



CITY COUNCIL STAFF REPORT

DATE: April 19, 2017

CONSENT AGENDA

SUBJECT: REQUEST FOR APPROVAL OF MILLS ACT HISTORIC PROPERTY PRESERVATION AGREEMENT FOR CLASS 1 HISTORIC SITE LOCATED AT 1824 SOUTH BARONA ROAD, A CLASS 1 HISTORIC SITE (HSPB 93/HD 5).

FROM: David H. Ready, City Manager

BY: Planning Services

SUMMARY

This action would engage the City of Palm Springs into a standard Mills Act Agreement with Quin A. Wright, and the Sandcliff Homeowners Association. 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 determined by Riverside County. (APN 510-040-032)

RECOMMENDATION:

1. Approve a Mills Act Historic Property Agreement between the City of Palm Springs, Quin A. Wright and Sandcliff Homeowners Association, for 1824 South Barona Road, a Class 1 Historic Site (HSPB #93/HD-5).
2. Authorize the City Manager to execute the Agreement.
3. Direct the City Clerk to record the Agreement.

STAFF ANALYSIS:

On February 03, 2016, the City Council designated Sandcliff Community a Historic District (HSPB #93/ Historic District #5). Sandcliff Garden Homes Historic District is comprised of forty residences clustered around common amenities and open space. As such, each of the forty units are deemed "contributing" and are therefore subject to Class 1 regulations and are also each qualified for application for a Mills Act Historic Property Preservation Agreement.

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 1824 S Barona Road has been deemed a “contributing structure” within the Sandcliff Garden Homes 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. California Governmental Code Section 50280.1 denotes that properties that are eligible for application of a Mills Act contract must be listed in a state, city, or county official register of historic sites. As such, the property at 1824 S Barona Road is qualified for a Mills Act Contract.

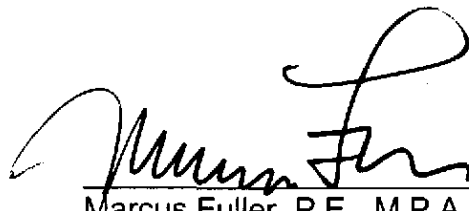
At Sandcliff Garden Homes Historic District, routine maintenance and upkeep of the building exteriors and grounds is a shared responsibility of the homeowners association (HOA) and the individual unit owners. Because of this shared responsibility, the Mills Act Agreement in this particular case has been drafted with both the homeowner and the HOA as parties to the agreement. If other individual homeowners at the Sandcliff Garden Homes Historic District wish to pursue a Mills Act Agreement in the future, the same contractual arrangement would apply.

FISCAL IMPACT: None

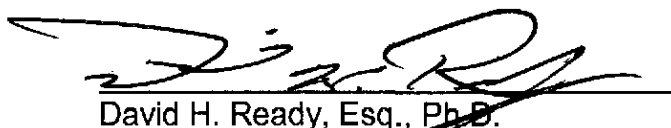
There is no known fiscal impact upon the city as a result of this recommended action.



