



CITY COUNCIL STAFF REPORT

DATE: July 5, 2017

CONSENT AGENDA

SUBJECT: REQUEST FOR APPROVAL OF MILLS ACT HISTORIC PROPERTY PRESERVATION AGREEMENT FOR CLASS 1 HISTORIC SITE LOCATED AT 360 CABRILLO ROAD UNIT 127 (RACQUET CLUB COTTAGES WEST HSPB #88/HD-3).

FROM: David H. Ready, City Manager

BY: Department of Planning Services

SUMMARY

This is a request for the City of Palm Springs to enter into a standard Mills Act Agreement with Dr. Kenneth J Pearson and Sara F. Pearson, owners of Unit 127 at the Racquet Club Garden Villas located at 360 Cabrillo Road (APN 504-131-063).

The intent of this contract is to require maintenance and preservation of this Class 1 historic site in exchange for possible property tax relief as calculated by Riverside County.

RECOMMENDATION:

1. Approve a Mills Act Historic Property Preservation Agreement between the City of Palm Springs, Dr. Kenneth J. Pearson and Sara F. Pearson and the Racquet Club Garden Villas Homeowners Association, for 360 Cabrillo Road Unit 127 (HSPB #88/HD-3);
2. Authorize the City Manager to execute the Agreement; and
3. Direct the City Clerk to record the Agreement.

STAFF ANALYSIS:

On November 13, 2013, the City Council designated the Racquet Club Cottages West a Historic District (HSPB #88/Historic District #3). The Racquet Club Cottages West Historic District is comprised of thirty-seven (37) residences clustered in twenty-one buildings. As such, each of the thirty-seven units is deemed "contributing" and is therefore subject to Class 1 regulations and are also each qualified for application for a Mills Act Historic Property Preservation Agreement.

ITEM NO. 1.E.

Pursuant to California Government Code Section 50280 – 50290, upon the application of an owner of any qualified historic property, the legislative body of a city may contract with the owner or agent to restrict the use of the property to carry out the purposes and goals of historic preservation of the property. Such a contract is commonly referred to as a “Mills Act Agreement” and it provides for possible alternative property tax rate calculations in exchange for specific and ongoing preservation and maintenance of the property, specifically its historically significant elements and characteristics.

The property at 360 Cabrillo Road Unit 127 has been deemed a “contributing structure” within the Racquet Club Cottages West Historic District. Pursuant to Municipal Code Section 8.05.125, contributing structures in a historic district are subject to Class 1 regulations and are designated Class 1 historic sites. State of California Government Code Section 50280.1 denotes that properties that are eligible for application of a Mills Act contract must be listed in a state, city, county official register of historic sites. As such, 360 Cabrillo Road Unit 127 is qualified for a Mills Act Contract.

At Racquet Club Cottages West, routine maintenance and upkeep of the building exteriors and grounds is a shared responsibility of the home-owners association (HOA) and the individual unit owners. Because of this shared responsibility, the Mills Act Agreement in this particular case has been drafted with both the homeowners and the HOA as parties to the agreement. Should other individual home owners at the Racquet Club Cottages West wish to pursue a Mills Act Agreement, the same contractual arrangement would apply.

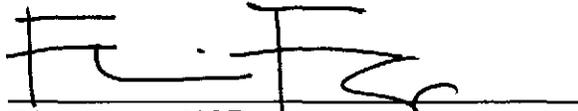
ENVIRONMENTAL IMPACT:

The requested City Council action is not a “Project” as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a “Project” means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The requested action is to request approval of Mills Act agreements, and is exempt from CEQA pursuant to Section 15378(b), in that a “Project” does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

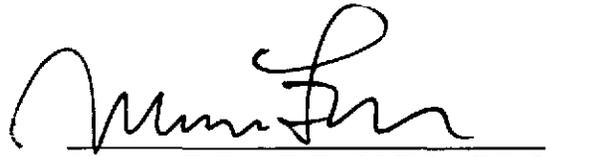
FISCAL IMPACT:

There is no known fiscal impact upon the city as a result of this recommended action.

