be deemed received upon such personal service, and if sent pursuant to subsection (b) shall be deemed received five (5) days following deposit in the mail.

District:

Attention: _____

Campus:

Attention: _____

7. The Parties agree that this Agreement is not to be more harshly construed against one Party hereto, and in favor of any other Party hereto, regardless of which Party prepared the drafting of this Agreement. Where the context so requires, the singular number shall include the plural number, and vice-versa, and the use of any gender shall include any or all other genders. This instrument is made and entered into the State of California, and shall be interpreted and enforced under and pursuant to the laws of said jurisdiction. The venue for any action or proceeding arising out of, or related to, this Agreement shall be in Marin County, California.

8. Each Party shall, from time to time, execute and deliver, or cause to be executed and delivered, such additional documents as the other Party may, at any time, reasonably require for the purpose of carrying out the intent of this Declaration within ten (10) business days of being provided with the same.

9. No breach of any of the covenants, conditions and restrictions herein contained, nor the enforcement of any right or remedy arising in connection herewith, shall render invalid the lien of any mortgage, deed of trust or other security instrument ("Mortgage") on any property made in good faith and for value, but, all of said covenants, conditions and restrictions shall be binding upon and effective against any

owner whose title is derived through foreclosure or trustee sale, or otherwise. Neither a breach of any obligation secured by a Mortgage against a parcel burdened or benefited hereunder nor a foreclosure under any such Mortgage shall by itself constitute a default under this Declaration.

10. Nothing in this Declaration shall be construed as a covenant or declaration, express or implied, intended for the benefit of the City or of any other property.

IN WITNESS WHEREOF, the parties to this Declaration have executed this Declaration as of the Effective Date.

SANITARY DISTRICT NO. 1 OF MARIN COUNTY

By: _____
Barry K. Hogue
District Manager

CAMPUS ST. JAMES LARKSPUR LLC, a Delaware limited liability company

By: Campus Properties, LLC, a
California limited liability company,
a Manager and Member

By: _____
Michael R. Hooper,
Member, Campus Properties, LLC

By: St. James Properties, LLC,
a Delaware limited liability company,
a Manager and Member

By: _____
Richard Pope, Its President

**Recording Requested by and
When Recorded Mail to:**

Campus St. James Larkspur, LLC
c/o Campus Properties, LLC
1348 Fourth Street, Suite 200
San Rafael, CA 94901

(Above Space for Recorder's Use Only)

MEMORANDUM OF RIGHT OF FIRST REFUSAL

By this Memorandum of Right of First Refusal ("Memorandum"), SANITARY DISTRICT NO. 1 OF MARIN COUNTY, ("Optionor") grants to CAMPUS ST. JAMES LARKSPUR, LLC, a Delaware Limited Liability Company, formerly known as CAMPUS CORNERSTONE LARKSPUR LLC ("Optionee") the right of first refusal to purchase certain real property more particularly described in attached Exhibit 1, incorporated in this Memorandum (the "Real Property"), together with all rights of Optionor to adjoining streets, rights of way, easements, and all other appurtenant rights belonging to Optionor. The Right of First Refusal is more particularly described in the Option Agreement (Option Agreement) dated as of October 6, 1999 executed between Optionor and Optionee.

The parties have executed and recorded this instrument to give notice of the Right of First Refusal and the respective rights and obligations of Optionee and Optionor. The terms of the Right of First Refusal are in the unrecorded Option Agreement, which is incorporated by reference in its entirety in this Memorandum. In the event of any inconsistency between this Memorandum and the Option Agreement, the Option Agreement shall control.

DATED: _____, 2006 SANITARY DISTRICT NO. 1 OF MARIN COUNTY

By:

Barry K. Hogue
District Manager

ATTACHMENT 19

700 IRWIN STREET
SAN RAFAEL, CA 94901
(415) 454-9323
FAX (415) 454-7301

591 REDWOOD HWY, SUITE 2100
MILL VALLEY, CA 94941
(415) 383-8410
FAX (415) 388-6233

100 DRAKES LANDING RD, STE 130
GREENBRAE, CA 94904
(415) 461-7474
FAX (415) 925-0470

7250 REDWOOD BLVD, STE 208
NOVATO, CA 94945
(415) 892-5800
FAX (415) 892-7221

CAL LAND

CALIFORNIA LAND TITLE OF MARIN PRELIMINARY REPORT

PROPERTY REFERENCE:
A.P. # 18-171-32 (PORTION)
LARKSPUR, CA 94939

OUR NO.: 284452 CB 3RD SUPP
OFFICE: SAN RAFAEL
REPLY TO: CHUCK BENNETT
YOUR NO.:
BUYER / BORROWER:
DATE: APRIL 5, 2006

In response to the above referenced application for a policy of title insurance.

California Land Title of Marin

hereby reports that is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein, hereinafter set forth, insuring against loss which may be sustained by reason of defect, lien or encumbrance not shown or referred to as an Exception, in Schedule B or not excluded from coverage pursuant to the printed Schedules, Conditions, and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in the attached. Copies of the Policy should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions attached to this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The form of Policy of Title Insurance contemplated by this report is:

California Land Title Association Standard Coverage Policy 1990
OR ALTA Residential Title Insurance Policy (6-1-87); and/or American Land
Title Association Loan Policy (10-17-92) with ALTA Endorsement - Form 1 Coverage

Dated as of: March 27, 2006
At: 7:30 A.M.