Flinn Fagg, AICP
Director of Planning Services



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



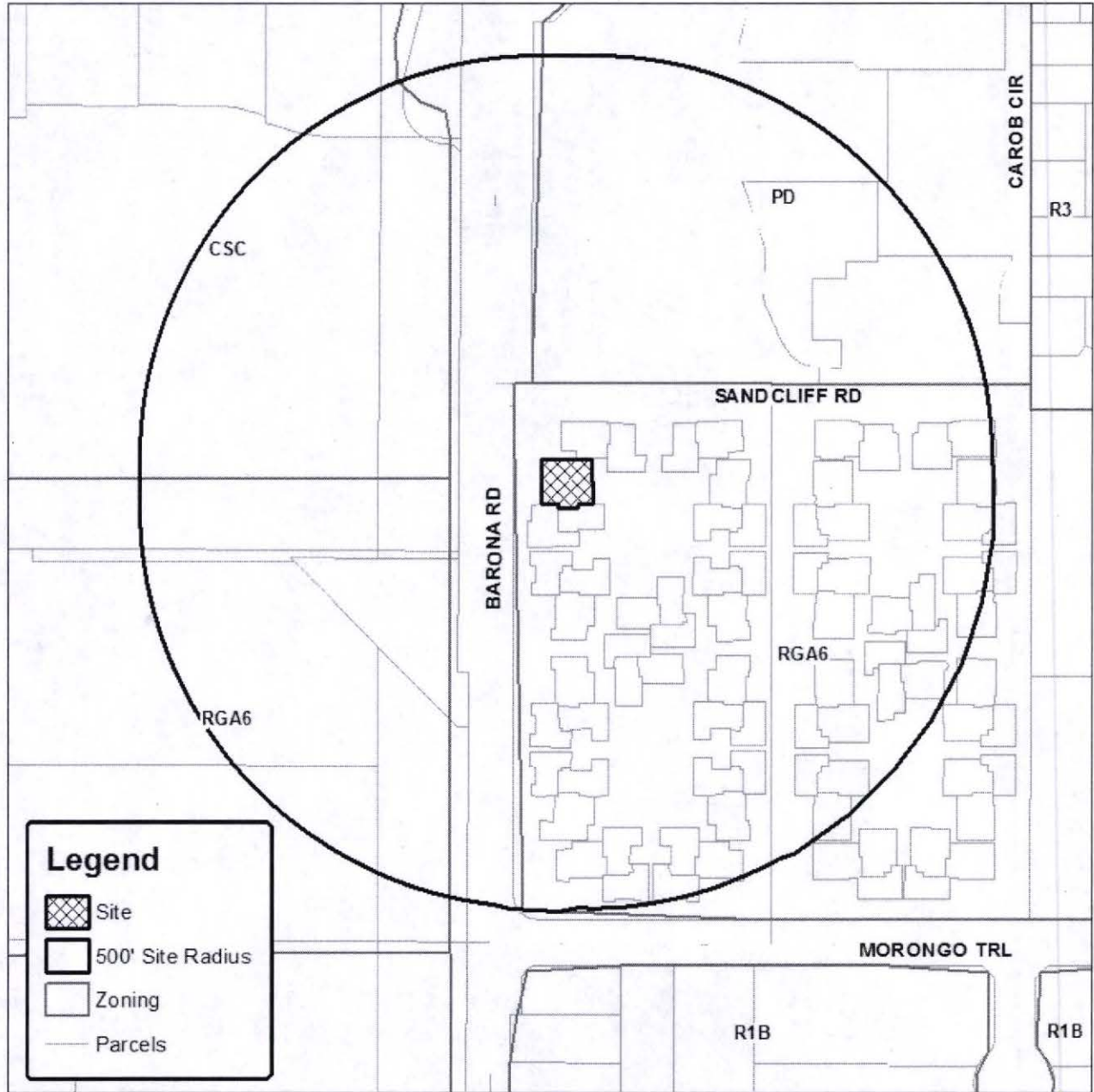
David H. Ready, Esq., Ph.D.
City Manager

Attachments:

1. Vicinity Map.
2. City Council Minutes Excerpt: February 3, 2016.
3. Letter from Quin A. Wright (applicant), dated March 16, 2017.
4. Homeowners Association letter of support, dated March 24, 2107.
5. Mills Act Agreement.



Department of Planning Services Vicinity Map



City of Palm Springs
1824 S Barona Road



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 February 3, 2016, the City Council took the following action:

1.A. DESIGNATION OF THE SANDCLIFF GARDEN APARTMENT HOMES LOCATED AT 1800 SOUTH BARONA ROAD AS A HISTORIC DISTRICT (CASE HSPB 93 / HD 5):

Flinn Fagg, Director of Planning Services, provided background information as outlined in the staff report dated February 3, 2016.

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

RON MARSHALL, Applicant, commented on the process with the owners for the designation, and requested the City Council approve the designation.

JACK WEBSTER, no information has been provided by Sandcliff Condominiums, stated photos of his home and vehicle were in the files as a public document, and requested the City Council postpone the hearing and meet with all homeowners.

KITTY MAHON, commented on the design of Sandcliff Condominiums, the condition of the property, stated the owners are generally in support of the designation, and requested the City Council support the designation.

ALLEN WORTHY, stated the property does not warrant the historic designation.

No further speaker coming forward, the public hearing was closed. Councilmember Roberts questioned the process of the designation and the impact of a designation.

Councilmember Kors stated he toured the property and stated the property meets the criteria of historic designation.

Mayor Moon stated he visited the site and appreciated the work done by the HSPB, and stated his support for the designation.

ACTION: Adopt Resolution No. 23963, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, DESIGNATING THE SANDCLIFF GARDEN APARTMENT HOMES CONDOMINIUMS AS HISTORIC DISTRICT NO. 5 AND ADOPTING A CLASS 31 CATEGORICAL EXEMPTION UNDER CEQA FOR PROPERTY LOCATED AT 1800 BARONA ROAD (CASE 93 / HD 5)

Motion Councilmember Kors, seconded by Councilmember Roberts and unanimously carried on a roll call vote.

I, CYNTHIA A. BERARDI, Interim Chief Deputy City Clerk of the City of Palm Springs, hereby certify that the above action took place at a regular meeting of the City Council held on the 3rd day of February, 2016.

Cynthia A. Berardi, CMC
Interim Chief Deputy City Clerk

Sandcliff

c/o Albert Management
P.O. Box 12920 Palm Desert CA 92211

March 24, 2017

To Whom It May Concern:

The Sandcliff Home Owners Association supports the Mills Act Application for 1824 Sandcliff Road, Palm Springs, CA 92264 being submitted by Quin Wright. The HOA understands that they will be co-signers on the contract. The Board is committed to the preservation of Sandcliff's historic elements and was active in pursuing the historic designation given by the City Council earlier this year.

