FIRST AMENDMENT TO AMENDED AND RESTATED OPTION AGREEMENT

THIS FIRST AMENDMENT TO AMENDED AND RESTATED OPTION AGREEMENT (hereinafter referred to as "**First Amendment to Option Agreement**") is made ________________________, 2026 ("**Effective Date**") by and between the COUNTY OF ORANGE, a political subdivision of the State of California (hereinafter called "**County**" or "**County of Orange**") and LAGUNA NIGUEL TOWN CENTER PARTNERS, LLC, a California limited liability company (hereinafter called "**Optionee**"). County and Optionee may sometimes hereinafter individually be referred to as "**Party**" or jointly as "**Parties**."

RECITALS

I. Pursuant to an Amended and Restated Option Agreement dated December 2, 2025 ("**Option Agreement**"), the County granted Optionee an option to lease certain real property containing approximately 23.28 acres with an assessor's parcel number 656-242-18 ("**Property**") for the purpose of planning, designing, funding, constructing, renovating, marketing, operating, managing and maintaining the Property ("the "**Project**").

II. Optionee requires an additional period of time to complete construction drawings, obtain financing, negotiate construction contracts, and obtain permits needed to construct, develop and operate the Project as intended by Optionee before agreeing to lease the Property from County.

NOW THEREFORE, in consideration of the Recitals above, which are incorporated herein by this reference, the Parties do hereby agree to amend the Option Agreement as of the Effective Date first written above as follows:

A. Section 6 is hereby deleted from the Option Agreement in its entirety, and the following clause is substituted:

"**6. OPTION TERM EXTENSION** (PM06.1 N)

Optionee has extended the Option Term by one additional twelve (12) month period (the "**Fifth Extended Option Period**") to December 2, 2026, and may also extend the Option Term by one additional six (6) month period (the "**Sixth Extended Option Period**") to June 1, 2027, and one additional three (3) month period (the "**Seventh Extended Option Period**") to September 1, 2027, in the event each of the following acts are accomplished by Optionee prior to the granting of each extension:

A. The fee for the Fifth Extended Option Period shall be One Hundred Sixty Thousand Dollars ($160,000) (the "**Fifth Extension Fee**"), of which Thirty-Seven Thousand Five Hundred Dollars ($37,500) (the "**Payable Fifth Extension Fee**") was previously paid and deemed non-refundable to the County of Orange, for the exercise of the Fifth Extended Option Period (as set forth herein), and the payment of the remaining One Hundred Twenty-Two Thousand Five Hundred Dollars ($122,500) was deferred and shall only be paid in the event that the Option is not exercised by the end of the Fifth Extended Option Period on December 2, 2026 (the "**Deferred Fifth Extension Fee**"). The Fifth Extension Fee was in addition to the Option Price. Whether or not Optionee exercises the Option in accordance with the terms of this Option Agreement, the Payable Fifth Extension Fee shall be retained by County as consideration for extending the Option Term. Under no circumstances will any portion of the Payable Fifth Extension Fee be refunded to Optionee or credited to rent payments owed under the Ground Lease regardless of whether Optionee exercises the Option prior to the expiration of the Fifth Extended Option Period.

B. The Deferred Fifth Extension Fee shall be retained by Optionee for the term of the Fifth Extended Option Period to pay for preconstruction expenses during the Fifth Extended Option Period. Preconstruction expenses, including Architectural & Engineering cost, Consultant fees, City Processing Fees, Utility Costs, Remediation Costs, Construction Costs and Site Work, shall be validated by invoices or payment receipts from third parties, and such expenses shall not include charges for any internal Optionee staff time, legal fees related to any matter concerning this Option Agreement, or any reimbursement payments to County for its Final Map labor costs. In the event Optionee does not exercise the Option by the end of the Fifth Extended Option Period, any remaining unused Deferred Fifth Extension Fee not offset by a validated preconstruction expense shall be returned to County with a cashier's check made payable to the "County of Orange" for the sum of the unused Deferred Fifth Extension Fee. For example, should Optionee's cumulative preconstruction expenses total One Hundred Thousand Dollars ($100,000) then the calculation shall be $122,500 - $100,000 = $22,500, which amount shall be immediately non-refundable and payable to the County of Orange. In the event Optionee's validated preconstruction expenses are equal to or greater than $122,500, then no additional monies shall be due to the County in satisfaction of the Deferred Fifth Extension Fee. Optionee shall keep an accurate detailed accounting of the use of the Deferred Fifth Extension Fee and shall provide such accounting to the County along with the remainder of the Deferred Fifth Extension Fee, if any. In addition, in the event that the Option is not exercised at or before the end of the Fifth Extended Option Period, all studies, documents, work product and other materials prepared by Optionee and paid for out of the Deferred Fifth Extension Fee shall be transmitted to the County for the County's use and will become the possessions of the County.