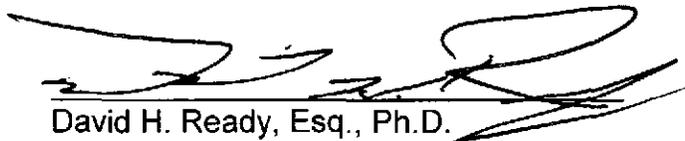
SUBMITTED:



Flinn Fagg, AICP
Director of Planning Services



Marcus Fuller, P.E., M.P.A., P.L.S.
Assistant City Manager/City Engineer



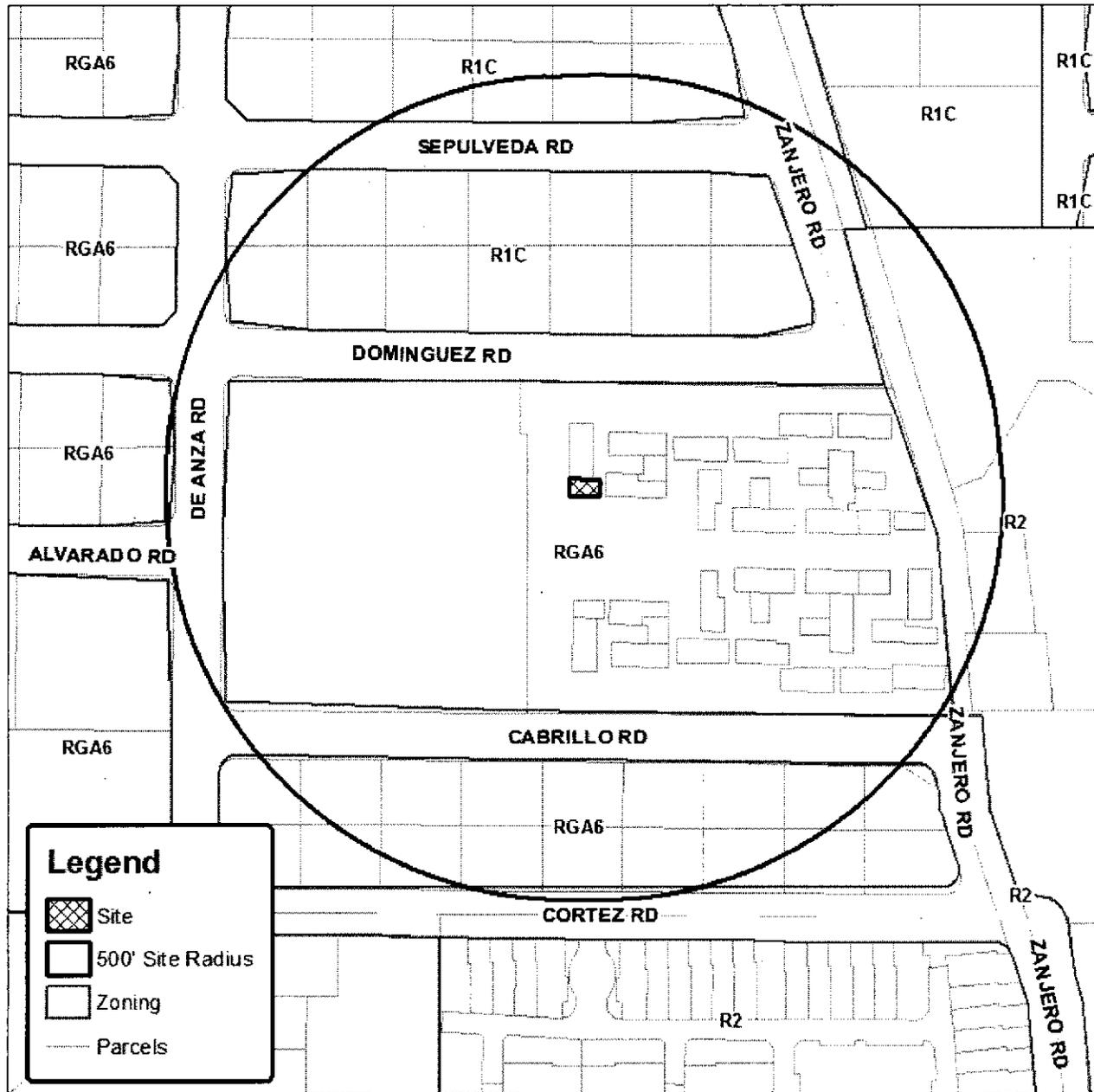
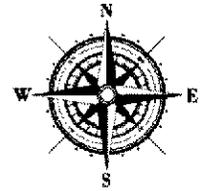
David H. Ready, Esq., Ph.D.
City Manager

