

FIRST 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; and

WHEREAS, among other things, Section 1.4 of the MOU provides that upon a request from the Developer, the existing Builder’s Remedy Tolling Agreements between the City and Developer shall be extended for at least six (6) months from July 22, 2026, upon the City’s determination that such extension is in the best interest of the City; and

WHEREAS, the MOU established a target date of July 1, 2026, for the City to use its best efforts to approve Developer’s 30-unit residential project (the “Residential Project”) and 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”) (the “Approval Deadline”); and

WHEREAS, Developer has requested an initial thirty (30) day extension of the Builder’s Remedy Tolling Agreements pursuant to Section 1.4 of the MOU, and the City has determined that granting such limited extension is in the best interest of the City; and

WHEREAS, the Parties desire to implement an initial limited thirty (30) day extension of the Builder’s Remedy Tolling Agreements, while preserving the City Manager’s authority to approve additional thirty (30) day extensions, provided that the total extension period shall not exceed six (6) months from July 22, 2026, and provided further that any such extension remains in the best interest of the City.

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 Agreements Extension**. The Builder’s Remedy Tolling Agreements, currently scheduled to expire on July 22, 2026, are hereby extended 30 days until August 21, 2026, subject to applicable law and without limiting the City’s obligation to process applications in accordance with state housing law.
2. **Approval Deadline Extension**. The Approval Deadline is hereby extended until August 21, 2026. The Parties acknowledge that maintaining a period of time between the Approval Deadline and expiration of the Builder’s Remedy Tolling Agreements is intended to allow for administrative coordination and implementation of approvals, consistent with applicable law.

3. City Authority to Execute Future Extensions. In addition to the initial thirty (30) day extension provided herein, the City Manager is hereby authorized to approve additional extensions of the Builder's Remedy Tolling Agreements and the Approval Deadline in increments of thirty (30) days each, provided that:

- (i) the total extension period shall not exceed six (6) months from July 22, 2026;
- (ii) the City Manager determines that the requested extension is in the best interest of the City;
- (iii) Developer provides a written status update identifying the status of the TTM Project permits, the Residential Project approvals, the Open Space Project approvals, and all required regulatory clearances associated with the Sully Miller Property; and
- (iv) such extension does not materially impair the City's ability to enforce the terms and performance expectations established under the MOU.

No extension beyond the six (6) month period contemplated in Section 1.4 of the original MOU shall be permitted without formal City Council approval. Each extension approved by the City Manager shall be in writing, shall include a determination based on Developer's demonstrated progress under the MOU.

4. No Other Changes. Except as expressly modified herein, all other terms and conditions of the MOU shall remain unchanged and in full force and effect. Nothing in this Amendment shall be construed to limit or otherwise affect the City's obligations under applicable law, including without limitation Government Code Section 65589.5. The City shall continue to process the residential project in accordance with applicable law. Nothing herein shall be deemed to grant any land use approval, vested right, or development entitlement, or to limit the City's exercise of its police powers, land use authority, or regulatory discretion.

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 ✓