Should you have any question please feel free to contact me at 760.346.9000 or via email at candice.gorges@albertmgt.com.

Sincerely,



Candice Gorges, CMCA
Community Association Manager
Albert Management Inc.

On behalf of the Board of Directors
Sandcliff

Mr. Flynn Fagg

16 March, 2017

Directory of Planning

City of Palm Springs

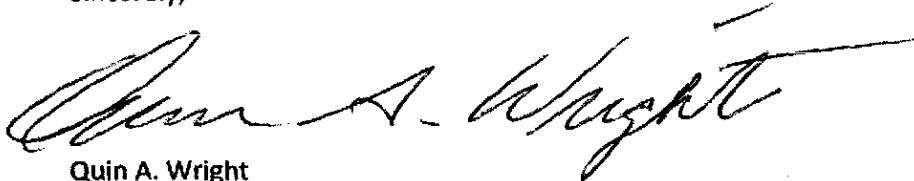
3200 E. Tahquitz Canyon Way

Palm Springs, CA 92264

Dear Mr. Fagg,

I am the owner of 1824 South Barona Road, Palm Springs, CA. one of the contributing structures within the Sandcliff Historic District. I am writing to request the City initiate the Mills Act process with me and the Sandcliff Home Owners Associations (HOA). Please contact me to pay the \$1307.00 fee with a credit card. In the meantime, I've requested a letter from the HOA intending them to be co-signers on the Mills contract.

Sincerely,

A handwritten signature in black ink, appearing to read "Quin A. Wright". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Quin A. Wright

1824 S. Barona Road

Palm Springs, CA 92264

303-333-6575

qwright@qwest.net

**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 19th day of April, 2017 by and between the City of Palm Springs, a charter city and municipal corporation ("City") and Quin A. Wright ("Owner") and Sandcliff Homeowners Association ("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 1824 S Barona Road 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 February 3, 2016 (the "Approval Date"), the City Council of the City of Palm Springs ("Council") approved Resolution 23963 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 April 19, 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: Quin A. Wright
1824 S Barona Road
Palm Springs, CA 92264

HOA: Candice Gorges; CMCA
Community Association Manager
Albert Management Inc.
P.O. Box 12920
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: Douglas Holland

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

Dated: _____

By: _____
Owner: Quin A. Wright

Dated: _____

By: _____
HOA: Candice Gorges CMCA
Community Association Manager
Albert Management Inc.
Sandcliff Homeowners Association

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

All that certain land situated in the State of California, County of Riverside, City of Palm Springs, being included within a record of survey map filed April 8, 1960, in book 31, page 48 of the Records of Survey, Records of Riverside County, California, being described as follows:

Parcel 1:

Lot 39, together with an undivided 1/40 interest in and to common Lot 42, as show on that certain map attached to an instrument entitled "First Revision of Declaration of Protective Restrictions, Limitations, Conditions, Covenants, Reservations, Liens and Charges for Garden Villas, a Residential Project" recorded July 1, 1966, as Instrument No. 68359, of official records of Riverside County, California.

Excepting therefrom an easement over the easterly 7.00 feet of said Lot 42, referred to above, for ingress, egress, public utilities, and incidental purposes, together with the right to convey a dedicated same to any person, firm or governmental agency, as contained in an instrument entitled "Indenture of Easements and Rights of Way" recorded November 27, 1964, in Book 3862, Page 554 of Official Records of Riverside County, California.

Also excepting therefrom all gas, oil, and mineral rights below a depth of 50 feet, as was reserved by John C. Munholland, et al, in various Deeds of Record.

Parcel 2:

An easement over the westerly 18.00 feet of Lot 41 of Tract No. 3010, as shown by map on file in Book 50, Pages 76 and 77 of Maps, Records of Riverside County, California, for ingress, egress, public utilities and incidental purposes as contained in an instrument entitled "Indenture of Easements and Rights of Way" recorded November 27, 1964, in Book 3862, Page 554 of Official Records of Riverside County, California.

Excepting from all property conveyed hereunder all oil, gas, petroleum, and other hydrocarbon substances in and under the property, including the exclusive title and right to remove said substances, together with the sole right to negotiate and conclude leases and agreements with respect to all such substances under the property, and to use those portions of the property which underlie a plane parallel to, and 500 feet below, the present surface of the properly for the purpose of prospecting for, developing and/or extracting such substances from the property by means of wells drilled into or through said portions of the property from drill sites located on other property, it being expressly understood and agreed that no right is granted hereby to enter upon the surface of the property or to use the property or any portion thereof above of the aforesaid plans. **APN: 510-040-032**

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)