Attachments:

1. Vicinity Map.
2. City Council Action Summary (page 2) dated November 20, 2013
3. Owner's letter of intent dated June 6, 2017
4. HOA letter of intent dated June 20, 2017.
5. Historic Property Preservation Agreement



Department of Planning Services Vicinity Map



Legend

-  Site
-  500' Site Radius
-  Zoning
-  Parcels

CITY OF PALM SPRINGS
360 CABRILLO ROAD UNIT 127 MILLS ACT



CITY OF PALM SPRINGS

OFFICE OF THE CITY CLERK

3200 E. Tahquitz Canyon Way

Palm Springs, CA 92262

(760) 323-8204

EXCERPTS OF MINUTES

At the City Council meeting of the City of Palm Springs held November 20, 2013, the City Council took the following action:

1.C. HISTORIC DISTRICT DESIGNATION FOR THE RACQUET CLUB COTTAGES WEST CONDOMINIUMS (NOW KNOWN AS THE RACQUET CLUB GARDEN VILLAS) AT 360 WEST CABRILLO ROAD (HSPB 88, HD-3):

Margo Wheeler, Director of Planning Services, provided background information as outlined in the staff report dated November 20, 2013.

Mayor Pougnet opened the public hearing, and the following speakers addressed the City Council.

KIM ZAKOWSKI, HOA President Racquet Club Villas, commented on the detailed request for historic designation, the history of the Racquet Club Villas, and requested the City Council approve the Historic District.

ERIK ROSENOW, Palm Springs Preservation Foundation, commented on the history of the development and the nomination, and requested the City Council support the designation.

No further speakers coming forward, the public hearing was closed.

ACTION: Adopt Resolution No. 23458, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DESIGNATING THE RACQUET CLUB COTTAGES WEST LOCATED AT 360 CABRILLO ROAD AS HISTORIC DISTRICT NO. 3 (COMMON AREA APN 504-131-061) (HSPB 88, HD-3)." Motion Councilmember Foat, seconded by Councilmember Lewin and unanimously carried 4-0 on a roll call vote.

AYES: Councilmember Foat, Councilmember Lewin, Mayor Pro Tem Mills, and Mayor Pougnet.

NOES: None.

ABSENT: Councilmember Hutcheson.

June 6, 2017

Mr. Flynn Fagg
Director of Planning Services
City of Palm Springs
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262

RECEIVED

JUN 19 2017

PLANNING SERVICES
DEPARTMENT

Dear Mr. Fagg

Recently we acquired a condo in Palm Springs which is in a designated historic district. With this letter we are requesting an application to apply for the Mills Act so that our property can forever be preserved for generations to come.

Our condo address is:

360 CABRILLO ROAD
Unit # 127
Palm Springs, CA 92262

It's Location is...

Racquet Club Garden Villas

We live full time in Ashland Oregon in the Leeke-Mills house built in 1885, a property on the Oregon Historic Registry since 2013. We had this property placed on the historic registry.

Our address is:

315 High Street
Ashland, OR 97520

Could you please consider our application for tax year 2017? We do realize we are halfway through the year and there are many steps to approval. Since we are out of state and we understand the City does not take out of state checks we are prepared to pay the sum of \$1357.00 on our credit card. We will provide the credit card number the minute we are contacted to do so. Here are two ways to reach us quickly.

