

SECOND AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT

THIS SECOND AMENDMENT TO EXCLUSIVE NEGOTIATION AGREEMENT (this "Second Amendment") is entered into by and between the CITY OF LOMPOC, a municipal corporation ("City") and the ENVIRONMENTAL EDUCATION GROUP, INC., a California non-profit corporation ("EEG"), under the terms and provisions set forth below.

WHEREAS, City and EEG entered into that certain Exclusive Negotiation Agreement, effective May 30, 2012, (the "ENA") regarding development of the California Space Enterprise Center, defined in the ENA as the Proposed Project;

WHEREAS, the parties amended the ENA effective August 21, 2012 to extend the time for EEG to provide a Master Plan (as defined in the ENA) and a pro forma showing the fiscal feasibility of all aspects of the Proposed Project ("Pro Forma") (the "First Amendment");

WHEREAS, the ENA and First Amendment are hereinafter collectively referred to as the "Amended ENA;"

WHEREAS, EEG provided the Master Plan and a Pro Forma within the time required by the Amended ENA; and

WHEREAS, City's consultant has reviewed the Pro Forma; and

WHEREAS, at its meeting of February 5, 2013, the City Council authorized entering into an amendment to the Amended ENA to provide an extension of time to provide the evidence of financing and to establish another milestone and communication directions.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, City and EEG hereto mutually agree as follows:

1. Except as otherwise expressly defined herein or the context requires otherwise, all terms used herein shall be defined as in the Amended ENA.

2. The Master Plan submitted by EEG as part of that certain document entitled "California Space Enterprise Center, Master Vision," dated September, 2012, meets the requirements of the Amended ENA.

3. The Pro Forma submitted by EEG and reviewed and revised by City's financial consultant is sufficient for the current stage of the Proposed Project and is deemed to meet the requirements of the Amended ENA.

4. On or before April 8, 2013, EEG shall have executed a binding agreement with an Experienced Developer (as defined below), which, at a minimum, provides the Experienced Developer will take over the development and coordination of the Proposed Project in conjunction with EEG and EEG's participation will be focused on obtaining committed equity and grant funding

for the Proposed Project in the minimum amount of \$68,000,000 ("Equity and Grant Funding"). The Experienced Developer will participate in all meetings with City staff regarding the Proposed Project during the term of the Amended ENA. The Experienced Developer shall mean an individual or entity controlled by at least one individual who has been a key participant in the development of a multi-phased commercial and regional public-oriented use project with a value of at least \$200,000,000, within the last twenty years.

5. Communications with City regarding the Proposed Project shall be among EEG, the Experienced Developer and the City Administrator, Economic Development Director/Assistant City Administrator or City Attorney or their designees.

6. Subparagraph 3. C. of the Amended ENA is hereby amended to read as follows:

C. Necessary Equity and Grant Funding. On or before May 1, 2013, the Experienced Developer and EEG shall provide City evidence of equity and grant funding for the Proposed Project in the amount of at least \$68,000,000 (the "Equity and Grant Funding"). The evidence of the Equity and Grant Funding shall be comprised of letters of commitment to provide funding only conditioned on the (i) Property being conveyed to the Experienced Developer (or an entity created by the Experienced Developer for development of the Proposed Project) and (ii) approval of the necessary land use entitlements for the Proposed Project.

7. Except as expressly stated herein, all terms and conditions of the Amended ENA remain in full force and effect.

8. The effective date of this Amendment is February 5, 2013, if it has been signed on behalf of both parties.

THE CITY OF LOMPOC, a municipal corporation

Dated: _____, 2013

By: _____

Laurel Barcelona,
City Administrator

APPROVED AS TO FORM:

Joseph W. Pannone,
City Attorney

[Signatures continued on Page 4]

[Signatures continued from Page 3]

ENVIRONMENTAL EDUCATION
GROUP, INC., a California non-profit
corporation

Dated: _____, 2013

By: _____
Alan Tratner,
Founder/Director

Dated: _____, 2013

By: _____
Lielle Arad,
Global Director of Public Affairs