C. At least twenty-five (25) days prior to expiration of the Fifth Extended Option Period, Optionee may submit written notice to the Chief Real Estate Officer electing to extend the Option Term to June 1, 2027, along with a cashier's check made payable to the "County of Orange" for the sum of Eighty Thousand Dollars ($80,000) (the "**Sixth Extension Fee**"). The Sixth Extension Fee shall be in addition to the Option Price. Whether or not Optionee exercises the Option in accordance with the terms of this Option Agreement, the Sixth Extension Fee shall be retained by County as consideration for extending the Option Term. Under no circumstances will any portion of the Sixth Extension Fee be refunded to Optionee or credited to rent payments owed under the Ground Lease regardless of whether Optionee exercises the Option prior to the expiration of the Sixth Extended Option Period.

D. At least twenty-five (25) days prior to expiration of the Sixth Extended Option Period, Optionee may submit written notice to the Chief Real Estate Officer electing to extend the Option Term to September 1, 2027, along with a cashier's check made payable to the "County of Orange" for the sum of Fifty Thousand Dollars ($50,000) (the "**Seventh Extension Fee**"). The Seventh Extension Fee shall be in addition to the Option Price. Whether or not Optionee exercises the Option in accordance with the terms of this Option Agreement, the Seventh Extension Fee shall be retained by County as consideration for extending the Option Term. Under no circumstances will any portion of the Seventh Extension Fee be refunded to Optionee or credited to rent payments owed under the Ground Lease regardless of whether Optionee exercises the Option prior to the expiration of the Seventh Extended Option Period.

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E. The Option Term shall not be extended beyond the Seventh Extended Option Period without the approval by the Board of Supervisors, which may be granted or withheld in the sole and absolute discretion of the Board of Supervisors."

B. Sections 10(B), (C), and (D) are hereby deleted from the Option Agreement in their entirety, and the following clauses are substituted:

"B. Optionee shall be required to enter upon the Property to conduct preconstruction activities ("**On-site Preconstruction Work**") during the Option Term, which On-site Preconstruction Work shall include a groundbreaking event, demolition of ancillary improvements as may be directed by the Chief Real Estate Officer, installation of site fencing, tree removal, ongoing weed abatement as may be directed by the Chief Real Estate Officer, and remediation of the pre-existing Hazardous Materials (the "**Pre-Existing Contamination**") described in that certain Environmental Site Assessment – Phase 1 Update as prepared by California Environmental on October 19, 2021 to the extent required by law, including as necessary for soil remediation and demolition of the existing improvements (excluding the current Laguna Niguel Library). If Optionee fails to commence remediation of the Pre-Existing Contamination, as satisfied by evidence of workers performing work on-site, within four (4) weeks after a groundbreaking event, then Optionee shall immediately pay to County the sum of Ten Thousand Dollars ($10,000) ("**Preconstruction Delay Fee**") per week for performance delay, by cashier's check made payable to "County of Orange." County and Optionee hereby expressly acknowledge and agree that Optionee's business model and financial obligations for the Project depend upon Optionee's timely commencement of work, exercise of the Option and subsequent project completion. Optionee acknowledges that any failure to achieve commencement of work as set forth herein will cause County to incur direct, substantial, and immediate economic losses of which the Preconstruction Delay Fee is a reasonable and fair estimate that shall serve as liquidated damages for such losses incurred by County. The Preconstruction Delay Fee shall continue to be paid per week for each calendar week during the Option Term that commencement of remediation of the Pre-Existing Contamination is delayed beyond four (4) weeks after a groundbreaking event.

All On-site Preconstruction Work shall be subject to all the following conditions: (i) all On-site Preconstruction Work shall be at Optionee's sole cost and expense without any obligation of County to contribute to the same, (ii) Optionee shall provide the Chief Real Estate Officer with no less than forty-eight (48) hours' advance written notice of the need for entry upon the Property to perform On-site Preconstruction Work, (iii) Optionee shall abide by all reasonable conditions to such entry as may be specified by the Chief Real Estate Officer from time to time, (iv) Optionee shall not perform any On-site Preconstruction Work without (a) submitting to the Chief Real Estate Officer a written proposal for such On-site Preconstruction Work, which shall include, without limitation, a work plan or the scope and nature of the On-site Preconstruction Work, the cost of the work and reasonable evidence of any governmental approvals required for such On-site Preconstruction Work and (b) obtaining the prior written consent of the Chief Real Estate Officer to conduct such On-site Preconstruction Work, which consent shall be granted, rejected, or commented on within ten (10) days after receipt of Optionee's written proposal (v) prior to entering upon the Property, Optionee and all of Optionee Parties entering upon the Property for purpose of such On-site Preconstruction Work, shall provide County with a certificate of insurance evidencing that Optionee and each of the Optionee Parties have the insurance required under Section 12 below satisfactory to the Risk Manager, (vi) Optionee shall provide County with copies of all clearance reports and/or other documentation certifying all On-site Preconstruction Work, inspections and/or clearances were completed; and, (vii) Optionee agrees that any On-site Preconstruction Work done by Optionee pursuant to this section shall not create any consideration for

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or rights to the Ground Lease. In the event this Option is terminated for any reason, Optionee shall have no obligation whatsoever to continue to process the On-site Preconstruction Work; however, Optionee shall work cooperatively with County to ensure County is provided all necessary information related to any On-site Preconstruction Work or conditions of contamination known to Optionee at the time of termination.