Home Phone 541-708-6007

Email Address: sarapearson82@gmail.com

Mailing Address:

RACQUET CLUB GARDEN VILLAS HOMEOWNERS' ASSOCIATION, INC.
C/O The Gaffney Group, Inc.
1111 E. Tahquitz Canyon Way, Suite 107
Palm Springs, CA 92262

June 20, 2017

City of Palm Springs
Planning Department Services
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

Dear Sir/Madam:

Please accept this letter of intent on behalf of the Racquet Club Garden Villas Homeowners' Association, Inc., to enter into a Mills Act Contract with the City of Palm Springs and Sara and Kenneth Pearson, owners of Unit 127, 360 Cabrillo Road, Palm Springs, CA, 92262.

Sincerely,

RACQUET CLUB GARDEN VILLAS HOA



Brent Swift
President

RECEIVED

JUN 20 2017

**PLANNING SERVICES
DEPARTMENT**

**FREE RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

City of Palm Springs
3200 East Tahquitz Canyon Way
Palm Springs, CA 92263-2743
Attn: City Clerk

HISTORIC PROPERTY PRESERVATION AGREEMENT

This Historic Property Preservation Agreement ("Agreement") is made this 5th day of July, 2017 by and between the City of Palm Springs, a charter city and municipal corporation ("City") and Dr. Kenneth J. Pearson ("Owner") and Sara F. Pearson ("Owner") and Racquet Club Garden Villas ("HOA").

RECITALS:

- A. California Government Code Sections 50280, *et seq.* (the "State Law"), as may be amended from time to time, authorizes cities to enter into contracts with the owners of qualified historical property to provide for the use, maintenance, protection, and restoration of such historical property so as to retain its characteristics as a property of historical significance.
- B. The Owner possess fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address 360 Cabrillo Road Unit 127 Palm Springs, California ("Historic Property"). A legal description of the Historic Property is attached hereto as Exhibit A and is incorporated herein by this reference.
- C. HOA and Owner share responsibility for routine maintenance and upkeep of the Historic Property's building exteriors and grounds.
- D. On November 20, 2013 (the "Approval Date"), the City Council of the City of Palm Springs ("Council") approved Resolution 23458 designating the Property a Class 1 historic site, pursuant to the terms and provisions of Chapter 8.05 of the Palm Springs Municipal Code (the "City Code").
- E. The City, the Owner, and the HOA desire to enter into this Agreement for the purpose of protecting and preserving the characteristics of historical significance of the Historic Property, in accordance with the State Law; to help preserve the Palm Springs community's own unique civic identity and character; and to qualify the Historic Property for an assessment of valuation pursuant to Revenue and Taxation Code Section 439.2 and any corresponding adjustment in property taxes resulting therefrom.

AGREEMENT

NOW, THEREFORE, the City, the Owner, and the HOA, in consideration of the mutual covenants and conditions set forth herein, agree as follows:

1. Effective Date and Term of Agreement. This Agreement shall be effective and commence on July 5, 2017 ("Effective Date") and shall remain in effect for a minimum term of ten (10) years thereafter. Each year upon the anniversary of the Effective Date ("Renewal Date"), an additional one (1) year shall automatically be added to the remaining term of the Agreement unless a notice of nonrenewal is delivered as provided in Section 2 of this Agreement.

2. Non-Renewal and Cancellation. If either the Owner or the City desire in any year not to renew this Agreement, the Owner or the City shall serve a written notice of nonrenewal upon the party in advance of the Renewal Date ("Notice of Nonrenewal"). The Notice of Nonrenewal shall be effective only if served by the Owner upon the City at least ninety (90) days prior to the Renewal Date, or if served by the City upon the Owner, the Notice of Nonrenewal shall be effective only if served upon the Owner at least sixty (60) days prior to the Renewal Date. If either the City or the Owner serve a Notice of Nonrenewal in any year, this Agreement shall remain in effect for the balance of the term then remaining from the last Renewal Date (or from the Effective Date if no Renewal Date has yet occurred).