Title Officer

SCHEDULE A

1. The estate or interest in the land hereinafter described or referred to covered by this report is:

A FEE

2. Title to the said estate or interest in the land described at the date hereof is vested in:

Sanitary District No. 1 of Marin County

3. The land referred to in this report is situate in the City of Larkspur, County of Marin, State of California, and is described as follows:

SEE DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF

DESCRIPTION

ESCROW NO. 264452-CB

ALL THAT CERTAIN real property situate in the City of Larkspur, County of Marin, State of California, described below as follows:

Beginning at the Westerly terminus of the course bearing North 86° 15' East, 264.69 feet of Parcel 2 as set forth in the Certificate of Compliance recorded December 18, 2003 as Instrument No. 2003 0152648, Marin County Records; thence North 87° 40' 48" East (North 86° 15' East per said Certificate of Compliance) 264.69 feet; thence North 33° 55' 48" East 42.78 feet; thence North 56° 25' 48" East, 115.00 feet; thence North 27° 40' 48" East, 178.00 feet; thence North 21° 17' 17" East, 112.54 feet; thence North 35° 54' 12" West, 274.00 feet; thence South 89° 50' 48" West, 190.16 feet; thence South 59° 01' 01" East, 63.88 feet; thence South 63° 00' 44" East, 14.21 feet; thence South 31.40 feet; thence South 50° 48' 21" East, 15.09 feet; thence East 43.84 feet; thence South 184.60 feet; thence West 90.54 feet; thence North 73.00 feet; thence West 59.00 feet; thence North 68.00 feet; thence West 66.50 feet; thence North 14.76 feet; thence West 196.80 feet; thence North 59.55 feet; thence along the arc of a curve concave to the Northwest whose radius bears North 22° 48' 33" West, having a radius of 221.00 feet, through a central angle of 19° 58' 34", an arc length of 77.05 feet; thence along the arc of a tangent reverse curve concave to the Southeast, whose radius bears South 2° 49' 59" East, having a radius of 19.00 feet, through a central angle of 85° 10' 38", an arc length of 28.25 feet; thence along the arc of a tangent reverse curve concave to the Northwest, whose radius bears North 88° 00' 37" West, having a radius of 427.00 feet, through a central angle of 51° 00' 25", an arc length of 380.13 feet; thence South 37° 00' 12" East, 10.00 feet; thence South 54° 18' 22" East, 96.20 feet; thence South 67° 54' 24" East, 29.95 feet thence South 21° 30' 55" West, 255.42 feet; thence along the arc of a non-tangent curve concave to the Northeast, whose radius bears North 37° 26' 48" East, having a radius of 660.00 feet, through a central angle of 16° 27' 35", an arc length of 189.60 feet; thence North 43° 39' 48" East, 307.68 feet to the point of beginning.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

At the date hereof, exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special County and City taxes for the fiscal year 2006-2007, a lien not yet payable.
2. The herein described property is not presently assessed taxes due to the fact that the vestee herein is an exempt body; however, if said property is conveyed to a taxable entity, said property may be assessed taxes for the remainder of said fiscal year.
3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code, of the State of California.
4. The right to extend and maintain culverts and the slopes of cuts and fills, outside of the right of way conveyed to the County of Marin, as contained in the Deed recorded October 20, 1930 in Book 204 of Official Records at Page 207, Marin County Records.
5. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Recorded: August 12, 1977
in Book 3248, of Official Records at Page 214 and re-recorded October 24, 1977 in Book 3280 of Official Records at Page 675, Marin County Records.
In Favor of: City of Larkspur
For: Installation and maintenance of public utilities
Affects : Westerly 10 feet
6. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Recorded: October 24, 1977
in Book 3281, of Official Records at Page 12, Marin County Records.
In Favor of: City of Larkspur
For: Right of way, Slope and Drainage Easements
Affects : Southerly Portion
7. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Recorded: December 7, 1978
in Book 3473, of Official Records at Page 234, Marin County Records.
In Favor of: Pacific Gas and Electric Company, a California Corporation
For: To construct, install, inspect, maintain, replace, remove and use facilities, together with ingress and egress
Affects : Westerly 10 feet

Conditions as therein contained.
8. An easement for the purpose shown below and rights incidental thereto as set forth in a document
Recorded: April 17, 1980
in Book 3704, of Official Records at Page 81, Marin County Records.
In Favor of: Pacific Gas and Electric Company, a California Corporation
For: To construct, install, inspect, maintain, replace, remove and use facilities
Affects : 10 feet wide, Northwesterly Portion

For: ingress and egress
Affects: Northwesterly and Northeasterly portions

Conditions as therein contained.

SCHEDULE B
Continued

9. An unrecorded Right of First Refusal dated December 6, 1976, with certain terms, covenants, conditions and provisions set forth therein:
Optionor: Sanitary District No. 1 of Marin County
Optionee: Lincoln Property Company No. 41, a California General Partnership
Disclosed by: Memorandum of Right of First Refusal
Recorded: July 28, 1983,
as Instrument No. 83 036201, Marin County Records
10. An unrecorded Option Agreement dated October 6, 1999, with certain terms, covenants, conditions and provisions set forth therein:
Optionor: Sanitary District No. 1 of Marin County
Optionee: Campus Cornerstone Larkspur, LLC, a Delaware Limited Liability Company
Disclosed by: Memorandum of Option Agreement
Recorded: February 10, 2000
as Instrument No. 2000 007418, Marin County Records
11. Any rights, interests, or claims which may exist or arise by reason of the following facts shown on a survey plat entitled "ALTA/ACSM Land Title Survey, the Lands of Sanitary District No. 1 of Marin County", dated March 31, 2006, prepared by Michael Ford Land Surveying Inc, Job No. 041034:
- a) Encroachment of certain maintain lawn over and onto a Westerly portion of the herein described property
 - b) Encroachment of building appendages, door opening over and onto a Southwesterly portion of the herein described property
 - c) Existing utility lines and poles over a Southeasterly portion of the herein described property
 - d) Existing storm drainage manholes over the Westerly portion of the herein described property
 - e) Existing sanitary sewer manhole over the Southwesterly portion of the herein described property
 - f) Existing utility boxes, catch basin and PG&E facility over the Southwesterly portion of the herein described property
 - g) Existing fence lying inside and outside the boundaries of the herein described property.
 - h) The fact that a sign encroaches along the Westerly line of the herein described property.
 - i) The fact that an asphalt and concrete entrance/exit and a maintained lawn encroach onto that certain easement recorded April 17, 1980 in Book 3704 of Official Records at Page 81, Marin County Records.
 - j) The fact that the course designated as "South 37°00'12" East, 10.00 feet" is not depicted on the above survey.
 - k) The fact that the "Hotel Site" and "Residential Site" are not depicted on said survey.
 - l) The fact that the course designated as "South 14.76 feet" herein is shown as "North 14.75 feet" and the course designated as "South 184.60 feet" herein is shown as "North 184.50 feet" upon the above survey

END OF SCHEDULE B

NOTES

NOTE NO. 1: There are no conveyances affecting said land, recorded within twenty-four (24) months of the date of this report.

