

AMENDMENT TO OPTION AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS AMENDMENT TO OPTION AGREEMENT AND JOINT ESCROW INSTRUCTIONS (“Amendment”) shall be deemed effective as of October __, 2022 (“**Amendment Date**”), by and between the CARSON RECLAMATION AUTHORITY, a California joint powers authority (“**Authority**”), and CARSON GOOSE OWNER, LLC, a Delaware limited liability company (“**Developer**”, together with the Authority, each individually a “**Party**”, and collectively, the “**Parties**”).

RECITALS:

A. Option Agreement; Assignment. Authority and Faring Capital, LLC (“**Faring**”) previously entered into that certain Option Agreement and Joint Escrow Instructions, dated as of December 17, 2020 (the “**Option Agreement**”). Faring assigned all its rights and obligations under the Option Agreement to Developer, and Developer assumed the same pursuant to that certain Assignment of Option Agreement and Joint Escrow Instructions, dated January 15, 2021, between Faring and Developer (the “**Assignment**”).

B. Capitalized Terms. Capitalized terms used in this Amendment but not otherwise defined herein shall have the same meaning ascribed to such terms under the Option Agreement.

C. Developer Requests for Extensions Under the Option Agreement; Condition to Approval. While the Project Determination Date occurred on June 8, 2022 and no Challenge Litigation has commenced, satisfaction of other conditions to conditions to Developer’s Obligations to Close under the Option Agreement have been and are being delayed, due to no fault of Developer or Faring; other factors have caused and continue to cause such delays, including, without limitation, the newly proposed settlement of the ongoing litigation among RE Solutions, LLC (“**RES**”), CAM-Carson, LLC (“**CAM**”), the City and Authority, and the re-initiation of the Cell 2 Project by CAM pursuant to certain amendments to the CAM Agreement and the Cell 2 DA approved by the City Council and Authority Board in August 2022 which remain unexecuted by CAM. As such, Developer seeks an extension to the Term of the Option Agreement, as set forth in greater detail below, and Authority desires to grant such extension, provided that Developer pays to the Authority the amount of approximately Three Hundred Five Thousand Dollars (\$305,000) to compensate the Authority for its costs of acquiring / procuring a new Property Insurance Policy subject to a not-to-exceed amount of \$330,000 (the actual costs of such acquisition/procurement of such Property Insurance Policy incurred by the Authority, the “**Insurance Payment**”), which payment shall be a condition to the effectiveness of this Amendment.

D. Project Approval; Issuance of Entitlements and CEQA Approvals. Developer acknowledges and agrees that an Option B Trigger event has not occurred under

the terms of the Option Agreement and acquisition of the Property shall be pursuant to the terms of Option A as set forth in the Option Agreement (as amended herein).

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and adequacy of which the Parties hereby acknowledge, the Parties mutually agree to the following:

AGREEMENT

1. Recitals; Defined Terms; Effectiveness of Amendment.

1.1 Recitals. The Recitals set forth above are incorporated herein as though fully set forth herein. The Recitals set forth above are agreed to be true and correct by the Parties.

1.2 Defined Terms. Any and all references to the term Developer under the Option Agreement shall mean and refer to the “Developer” as defined in this Amendment.

1.3 Condition to Effectiveness of Amendment. The effectiveness of this Amendment is conditioned upon Developer’s payment to the Authority of the Insurance Payment.

2. Amendments to Option Agreement.

2.1 Option B Under the Option Agreement. Developer acknowledges and agrees that an Option B Trigger event has not occurred under the terms of the Option Agreement and the acquisition of the Property and Other Ownership Rights shall be governed by the terms of Option A (including, but not limited to, all remedies for a failure of a Developer’s Condition Precedent to be satisfied prior to the expiration of the Term or an uncured material Default by the Authority) as set forth in the Option Agreement (as may be modified by any subsequent amendment to the Option Agreement entered into between the Authority and Developer).

2.2 Section 2.4 Amendments. Section 2.4 of the Option Agreement is hereby amended and restated in its entirety as follows:

The “**Term**” of this Agreement shall commence on the Effective Date and shall expire thirty (30) months after the expiration of the Effective Date; provided, however, that Developer may request one or more extensions of the Term by written request to the Authority, and so long as Developer is proceeding with due diligence and in good faith with the Project and the requirements/transactions contemplated herein to enable the Closing, the Authority’s Executive Director shall grant such extensions of the Term of up to 360 days cumulatively (provided that any single extension granted by the Executive Director shall not be less than 90 days). Any additional extensions to the Term shall be subject to the approval of the Authority

Board, in its reasonable discretion, based on the Developer's then current progress and diligent efforts in processing the Project and transactions contemplated herein."

2.3 Section 6.1 Amendment. Notwithstanding anything contrary under the Option Agreement, (i) the Parties acknowledge and agree that the Project Determination Date occurred on June 8, 2022, and all requirements / deadlines set forth in Section 6.1 under the Option Agreement have been satisfied.

2.4 Section 6.2 Amendment. Notwithstanding anything contrary under the Option Agreement, the Closing / Closing Date set forth under Section 6.2 (or elsewhere under the Option Agreement), shall include and allow for Developer to extend the date of the Closing for up to three (3) months (but not beyond the expiration of the Term), following satisfaction of all Developer's Conditions Precedent, upon written notice from Developer to the Authority (which notice must be sent prior to the satisfaction of all Developer's Conditions Precedent).

3. Miscellaneous.

3.1 Continuing Effect of Option Agreement. Except as expressly modified or amended by this Amendment, all other provisions of the Option Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term "Agreement" appears in the Option Agreement, it shall mean the Option Agreement as amended by this Amendment.

3.2 Severability. If any part of this Amendment is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Amendment shall be given effect to the fullest extent reasonably possible.

3.3 Interpretation. In the event of any asserted ambiguity in, or dispute regarding, the interpretation of any matter herein, the interpretation of this Amendment shall not be resolved by any rules of interpretation providing for interpretation against the Party who caused the uncertainty to exist or against the drafting Party.

3.4 Amendment. No amendment to or modification of this Amendment shall be valid unless made in writing and approved by Authority and Developer. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

3.5 Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other Parties to this Amendment attached thereto. Delivery of a signed counterpart by fax or email shall constitute good and sufficient delivery.

3.6 Entire Agreement. This Amendment contains the entire agreement between the Parties with respect to the matters covered by this Amendment, and supersedes (i) any provision of the Option Agreement in conflict herewith, and (ii) any prior oral or written statements or agreements between the Parties with respect to the subject matter of this Amendment.

3.7 Interpretation and Governing Law. This Amendment and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California without regard to conflict of law principles. The agreements contained herein shall not be construed in favor of or against any of the Parties but shall be construed as if all Parties prepared this Amendment.

3.8 Authority. The persons executing this Amendment on behalf of the Parties hereto warrant that: (i) such Party is duly organized and existing; (ii) such Party is duly authorized to execute and deliver this Amendment on behalf of said Party; and (iii) the entering into of this Amendment does not violate any provision of any other agreement to which said Party is bound.

[Signature Pages Follow]

IN WITNESS THEREOF, the Parties hereto have executed this Amendment as of _____, 2022.

DEVELOPER

CARSON GOOSE OWNER, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

AUTHORITY

CARSON RECLAMATION AUTHORITY, a
California joint powers authority

By: _____
Lula Davis-Holmes, Chair

ATTEST:

Dr. Khaleah K. Bradshaw, Authority Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Sunny Soltani
Authority Counsel