3. Owner Protest of City Nonrenewal. Within fifteen (15) days of the Owner's receipt of the Notice of Nonrenewal from the City, the Owner may file with the City a written protest of the Notice of Nonrenewal. Upon receipt of the written protest, the City Council shall set a hearing prior to the expiration of the Renewal Date of this Agreement. The Owner may furnish the City Council with any information which Owner deem relevant and shall furnish the City Council with any information it may require. The City Council may, at any time prior to the annual Renewal Date, withdraw its Notice of Nonrenewal.

4. Maintenance Standards for the Property. During the term of this Agreement, the Property shall be subject to the following conditions, requirements, and restrictions:

- 4.1 The Owner and the HOA shall preserve and maintain the characteristics of the cultural and historical significance of the Historic Property. Attached to this Agreement as Exhibit "B", is a list of the minimum standards and conditions for maintenance, use, protection, and preservation of the Historic Property, which shall apply to the Historic Property. The Owner and HOA shall comply with these minimum standards throughout the term of this Agreement. In addition, Owner and HOA shall comply with the terms of the City Code, and shall obtain any applicable permits necessary to protect, preserve, restore, and rehabilitate the Historic Property so as to maintain its historical and cultural significance.

- 4.2 The Owner and the HOA shall, where necessary, repair, maintain, restore, and rehabilitate the Historic Property according to the rules and regulations of the Office of Historic Preservation of the State Department of Parks and Recreation, Secretary of the Interior's Standards for the Treatment of Historic Properties, the State Historical Building Code, and the City of Palm Springs. The condition of the interior and exterior of the Historic Property on the effective date of this Agreement is documented in photographs attached as Exhibit "C" to this Agreement. At a minimum, Owner and HOA shall continually maintain the exterior of the Historic Property in the same condition as documented in Exhibit "C."
- 4.3 The Owner and the HOA shall carry out specific restoration, repair, maintenance, and/or rehabilitation projects on the Historic Property, as outlined in the attached Exhibit "D" to this Agreement. All such projects shall be undertaken and completed in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preservation, Restoration and/or Rehabilitation and the City Codes and all applicable design guidelines.
- 4.4 The Owner and the HOA shall not be permitted to block the view corridor with any new structure, such as walls, fences, or shrubbery, so as to prevent the viewing of the Historic Property from the public right-of-way.

5. Interior and Exterior Inspections. Prior to the approval, execution, and recordation of this Agreement, and every five years thereafter, the City Manager of the City or the City Manager's designee (the "City Manager") shall inspect the interior and exterior of the premises to determine the Owner's compliance with the terms and provisions of this Agreement.

6. Provision of Information of Compliance. The Owner and the HOA shall furnish the City Manager with any and all information requested by the City Manager, which the City Manager deems necessary or advisable to determine eligibility of the Historic Property and compliance with the terms and provisions of this Agreement.

7. Breach of Agreement; Remedies.

- 7.1 If the Owner or the HOA breaches any provision of this Agreement, the City Manager may give written notice to the Owner and/or HOA by registered or certified mail detailing the Owner's and/or HOA's violations. If such violation is not corrected to the reasonable satisfaction of the City Manager within thirty (30) days after the date of notice of violation, or within such a reasonable time as may be required to cure the violation (provided the acts to cure the violation are commenced within thirty (30) days and thereafter diligently pursued to completion), the City Manager may, without further notice, declare The Owner and/or HOA to be in breach of this Agreement. Upon the City Manager's declaration of the

Owner's and/or HOA's breach, the City Manager may pursue any remedy available under local, state, or federal law, including those specifically provided for in this section.

- 7.2 The City Council may cancel this Agreement if the City Council determines, following a duly noticed public hearing in accordance with California Government Code section 50286, that the Owner or HOA breached any of the conditions of the Agreement, the Owner or HOA allowed the Historic Property to deteriorate to the point that it no longer meets the standards for a qualified historic property, or the Owner or HOA failed to maintain and preserve the Historic Property in accordance with the terms of this Agreement. If this Agreement is cancelled, under this paragraph, the Owner shall pay a cancellation fee to the Office of the Auditor for the County of Riverside as required by California Government Code Section 50286.
- 7.3 As an alternative to cancellation of this Agreement for the Owner's or HOA's breach of any condition, the City Manager may bring an action in court necessary to enforce this Agreement including, but not limited to, an action to enforce this Agreement by specific performance, injunction, or receivership.

