EXHIBIT A

LONG RANGE PROPERTY MANAGEMENT PLAN

SUCCESSOR AGENCY TO THE LA QUINTA REDEVELOPMENT AGENCY

July 22, 2014

78-495 Calle Tampico

La Quinta, California 92253

LONG RANGE PROPERTY MANAGEMENT PLAN
Successor Agency to the La Quinta Redevelopment Agency

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Appendix 2: SilverRock Golf Course Management Agreement (62 pages)
Appendix 3: SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement (29 pages)
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Appendix 5: SilverRock Specific Plan (70 pages)

INTRODUCTION

Governor Brown signed ABx1 26 and ABx1 27, a pair of budget trailer bills, on June 28, 2011, which made significant changes to the California Health and Safety Code (HSC). The California Redevelopment Association and League of California Cities filed a lawsuit in the California Supreme Court challenging the constitutionality of ABx1 26 and ABx1 27. The Supreme Court issued a decision on December 29, 2011, finding that ABx1 26 was constitutional, ABx1 27 was invalid, and the two bills may be severed from one another. The Supreme Court also modified ABx1 26 to effect the dissolution of redevelopment agencies as of February 1, 2012.

On June 27, 2012, Governor Brown signed AB 1484 into law, another budget trailer bill, which amended ABx1 26 and made changes to the redevelopment agency dissolution process. The Long Range Property Management Plan ("PMP") was included in AB 1484 as a tool for successor agencies to manage the disposition and use of real property assets in the ownership of the redevelopment agency.

HSC Section 34191.5 outlines the requirements of a PMP. Pursuant to Section 34191.5(b), the successor agency must submit the PMP within 6-months following the issuance of a Finding of Completion by the Department of Finance ("DOF").

Per HSC Section 34191.5(c), the PMP shall include: (1) an inventory of all properties subject to the PMP outlining the acquisition date, purpose and value; (2) estimate of current value; (3) property profile (including address, lot size, zoning and general plan designation); (4) estimate of lease, rent or other revenues and description of contractual requirements; (5) history of environmental contamination, if any; (6) any transit-oriented development opportunities; (7) a description of how the property would advance the planning objectives of the successor agency; and (8) a history of development proposals.

The PMP shall also address the disposition strategy for each property, which, pursuant to HSC Section 34191.5(c)(2), may include one of four permissible uses:

- Retention of the property for governmental use pursuant to subdivision (a) or Section 34181,
- Retention of the property for future development,
- Sale of the property, or
- Use of the property to fulfill an enforceable obligation

Finally, HSC 34191.5(c)(2) states that if the PMP proposes to sell property for a project identified in an approved redevelopment plan, the property shall transfer to the City. If the PMP proposes to sell the property for any purpose other than to fulfill an enforceable obligation, the proceeds from the sale shall be distributed to the applicable taxing entities. And finally, property shall not be transferred unless the Oversight Board and DOF have approved the PMP.