C. Optionee covenants and agrees as follows: (i) Optionee shall, and shall cause all Optionee Parties to, conduct all On-site Preconstruction Work or studies performed on the Property in a diligent and safe manner and not create any dangerous or hazardous condition on the Property; (ii) Optionee shall, and shall cause all Optionee Parties to, comply with all applicable laws and governmental regulations in connection with such work or studies; (iii) Optionee shall, and shall cause the Optionee Parties to, keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry upon the Property and work performed by Optionee or any Optionee Parties upon the Property; (iv) following Optionee's entry, or entry by any of the Optionee Parties, upon the Property for the purposes of performing investigations or inspections of the Property, or On-site Preconstruction Work, Optionee shall, in a timely manner, repair any and all damage to the Property caused by such inspections, investigations, or On-site Preconstruction Work unless the specific damage, such as demolition, is included in, or required by, the scope of work approved by the Chief Real Estate Officer, and (v) Optionee shall provide the Chief Real Estate Officer with copies of all reports, test results, updates to surveys and other written materials obtained by Optionee in connection with its investigation of the Property or On-site Preconstruction Work promptly following Optionee's receipt thereof.

D. Optionee shall indemnify, defend, protect and hold the County, the Board of Supervisors, and each of their respective, officers, elected and appointed officials, representatives, agents, consultants, contractors, counsel, employees, volunteers, successors and assigns (collectively with the Board of Supervisors, the "**County Parties**") and the Property free and harmless from and against any and all losses, liabilities, claims, damages and expenses (including, but not limited to, reasonable attorneys' fees and costs) arising from Optionee's or any of the Optionee Parties' entry or work upon the Property, or from Optionee's or any of the Optionee Parties' failure to comply with the conditions to Optionee's or any of the Optionee Parties' right to enter or work upon the Property. Such undertaking of indemnity shall survive the expiration or earlier termination of this Option Agreement for any reason or the exercise of the Option, as applicable. The indemnity described herein shall not extend to (i) any willful misconduct or concurrent active or sole gross negligence of County or any County Parties, or (ii) any pre-existing condition on or about the Property (including the Pre-Existing Contamination), except to the extent such pre-existing condition (including the Pre-Existing Contamination) has been exacerbated by Optionee or any of the Optionee Parties."

C. Section 12(C) is hereby deleted from the Option Agreement in its entirety, and the following clause is substituted:

"C. <u>Minimum Limits</u>

Optionee shall, for the duration of the Option Term, maintain the following policies of insurance with the following minimum limits and coverage:

<u>Coverages</u>	<u>Minimum Limits</u>
Commercial General Liability	$3,000,000 per occurrence $3,000,000 aggregate

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Coverages	Minimum Limits
Automobile Liability including coverage for owned or scheduled, non-owned and hire vehicles	$1,000,000 combined single limit each accident
Automobile Liability including coverage for owned or scheduled, non-owned and hire vehicles if hauling	$2,000,000 combined single limit each accident
Workers' Compensation	Statutory
Employers' Liability Insurance	$1,000,000 per accident or disease
Contractor's Pollution including coverage for Non-Owned Disposal Sites (NODS)	$2,000,000 per occurrence or claims made
Professional Liability	$1,000,000 per claims made"

D. Wherever there is a conflict between the terms or conditions of this First Amendment to Option Agreement and the Option Agreement exists, the terms or conditions in this First Amendment to Option Agreement shall prevail. In all other respects, the terms and conditions of the Option Agreement, not specifically changed by this First Amendment to Option Agreement, shall remain in full force and effect.

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IN WITNESS WHEREOF, the Parties have executed this First Amendment to Option Agreement the day and year first above written.

COUNTY

County of Orange,
a political subdivision of the State of California

By:__________________________________
Thomas A. Miller, Chief Real Estate Officer
By Delegated Authority
Per Minute Order dated: __________________
Date: __________________________________

APPROVED AS TO FORM:
COUNTY COUNSEL

Signed by:
By: Michael Haubert
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Deputy

OPTIONEE

LAGUNA NIGUEL TOWN CENTER PARTNERS, LLC, a California limited liability company

By: BURNHAM WARD PARTNERS, LLC, a California limited liability company

By: ________________________________

Name: ______________________________

Title: ______________________________

By: SRG LNTC PARTNERS, L.P., a Delaware limited partnership

By: SRG INVESTORS, LLC, a Delaware limited liability company

By: __________________________

Name: ________________________

Title: ________________________

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