8. Destruction of Property; Eminent Domain; Cancellation. If the Historic Property is destroyed by earthquake, fire, flood, or other natural disaster such that in the opinion of the City Building Official more than sixty percent (60%) of the original fabric of the structure must be replaced, this Agreement shall be cancelled because the historic value of the structure will have been destroyed. If the Historic Property is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the City Council to frustrate the purpose of this Agreement, this Agreement shall be cancelled. No cancellation fee pursuant to Government Code section 50286 shall be imposed if the Agreement is cancelled pursuant to this Section.

9. Waiver. The City does not waive any claim of default by the Owner or HOA if the City or the City Manager does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement. No waiver by the City or the City Manager of any breach or default under this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.

10. Binding Effect of Agreement. The Owner and the HOA hereby subject the Historic Property to the covenants, conditions, and restrictions set forth in this Agreement. The City, the Owner, and the HOA hereby declare their specific intent that the covenants, conditions, and restrictions set forth in this Agreement shall be deemed covenants running with the land and shall inure to and be binding upon the Owner's and

HOA's successors and assigns in title or interest to the Historic Property. Each and every contract, deed, or other instrument herein after executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

11: Covenants Run with the Land. The City, the Owner, and the HOA hereby declare their understanding and intent that the burden of the covenants, reservations, and restrictions set forth in this agreement touch and concern the land in that it restricts development of the Historic Property. The City and the Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the cultural and historical characteristics and significance of the Historic Property for the benefit of the public, the City, the Owner, and the HOA.

12. Notice. Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto:

City: City of Palm Springs
Office of the City Clerk
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92263

Owner(s): Dr. Kenneth J. Pearson
Sara F. Pearson
315 High Street
Ashland, OR 97520

HOA: Brent Swift; HOA Board President
Racquet Club Garden Villas HOA
42635 Melanie Place Suite 103
Palm Desert, CA 92211

13. Effect of Agreement. None of the terms, provisions, or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors, or assigns, nor shall such terms, provisions, or conditions cause the parties to be considered joint venturers or members of any joint enterprise.

14. Indemnity of City. The Owner and HOA shall defend, indemnify, and hold harmless the City and its elected officials, officers, agents, and employees from any actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state or local governmental agency, arising out of or incident to (i) the direct or indirect use operation, or maintenance of the Historic Property by the Owner or the HOA or any contractor, subcontractor, employee, agent,

lessee, licensee, invitee, or any other person; (ii) the Owner's or HOA's activities in connection with the Historic Property; and (iii) any restrictions on the use or development of the Historic Property, from application or enforcement of the City Code, or from the enforcement of this Agreement. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys' fees, and related costs or expenses, and the reimbursement of City, its elected officials, employees, and/or agents for all legal expenses and costs incurred by each of them. The Owner's and HOA's obligation to indemnify shall survive the termination, cancellation, or expiration of this Agreement and shall not be restricted to insurance proceeds, if any, received by the City, its elected officials, employees, or agents.

15. Binding Upon Successors. All of the agreements, rights, covenants, reservations and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.

16. Legal Costs. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, conditions or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorneys' fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

17. Severability. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be effected thereby.

18. Recordation. No later than twenty (20) days after the parties execute and enter into this Agreement, the City shall cause this Agreement to be recorded in the office of the County Recorder of the County of Riverside. In the event the City fails to record this Agreement as provided in this Section, the Owner or agent of an owner shall record this Agreement with Riverside County within six (6) months of entering into the Agreement and shall file and submit a conformed copy of this Agreement with the City Clerk promptly after recordation.

19. Amendments. This Agreement may be amended, in whole or in part, only by written recorded instrument executed by the parties hereto.