NOTE NO. 2: The charge for a policy of title insurance, when issued through this title order, will be based on the basic (not short-term) title insurance rate.

NOTE NO. 3: If a 1970 ALTA Owner's or Lender's or 1975 ALTA Leasehold Owner's or Lender's policy form has been requested, the policy, when approved for issuance, will be endorsed to add the following to the Exclusions From Coverage contained therein:

Loan Policy Exclusion:

Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws, that is based on:

- (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
- (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
- (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

Owner's Policy Exclusion:

Any claim, which arises out of the transaction vesting in the insured, the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws, that is based on:

- (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
- (ii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

PINK

Order No. 264452 CB

VESTING DATE: **March 27, 2006**

PROPERTY: **18-171-32**

DEEDS OF TRUST:

SELLERS / OWNERS:

Campus Properties St. James Landing LLC

BUYERS / BORROWERS:

Larkspur Landing Hotel Company LLC

PINK

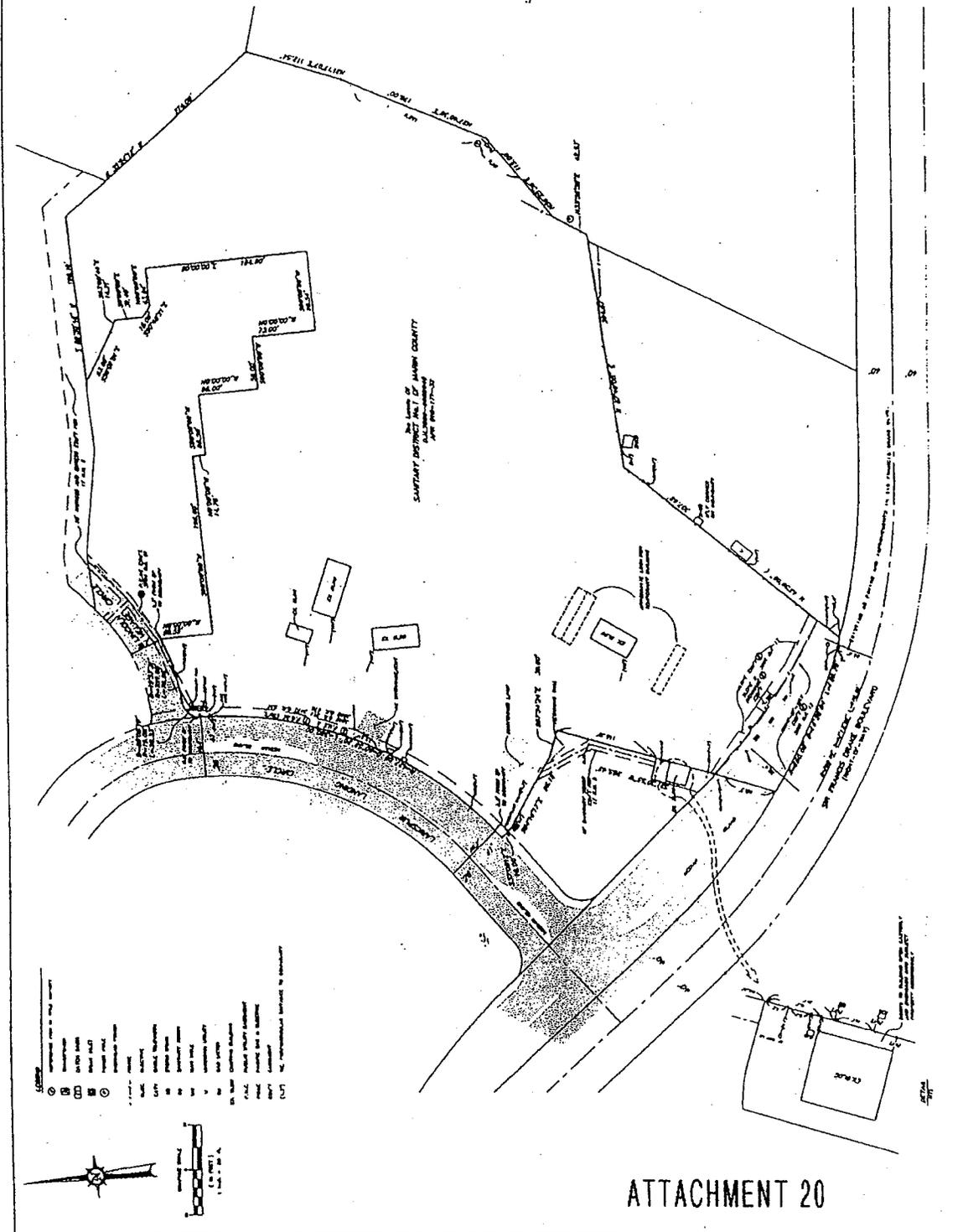


MCINTY MAP
NO. 204

NOTE: THIS SURVEY WAS MADE IN ACCORDANCE WITH THE PROVISIONS OF THE SURVEYING ACT, 1907, AND THE SURVEYING REGULATIONS, 1907, AND THE SURVEYING ACT, 1928, AND THE SURVEYING REGULATIONS, 1928, AND THE SURVEYING ACT, 1940, AND THE SURVEYING REGULATIONS, 1940.

