

SECOND AMENDMENT TO OPTION AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS SECOND AMENDMENT TO OPTION AGREEMENT AND JOINT ESCROW INSTRUCTIONS (“Second Amendment”) shall be deemed effective as of May __, 2023 (“**Amendment Date**”), and is made 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**”). FIDELITY NATIONAL TITLE INSURANCE COMPANY, a California corporation, acting as the escrow holder and title company (“**Escrow Holder**”) hereby acknowledges and agrees to the terms of this Second Amendment applicable to Escrow Holder.

RECITALS:

A. *Option Agreement; Assignment; Prior Amendment.* Authority and Faring Capital, LLC (“**Faring**”) previously entered into that certain Option Agreement and Joint Escrow Instructions, dated as of December 17, 2020 (the “**Original Option Agreement**”). Faring assigned all its rights and obligations under the Original 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**”). Subsequently, Developer and the Authority entered into that certain Amendment to Option Agreement and Joint Escrow Instructions, dated October 4, 2022 (the “**First Amendment**”, together with the Original Option Agreement, collectively, the “**Option Agreement**”), which provided for, among other things, the extension of the Term under the Original Option Agreement.

B. *Developer Requests for Extensions Under the Option Agreement; Condition to Approval.* 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 Three Hundred Thousand Dollars (\$300,000) (“**Second Amendment Payment**”) as consideration for the grant of the extension to the Term under the Option Agreement, and to allow for the Authority to commence with the initial designs and work required for the Infrastructure Improvements (including, without limitation, the design planning for the dry-utilities to serve the 157 Acre Site), as further described and provided for 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:

EXHIBIT NO. 1

AGREEMENT

1. Recitals; Defined Terms; Effectiveness of Second Amendment; Use of Second Amendment Payment.

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. All initially capitalized terms used but not specifically defined herein, shall have the meaning(s) set forth under the Option Agreement.

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

1.4 Use of Second Amendment Payment. The Second Amendment Payment shall be used and applied by the Authority to pay Antieri & Associates Consulting Engineers, Inc. for the designs and planning for the dry-utilities and electrical work necessary to serve the 157 Acre Site (the "**Initial Dry-Utility Planning**"), which is a precondition to the requirements for the Authority to commence construction of the Infrastructure Improvements; provided, however, that Developer's required sixty percent (60%) contribution payments for the Infrastructure Improvements as set forth in Exhibit K to the Original Option Agreement, shall be credited / reduced by the amount of the Second Amendment Payment. Notwithstanding anything to the contrary herein or in the Option Agreement, if the Authority is able to utilize the Measure R/Measure M Metro Bond proceeds for such Initial Dry-Utility Planning, then the Second Amendment Payment may be utilized by the Authority in any manner it desires, so long as it is applied to the 157 Acre Site and the Authority's costs associated with same (including, without limitation, contractors/consultant fees and costs and legal fees, but not any legal fees associated with the CAM Litigation or negotiations with CAM with respect to Cell 2).

2. Amendments to Option Agreement.

2.1 Section 2.4 (Term; Extensions to the Term) Amendment. 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 on January 10, 2024; 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. Notwithstanding the foregoing or anything to the contrary herein, the expiration of the Term shall not apply to any terms or provisions that are set forth in this Agreement to survive the Closing, termination of the Agreement, or otherwise are described to continue in perpetuity."

2.2 Section 6.2 (Closing Date) 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 pursuant to the terms and conditions of Section 2.4 of the Option Agreement (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).

2.3 Section 3.12 (Development Impact Fees) Amendment. Section 3.12 of the Option Agreement, is hereby deleted in its entirety, given that the terms regarding the payment of development impact fees were modified pursuant to the Development Agreement, between the City of Carson and Developer, recorded in the Official Records of Los Angeles County on October 3, 2022.

2.4 Section 16.3(b) (Reimbursement) Amendment. Section 16.3(b) of the Option Agreement is hereby deleted in its entirety.

2.5 Section 19 (Notices) Amendment. Section 19 of the Option Agreement is hereby revised and amended solely with respect to the Developer notices as follows:

To Developer:

Carson Goose Owner, LLC
c/o Faring Capital
659 N. Robertson Blvd.
West Hollywood, CA 90069
Attention: Chris Trueblood
Email: chris@faring.com;

With Copies to:

Rand Paster & Nelson LLP
633 West Fifth St., 64th Fl.
Los Angeles, CA 90071
Attention: Dave Rand
Email: dave@rpnllp.com

and:

Allen Matkins Leck Gamble Mallory & Natsis, LLP
2010 Main St., 8th Fl.
Irvine, CA 92614
Attention: Pam Andes

2.6 Exhibit H (Schedule of Performance) Amendment. Exhibit H to the Original Option Agreement is amended and modified as set forth in the “Amended Exhibit H” attached to this Second Amendment, which is incorporated herein.

3. Miscellaneous.

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

3.2 Severability. If any part of this Second Amendment is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Second 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 Second 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 Second 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 Second 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 Second Amendment attached thereto. Delivery of a signed counterpart by email shall constitute good and sufficient delivery.

3.6 Entire Agreement. This Second Amendment contains the entire agreement between the Parties with respect to the matters covered by this Second 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 Second Amendment.

3.7 Governing Law. This Second 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.

3.8 Authority. The persons executing this Second 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 Second Amendment on behalf of said Party; and (iii) the entering into of this Second Amendment does not violate any provision of any other agreement to which said Party is bound.

[Signature Page Follow]

IN WITNESS THEREOF, the Parties hereto have executed this Second Amendment as of the Amendment Date set forth above.

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

ESCROW HOLDER:

FIDELITY NATIONAL
TITLE INSURANCE COMPANY

By: _____
Name:
Title:

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Sunny Soltani
Authority Counsel

AMENDED EXHIBIT H TO OPTION AGREEMENT

SCHEDULE OF PERFORMANCE

The Parties acknowledge and agree that all events 1-18 of the Original Option Agreement have been completed and the following events are the remaining issues for the completion of the events in the Schedule of Performance.

Event	Event Description	Time For Performance
1	Developer makes the Second Advance to be deposited into Escrow	Ten days after the satisfaction of the Second Advance Release Condition
2	Second Advance is released to Authority	1 day following Event 1
3	Close of Escrow	Subject to the terms and conditions in the Option Agreement and the satisfaction of the conditions precedent set forth in Section 8, which must take place on or before the expiration of the Term, subject to extension pursuant to Section 2.4
4	Developer submits construction drawings	Within 30 days following Event 3
5	Developer starts construction of the Remedial Systems, BPS, and Site Development Improvements necessary to allow for vertical improvements	Within 90 days following approval of the construction plans/drawings by all requisite permitting authorities
6	Developer completes construction of the Remedial Systems, BPS, and Site Development Improvements necessary to allow for vertical improvements	Within 18 months of Event 5
7	Developer completes construction of the Project	Within 12 months of Event 6