20. Governing Law and Venue. This Agreement shall be construed and governed in accordance with the laws of the State of California. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

21. No Compensation. Neither the Owner nor the HOA shall not receive any payment from the City in consideration of the obligations imposed under this Agreement. The Owner, the HOA, and the City acknowledge and agree that the primary consideration to the City for the execution of this Agreement is the substantial benefit to the citizens of Palm Springs accruing from the rehabilitation and maintenance of the Property, and the primary consideration to the Owner and HOA is the economic advantage that will accrue to the Owner and HOA as a result of the possible effect upon the assessed value of the Property of the restrictions on the use and preservation of the Property imposed hereunder. The Owner and HOA acknowledges that it is not guaranteed to receive a reduction of property taxes as a result of this Agreement.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the City, the Owner, and the HOA have executed this Agreement on the day and year first written above.

CITY OF PALM SPRINGS,
a Charter City and Municipal Corporation

Dated: _____

By: _____
City Manager: David H. Ready

APPROVED AS TO FORM:

ATTEST:

City Attorney: Edward Kotkin

City Clerk: Kathleen D. Hart, MMC
Interim City Clerk

Dated: _____

By: _____
Owner: Dr. Kenneth J. Pearson

Dated: _____

By: _____
Owner: Sara F. Pearson

Dated: _____

By: _____
HOA: Brent Swift; Board President
Racquet Club Garden Villas

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____

Date

Here Insert Name and Title of the Officer

personally appeared _____

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

EXHIBIT A

LEGAL DESCRIPTION

The land referred to herein is situated in the State of CALIFORNIA, County of Riverside, and described as follows:

IN PORTION PARCELS 9 AND 38 OF RECORD OF SURVEYS, IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER IN RS 033/018, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE RIGHT TO ANY DEPOSITS OF OIL, GAS, OR OTHER HYDROCARBON SUBSTANCES AND WATER UNDERLYING SAID LAND, PROVIDED, HOWEVER, THAT SUCH RESERVATION SHALL NOT BE DEEMED TO GIVE THE GRANTOR, ITS SUCCESSORS OR ASSIGNS, ANY RIGHT TO ENTER UPON SAID PREMISES FOR THE DEVELOPMENT OF ANY SUCH WATER, OIL OR GAS OR OTHER HYDROCARBON SUBSTANCES AS RESERVED BY SECURITY FIRST NATIONAL BANK OF LOS ANGELES, BY DEED RECORDED JANUARY 11, 1936 IN BOOK 262 PAGE 533 OF OFFICIAL RECORDS.

APN: 504-131-063- 4

(Aerial photo of the property and tract map are on file in the Planning Services Department of the City of Palm Springs, California at 3200 Tahquitz Canyon Way, Palm Springs, CA 92262)

EXHIBIT B

MAINTENANCE STANDARDS (Section 4.1)

All structures, walls, water features, landscaping and any other improvements associated with the parcel that is the subject of this Mills Act Historic Property Preservation Agreement ("Agreement") shall be maintained in good condition throughout the term of this agreement.

All nuisances as defined in Title 11 "Peace, Morals and Safety" of the Palm Springs Municipal Code that occur or develop on the subject parcel shall be abated in a timely manner and to the satisfaction of the City Manager or his designee.

All structures, walls, water features, landscaping and any other improvements associated with the parcel that is the subject of this Agreement that are part of the historic character-defining features of the property shall be maintained as outlined in the Secretary of the Interior Standards for Preserving, Rehabilitating, Restoring, and Reconstructing Historic Buildings (1995 Weeks and Grimmer).

EXHIBIT C
EXISTING CONDITIONS
(Section 4.2)

(Aerial photo of the property and tract map are on file in the Planning Services Department of the City of Palm Springs, California at 3200 Tahquitz Canyon Way, Palm Springs, CA 92262)

EXHIBIT D
SPECIFIC PROJECTS
(Section 4.3)

(Aerial photo of the property and tract map are on file in the Planning Services Department of the City of Palm Springs, California at 3200 Tahquitz Canyon Way, Palm Springs, CA 92262)