A.L.T.A./A.C.S.M. LAND TITLE SURVEY

THIS SURVEY WAS MADE IN ACCORDANCE WITH THE PROVISIONS OF THE SURVEYING ACT, 1907, AND THE SURVEYING REGULATIONS, 1907, AND THE SURVEYING ACT, 1928, AND THE SURVEYING REGULATIONS, 1928, AND THE SURVEYING ACT, 1940, AND THE SURVEYING REGULATIONS, 1940.



- 1. All boundaries shown by dashed lines.
- 2. All boundaries shown by solid lines.
- 3. All boundaries shown by dotted lines.
- 4. All boundaries shown by long dashed lines.
- 5. All boundaries shown by short dashed lines.
- 6. All boundaries shown by dash-dot lines.
- 7. All boundaries shown by long dash-short dash lines.
- 8. All boundaries shown by short dash-long dash lines.
- 9. All boundaries shown by long dash-dot-dot lines.
- 10. All boundaries shown by short dash-dot-dot lines.
- 11. All boundaries shown by long dash-dot-dot-dot lines.
- 12. All boundaries shown by short dash-dot-dot-dot lines.
- 13. All boundaries shown by long dash-dot-dot-dot-dot lines.
- 14. All boundaries shown by short dash-dot-dot-dot-dot lines.
- 15. All boundaries shown by long dash-dot-dot-dot-dot-dot lines.
- 16. All boundaries shown by short dash-dot-dot-dot-dot-dot lines.
- 17. All boundaries shown by long dash-dot-dot-dot-dot-dot-dot lines.
- 18. All boundaries shown by short dash-dot-dot-dot-dot-dot-dot lines.
- 19. All boundaries shown by long dash-dot-dot-dot-dot-dot-dot-dot lines.
- 20. All boundaries shown by short dash-dot-dot-dot-dot-dot-dot-dot lines.



ATTACHMENT 20



VICINITY MAP
TO BE MADE

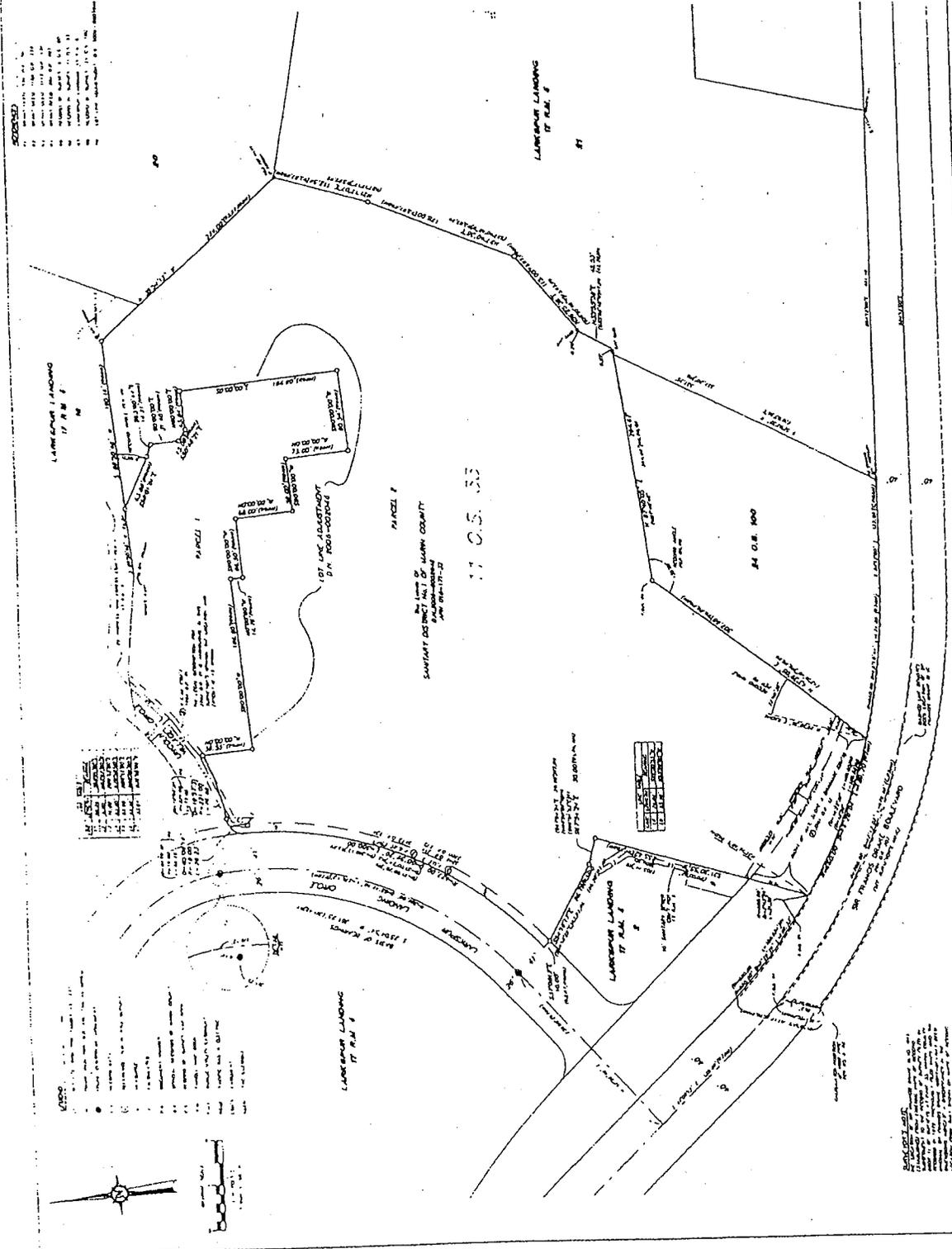
WELL RECORD
The well shown on this map was drilled by [Name] on [Date] and is located at [Location]. The well is [Depth] feet deep and is used for [Purpose]. The water level in the well is [Level] feet below the surface of the ground. The well is [Status] and is [Type] of well.

