

SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING

RECITALS

WHEREAS, on July 22, 2025 (the “Reference Date”), the City of Orange (“City”) and Milan REI X, LLC (“Developer”) (collectively, “Parties”) entered into a Memorandum of Understanding (“MOU”) regarding the development of various Developer properties.

WHEREAS, among other things, the MOU extended for one year from the Reference Date existing Builder’s Remedy Tolling Agreements (the “Agreements”) between the City and Developer, to July 22, 2026.

WHEREAS, on May 12, 2026, the City approved a First Amendment to the MOU that (i) extended the Agreements, (ii) extended the target date for the City, using its best efforts, to approve Developer’s 30-unit residential project (the “Residential Project”), (iii) extended the date for the City to process and approve, as appropriate and subject to applicable law, any necessary permits for development of the Developer’s Sully-Miller site into public open space (the “Open Space Project”), all until August 21, 2026 (collectively, the “Approval Deadline” extension), and (iv) authorized the City Manager to approve further extension of the Agreements and Approval Deadline in 30-day increments, up to six months from July 22, 2026.

WHEREAS, in the event the City approves either the Residential Project or the Open Space Project, or both of them, lawsuits could be filed, under CEQA or other law, challenging the City’s approval(s) or either or both projects (the “Project Lawsuit(s)”). The filing of such lawsuits could delay development of either or both projects and place either or both projects at risk. Due to this risk, the Parties desire to provide for an option for the Developer to further extend either or both Agreements for the duration of the Project Lawsuit(s), including appeals of any trial court decision(s).

WHEREAS, the Parties desire to provide for the extension of either or both of the Builder’s Remedy Tolling Agreements in the event of the filing of Project Lawsuit(s), at the option of the Developer.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, and for other good and valuable consideration, the receipt of sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Builder’s Remedy Tolling Agreement Extension.** Upon the filing of a lawsuit, under CEQA or other law, challenging the City’s approval of the Residential Project or the Open Space Project, the Developer shall have the option, upon notice to the City, to extend the Builder’s Remedy Tolling Agreement for the project subject to the lawsuit, for up to the duration of the lawsuit, including the duration of any appeals, (the “Lawsuit Extension”), terminable at the Developer’s option. The Lawsuit Extension

shall also include the time in which any party has to file an appeal following a trial court decision, in the event no appeal is filed.

2. Multiple Lawsuits Extension. In the event lawsuits are filed, under CEQA or other law, challenging the City's approval of both the Residential Project and the Open Space Project, the Developer shall have the option, upon notice to the City, to extend the Builder's Remedy Tolling Agreement for each project, for up to the duration of the lawsuit, including the duration of any appeals, terminable at the Developer's option, or to extend the Builder's Remedy Tolling Agreement for only one project, for up to the duration of the lawsuit, including any appeals, terminable at the Developer's option (the "Multiple Lawsuits Extension"). The Multiple Lawsuits Extension shall also include the time in which any party has to file an appeal of either lawsuit following a trial court decision, in the event no appeal of either case is filed.

MILAN REI X, LLC, A California limited liability company

By: _____
Christopher Nichelson
President of its Managing Agent

CITY OF ORANGE, a municipal corporation

By: _____
Daniel R. Slater, Mayor

ATTEST:

Pamela Coleman, City Clerk

APPROVED AS TO FORM:

Nathalie Adourian, City Attorney √