

**AMENDMENT NO. 1 TO
PROJECT FINANCING AGREEMENT
(AGREEMENT NO. A6144)**

THIS AMENDMENT NO. 1 TO PROJECT FINANCING AGREEMENT ("Amendment") is made and entered into this 18th day of April, 2012 by and between the City of Palm Springs, a California charter city ("City") and Palm Springs Promenade, LLC, a California limited liability company ("Developer").

RECITALS

A. City and Developer entered into a Project Financing Agreement ("PFA") for the purpose of implementing the Downtown Revitalization Project on September 29, 2011.

B. The City desires to fund its obligations under the PFA by the sale of lease revenue bonds secured in part by property and improvements the City will acquire from Developer pursuant to the PFA. It is the desire of the Parties that the sale of the lease revenue bonds and the sale of the property to the City will occur simultaneously. This Amendment expressly provides for the concurrent or simultaneous closing of the sale of the lease revenue bonds and the Acquisition Escrow as described in the Agreement.

AGREEMENT

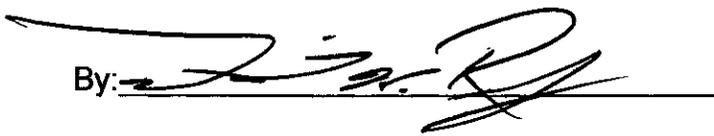
1. The foregoing Recitals are true and correct.
2. Exhibit D, Schedule of Performance, Item 14 is amended in part to read:

14	Deposit of Purchase Price And Other Required Sums. The City shall deposit the Purchase Price of the Parking Structure and Other public assets, funds for the Public improvements and other Required sums in escrow	Concurrent or Simultaneous with Closing
-----------	--	--

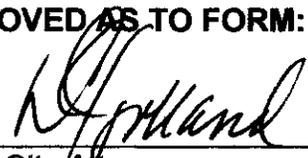
3. Except as expressly provided above, all other terms and conditions of the original PFA shall remain unchanged and in full force and effect.

**City of Palm Springs
"City"**

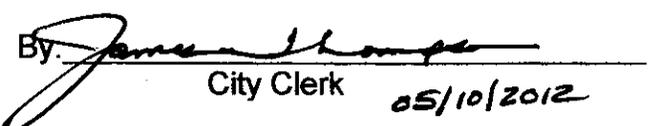
Date: 5/10/12

By: 
David Ready, City Manager

APPROVED AS TO FORM:

By: 
City Attorney

ATTEST:

By: 
City Clerk 05/10/2012

APPROVED BY CITY COUNCIL
04/18/2012 4A
A6144

**PALM SPRINGS PROMENADE, LLC
"Developer"**

Date: APRIL 26, 2012

By: 
Name: JOHN WESSMAN
Title: MANAGER