WARRANTY
The surveyor warrants that the survey was made in accordance with the laws and regulations of the State of California and that the survey is true and correct to the best of his knowledge and belief.

STATE OF CALIFORNIA
COUNTY OF [County Name]
[Surveyor Name]
[Address]
[City, State, Zip]

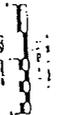
A.L.T.A./A.C.S.M. LAND TITLE SURVEY

The land shown on this map is located in the County of [County Name], State of California, and is subject to the provisions of the A.L.T.A./A.C.S.M. Land Title Survey Act, Chapter 10, Section 10000, of the California Statutes.



LEGEND

- 1. [Symbol] [Description]
- 2. [Symbol] [Description]
- 3. [Symbol] [Description]
- 4. [Symbol] [Description]
- 5. [Symbol] [Description]
- 6. [Symbol] [Description]
- 7. [Symbol] [Description]
- 8. [Symbol] [Description]
- 9. [Symbol] [Description]
- 10. [Symbol] [Description]



NOTES
1. [Text]

Attachment 21

Pump Station Improvement Plans (PSIP)

Nute Engineering plans of Larkspur Landing B (PS10)
Pump Station Improvements and Force Main Valves,
29 Sheets dated February 2006



TO CORTE MADERA

PROJECT LOCATION MAP

NTS

INDEX TO PLANS

1. PROJECT LOCATION MAP AND INDEX TO PLANS
- LARKSPUR LANDING B (PS10) PUMP STATION IMPROVEMENTS
2. EXISTING SITE PLAN AND TEMPORARY PUMPING
3. STANDPIPE AND TIE-IN DETAILS
4. SITE PLAN AND PAVING PLAN
5. DEMOLITION -- FLOOR PLANS
6. DEMOLITION -- SECTIONS
7. STRUCTURAL -- DECK AND PIT PLANS
8. STRUCTURAL -- SECTIONS A, B, C AND SLAB PLAN
9. STRUCTURAL -- SECTIONS D & E AND DETAILS
10. STRUCTURAL -- SCRUBBER ROOM PLANS AND DETAILS
11. STRUCTURAL -- ELEVATIONS
12. MECHANICAL -- DECK AND PIT PLANS
13. MECHANICAL -- SECTIONS A, B AND C
14. MECHANICAL -- SECTIONS D, E AND F
15. MISCELLANEOUS DETAILS
16. MISCELLANEOUS DETAILS

FORCE MAIN VALVES

17. VICINITY MAP AND SCHEMATIC
18. VALVES 'A' AND 'B' SITE PLAN, FLOOR PLANS, SECTION AND DETAILS
19. VALVE 'C' SITE AND DETAILS AND VALVE 'D' DETAILS
20. CORROSION PROTECTION DETAILS

ELECTRICAL

21. E-1 -- ELECTRICAL -- LEGEND, ABBREVIATIONS & GENERAL NOTES
22. E-2 -- ELECTRICAL -- SITE PLAN AND DETAILS
23. E-3 -- ELECTRICAL -- FLOOR PLANS
24. E-4 -- ELECTRICAL -- MCC DETAILS
25. E-5 -- ELECTRICAL -- DIAGRAMS SHEET 1
26. E-6 -- ELECTRICAL -- DIAGRAMS SHEET 2
27. E-7 -- ELECTRICAL -- DIAGRAMS SHEET 3
28. E-8 -- ELECTRICAL -- DIAGRAMS SHEET 4
29. E-9 -- ELECTRICAL -- SECTIONS AND DETAILS

ATTACHMENT 21

Attachment 22

Additional Ratification Items

November 2, 2006

Memorandum of Understanding
Exclusive Right to Negotiate
Option Agreement
Memorandum of Option Agreement
St. James Properties LLC Consent Letter dated June 30, 2003
Larkspur Hospitality Estoppel dated December 2, 2005
JLH Estoppel August 2, 2006

Approval by Sanitary District Board of District Site Plans and Campus plans 2006

Application to the City of Larkspur for Office and Hotel use by Campus Cornerstone Larkspur LLC:

General Plan Amendment
Preliminary Development Plan
Exceptions to the Zoning Ordinance
Environmental Review
Circulation Assessment Permit

Application to the City of Larkspur for Residential and Hotel use by Campus St James Larkspur LLC and/or Larkspur Landing Hotel Company, LLC:

General Plan Amendment
Preliminary Development Plan
Exceptions to the Zoning Ordinance
Environmental Review
Circulation Assessment Permit
Precise Plan – Residential
Precise Plan - Hotel
Design Review – Residential
Design Review - Hotel

Lot Line Adjustment/Certificate of Compliance
Lot Line Adjustment – South West Corner Modification

Tentative Parcel Map

Interim Grading Plan
Heritage Tree Removal Plan

Interim Grading Plan Permit
Heritage Tree Removal Plan Permit

Miwok Park Biological Mitigation Plan

Larkspur Capital Partners License Agreement

Reimbursement of Treadwell & Rollo Geotechnical costs

Reimbursement of Erler & Kalinowski DTSC costs

Request to DTSC for Sign off

Request to Army Corps of Engineers for Jurisdictional Determination

Request to Army Corps of Engineers for s.404 Nationwide Permit

Request to RWQCB for s. 401 permit

Request to California Department of Fish and Game for s.1600 permit

CampusStJames/District/ratification103106

ATTACHMENT 23

Pre - Agreement District Costs

Geotechnical Investigation	Treadwell & Rollo	October 7, 2005	\$	2,788.10
		November 7, 2005	\$	14,281.70
		December 8, 2005	\$	7,559.88
		December 30, 2005	\$	28,286.69
		February 6, 2006	\$	962.56
			\$	<u>53,878.93</u>
	District Percent.	10.00%		
	District Share		\$	5,387.89
DTSC Costs	Erler & Kalinowski	June 6, 2006	\$	968.20
		November 7, 2006	\$	14,954.03
		September 8, 2006	\$	5,604.44
		December 9, 2006	\$	173.46
		May 10, 2006	\$	710.70
		February 11, 2006	\$	1,092.35
			\$	<u>23,503.18</u>
	District Percent.	100.00%		
	District Share		\$	23,503.18
Total Due From District			\$	<u>28,891.07</u>

Attachment 24

District "Must Do" Obligations

November 6, 2006

Items that must be done by Sanitary District Pre - Closing.

Affects

Remove Improvements	Hotel & Res
Remove any Hazardous Materials	Hotel & Res
Vacate the Property	Hotel & Res
Grade UL (exc. Isthmus) (*)	Hotel & Res
Fill Retaining Wall	Hotel & Res
Temp Drainage	Hotel & Res
ULIP (**)	Hotel & Res
Edge Conditions (***)	Hotel & Res

* LDSI plans entitled 2000 Larkspur Landing, Sheets C1 -C5 dated September 12, 2006.

** To extent necessary to complete Limited Site Obligations.

*** UL Fencing, Planting & Retaining Walls to standards shown in the District Site Development Standards.

Attachment 25

Relocation Plan and Schedule

November 6, 2006

INITIAL SITE OBLIGATIONS

See Attachment 9A for Acronyms

Phase I District relocates the existing Board Room to the north of the existing Crew Building in the DOA.

Date for Completion of Phase I: **November 10, 2006**

Phase II District purchases or rents temporary storage containers (or PODS) for temporary storage of the contents of the existing Shop Building and Wooden Shed. Storage containers (or PODS) to be placed in the Interim Area. District removes fuel tanks.

Date for Completion of Phase II: **December 4, 2006**

Phase III District completes demolition of the MA (Phase 1 – Site Demolition). District tests soil and ground water in the MA.

Date for Completion of Phase III: **January 29, 2007**

Phase IV District relocates all operations and moves the storage containers (or PODS), Board Room and Crew Building to CMSA.

Date for Completion of Phase IV: **March 15, 2007**

Phase V District completes demolition of DOA and EARA (Phase 2 & 3 – Site Demolition). District tests soil and ground water in DOA and EARA. District completes any necessary remediation of MA, DOA and EARA. District completes grading of Optionee Property consistent with the Nute Grading Plans.

Date for Completion of Phase V: **April 15, 2007**

PLUS

LIMITED SITE OBLIGATIONS OR SITE OBLIGATIONS AS APPLICABLE

Date for Completion: The Removal Date

Campus StJames/District/Amendment/Attachment 25

ATTACHMENT 26

Parking Operations Management Plan Sanitary District and Hotel Parking Lot 2000 Larkspur Landing Project

June 13, 2006

On completion of the 2000 Larkspur Landing project, Sanitary District No. 1 of Marin County ("Sanitary District") and the owner of the hotel parcel ("Hotel") will each own a portion of a contiguous parking lot. This Parking Operations Management Plan ("POMP") will govern the management and operations of the contiguous parking lot.

The goal of this POMP is to ensure that the parking demand arising from each owner is met with the minimum inconvenience to the other, and to provide a framework within which to operate the parking lot to maximize cooperation between owners.

The term "Parking Lot" shall mean the entire parking lot located on the Hotel property and the entire parking lot located at the lowest level of the Sanitary District property, both as identified on Exhibit A attached hereto. The term "Parking Lot Improvements" shall mean the improvements located on the Parking Lot including but not limited to drainage, paving and lighting improvements together with surrounding landscaping, but not including retaining walls, all as identified on Exhibit A attached hereto.

The term "Operational Hours" shall mean from 7:00 am to 5:00 pm on Mondays through Fridays, except on public holidays.

Parking Privileges. Hotel employees, invitees and guests may park on the Hotel Portion of the Parking Lot at any time. Hotel employees, invitees and guests may park on the Sanitary District portion of the Parking Lot at any time, except during the Operational Hours of this POMP (as restricted below). The Sanitary District shall only permit its employees, agents, and/or invitees to use the Parking Lot for parking of its employee's vehicles (during the day only with respect to the Hotel's portion of the Parking Lot) and in conjunction with the District's scheduled board meetings.

Management. The Hotel shall be responsible for the management of the Parking Lot entirely at its own expense. The lay-out and circulation of the Parking Lot shall be as set forth in the Hotel's approved precise development plan with any changes to the submitted precise development plan with respect to lay-out and circulation of the Parking Lot to be reviewed and approved by the District in its reasonable discretion. The Reciprocal Easement will address temporary staging rights as may be necessary for the initial build-out of the Parking Lot and the Hotel.

Maintenance. The Hotel will be responsible for the ordinary maintenance and aesthetic aspects of the Parking Lot and the Parking Lot Improvements in accordance with the

Right of Access and Parking Easement recorded (or to be recorded) against each property (the "Reciprocal Easement"), provided that the Sanitary District shall be responsible for the cost and expense of any extraordinary maintenance caused by the acts or omissions of the Sanitary District, its employees, agents and invitees and for its proportionate share of costs and expenses associated with major perils (and other non-ordinary course maintenance). Responsibility for extraordinary items will be addressed in the Reciprocal Easement. In the performance of the duties of the Parking Lot Manager, the Hotel Coordinator may permit make reasonable or necessary alterations or improvements to Parking Lot. Each party shall bear its own taxes, insurance costs, and compliance with laws costs with respect to each party's part of the Parking Lot.

Coordination. The Hotel and Sanitary District shall each advise, and keep each other advised, of the name and contact information of the person within their respective organizations responsible for coordination with each other (each a "Coordinator"). The Hotel Coordinator shall be the Parking Lot Manager. Except as provided elsewhere in this POMP, the Parking Lot Manager will be responsible for resolving all issues relating to the operation, maintenance and management of the Parking Lot upon the terms of the Reciprocal Easement. The Coordinators will meet as necessary to ensure the smooth operation of the Parking Lot.

Signs. The Hotel, at their own expense, shall, as directed by the Sanitary District in its reasonable discretion, considering the overall aesthetics of signage at the Parking Lot, post signs of a size, type, material and color to other signs of similar function found on other parking lots in Marin County for the 26 parking spaces located on the Sanitary District property. Pole mounted signs are to be minimized and only used where no other type sign effectively communicates the parking restrictions on the Sanitary District property. Such signs shall be restricted to the following text: Reserved for Sanitary District Use Between 7am to 5 pm Monday to Friday, except on public holidays. Signs which display the appropriate language allowing the Sanitary District to tow vehicles is also permitted, provided that towing may only occur if permitted by the Parking Lot Manager.

Hotel Guest Communications. The Hotel will instruct its guest service agents to direct guests checking in after 3:00 pm on Sunday and during Operational Hours to park in vacant spaces in the Hotel portion of the Parking Lot, and to not park in the Sanitary District portion of the Parking Lot during Operational Hours.

Parking Tags. The Sanitary District and the Hotel shall issue tags, decals or stickers, to be readily visible through the front window of each vehicle (i) to their employees, and (ii) to their visitors and guests. Each Coordinator shall have the discretion, after first giving notice to the other Coordinator (or otherwise relying on established policy) (if during Operational Hours), to arrange for towing of any vehicle without dash tags or decals parked in that Coordinator's portion of the Parking Lot. The Sanitary District and the Hotel agree to post whatever signs are legally required to permit the towing of unauthorized vehicles.

Employee Parking. The Hotel shall encourage its employees to use public transit and to car pool. Employees with shifts that are not during Operational Hours will be required to park in the Sanitary District portion of the Parking Lot to maximize the number of vacant parking spaces in the Hotel portion of the Parking Lot. Employees with shifts that fall all or a portion within the Operational Hours will be required to park in the furthest available spaces from the hotel entry in the Hotel portion of the Parking Lot.

Hotel Meeting Room. The Hotel agrees not to schedule the use of the Hotel meeting room for use by anyone except hotel guests or employees prior to 7:00 am Monday through Friday, except on public holidays.

The foregoing shall be subject to the negotiated terms and conditions of the Reciprocal Easement. The Reciprocal Easement will address other matters and issues customarily addressed in reciprocal parking easements.

CampusStJames/hotel/pomp6 13 06

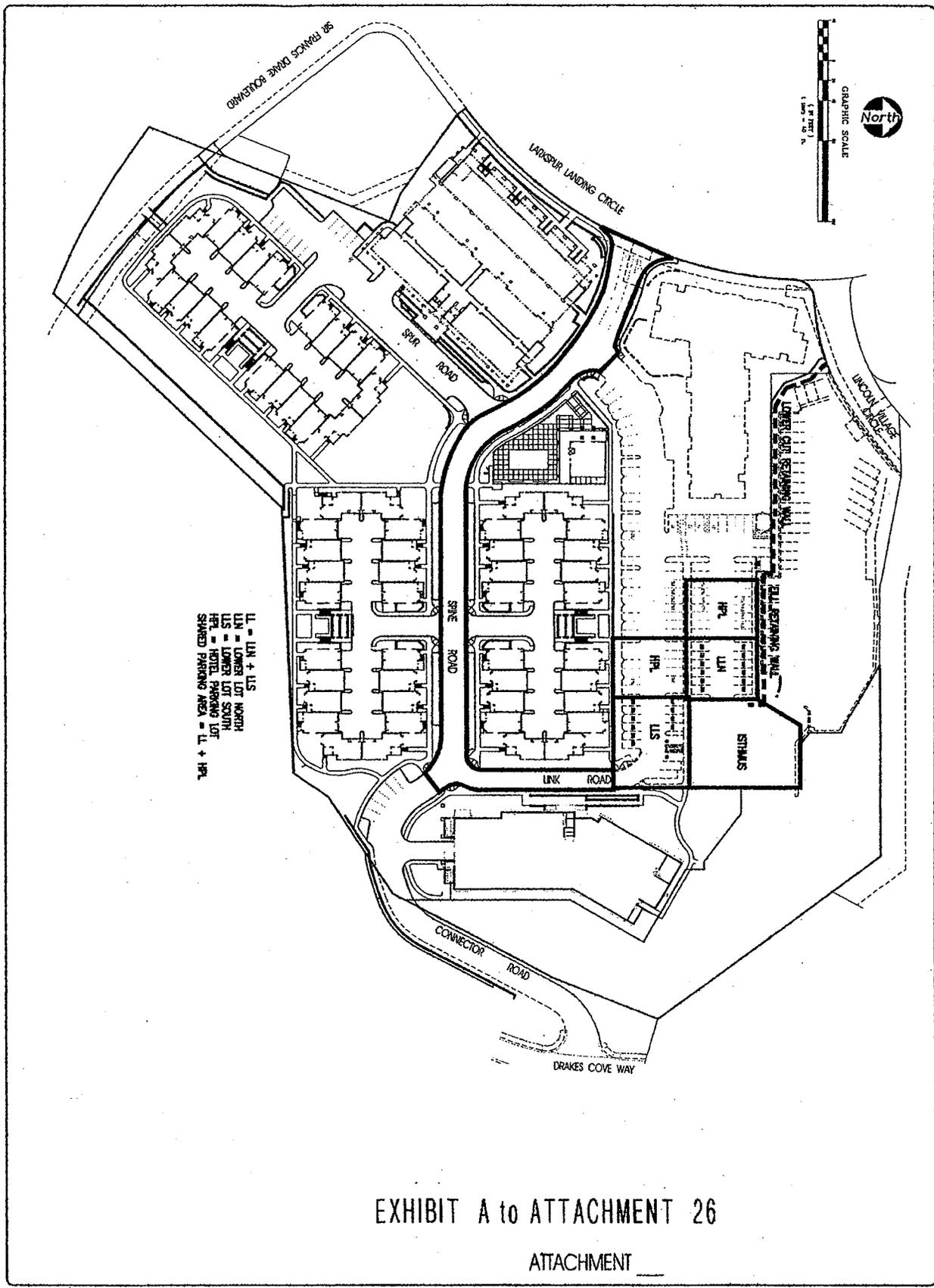
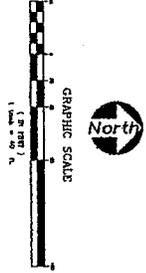
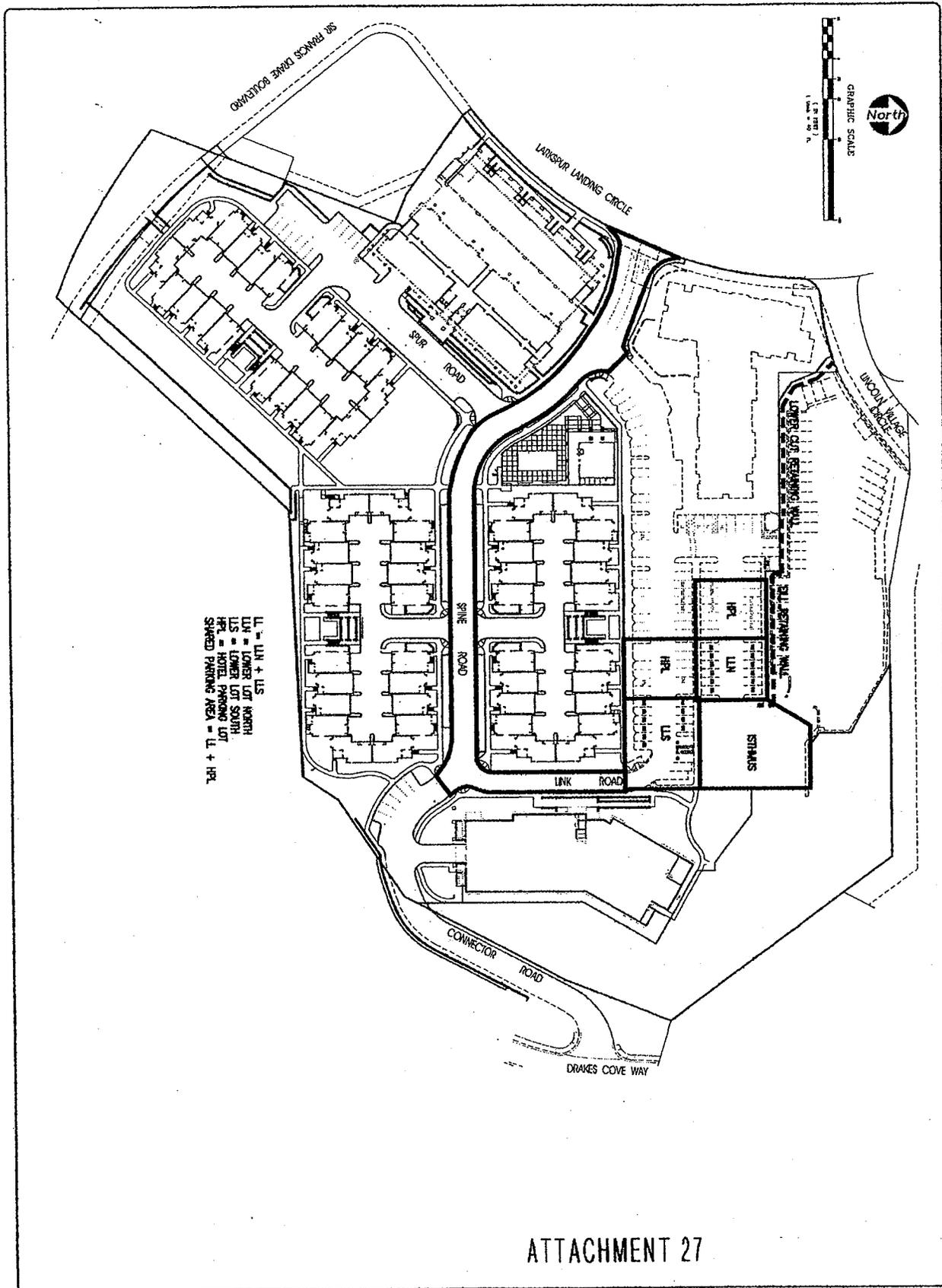


EXHIBIT A to ATTACHMENT 26

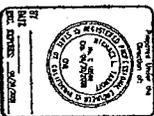
ATTACHMENT _____

<p>Scale: _____</p> <p>City of Berkeley Title No. 0222700 Title No. _____</p>		<table border="1"> <thead> <tr> <th>No.</th> <th>Date</th> <th>By</th> <th>Revision</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	No.	Date	By	Revision													<p>Land of Ross Valley Sanitary District</p> <p>EXHIBIT</p> <p>Landspur, Marin County, California</p>	<p>Drawn: J.L.T. Checked: J.L.T. Date: 02/27/08 Scale: AS SHOWN</p>	<p>LDSI Land Development Solutions, Inc. 1510 Grant Ave. Suite 107 Novato, CA 94945 Tel: (415) 893-8163 Fax: (415) 893-9890</p>
No.	Date	By	Revision																		



ATTACHMENT 27

of 8 Sheets
 JOB NO. 0224-00
 DATE 02/23/00



DATE	BY	REVISION

Land of Ross Valley Sanitary District
EXHIBIT
 Lakespur, Marin County, California

Drawn: HLT
 Checked: HLT/JCM
 Date: 02/23/00
 Scale: AS SHOWN

LDSI
 Land Development Solutions, Inc.
 1510 Grant Ave., Suite 102
 Novato, CA 94945
 Tel: (415) 885-6185
 Fax: (415) 889-0980