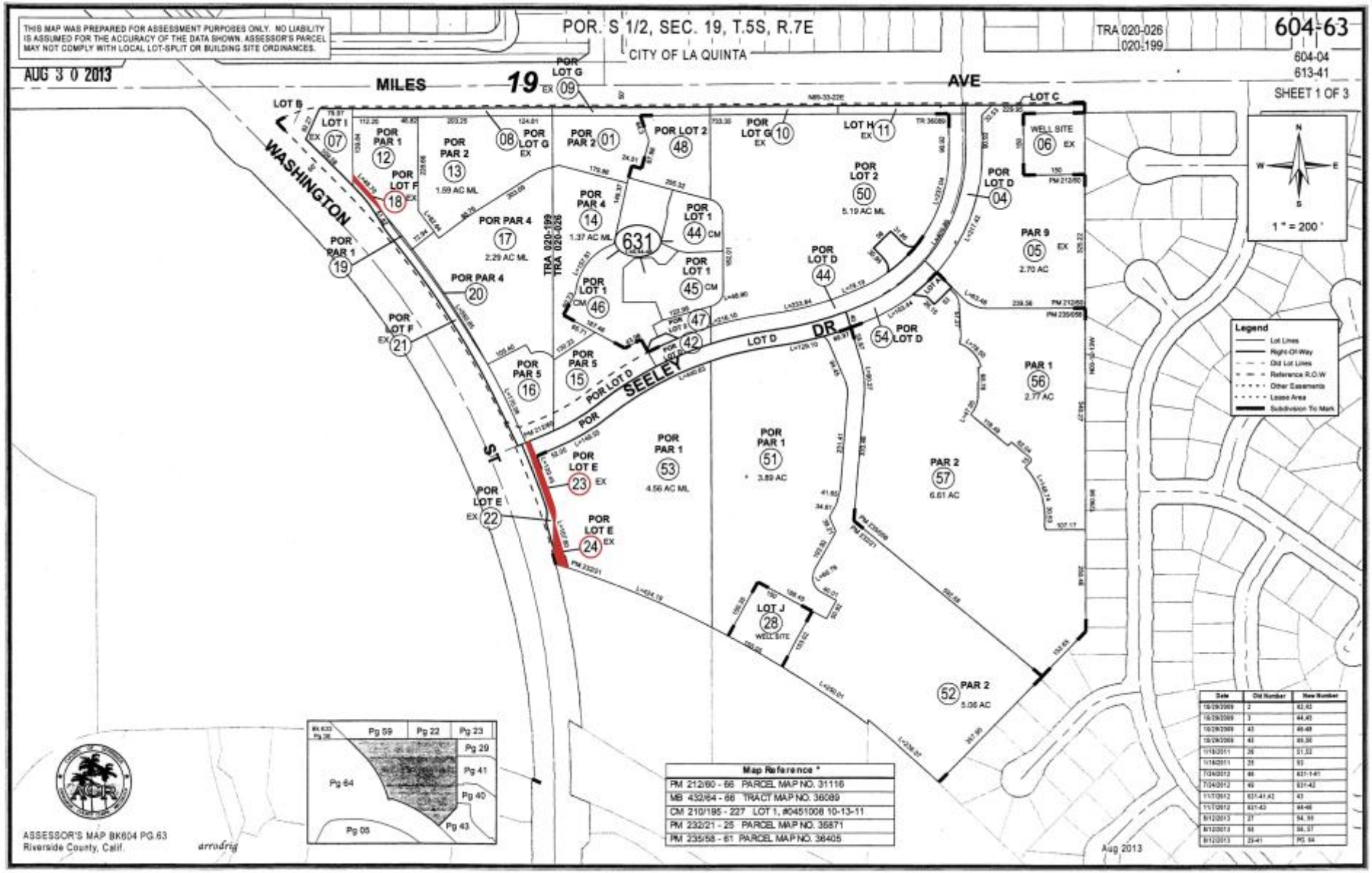
<u>Organization of this Document</u>

The City of La Quinta has historically tracked purchases and sales of land by Lot Number, which may be either a letter (ie Lot C) or a number (ie Lot 8). In Riverside County, Lot Numbers are typically shown on Assessor's Parcel Maps adjacent to the Assessor's Parcel Number (APN). One Lot Number may include several APNs. Because the purchases and sales have been historically tracked by Lot Number, this document and the associated PMP Tracking Worksheet are organized by Lot Number. Please note that we have added several highlighted columns to the LRPMP worksheet in order to accommodate tracking by lot.

ROADWAY/WALKWAY PROPERTIES

In October 2009, several properties were identified for transfer from the Redevelopment Agency to the City of La Quinta. Pursuant to the October 6, 2009 Staff Report (Attached), "staff determined that a number of parcels should be transferred to the City for on-going operation, maintenance purposes, and future disposition." Among the parcels identified in this staff report, the three roadway parcels, identified below and shown on the map below, were identified as parcels that shall be transferred to the City for maintenance purposes (i.e., road and landscape maintenance). The staff report identifies Lot E (APN 603-630-018) and Lot F (APNs 604-630-023 and 604-630-024) of Parcel Map 31116, among others, as properties that were to be deeded to the City. Parcel Map 31116 indicated that the lots were to be transferred to the City; however, because of an oversight these three roadway sliver parcels were not transferred from the RDA to the City pursuant to the 2009 authorization. See Appendix 1 Attached Staff Report. As a result, these three roadway parcels that should have been transferred to the City in 2009 along with the other parcels inadvertently remained in the ownership of the Redevelopment Agency.

The three roadway parcels are identified on the map below as Assessor's Parcels 603-630-**018**, 604-630-**023**, and 604-630-**024**. The following pages profile these properties pursuant to HSC Section 34191.5.


THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.
AUG 3 0 2013
POR. S 1/2, SEC. 19, T.5S, R.7E
CITY OF LA QUINTA
TRA 020-026
020-199
604-63
604-04
613-41
SHEET 1 OF 3
MILES
19
AVE
WASHINGTON
ST
SEELEY
DR
LOT B
LOT C
LOT D
LOT I
LOT H
LOT J
WELL SITE
POR LOT G
POR PAR 1
POR PAR 2
POR PAR 4
POR PAR 5
POR LOT 1
POR LOT 2
POR LOT D
POR LOT E
POR LOT F
PAR 1
PAR 2
PAR 9
1.59 AC ML
2.29 AC ML
1.37 AC ML
5.19 AC ML
2.70 AC
2.77 AC
4.56 AC ML
3.89 AC
6.61 AC
5.06 AC
631
1 " = 200 '
Legend
Lot Lines
Right-Of-Way
Old Lot Lines
Reference R.O.W
Other Easements
Lease Area
Subdivision Tie Mark
Map Reference *
PM 212/60 - 66 PARCEL MAP NO. 31116
MB 432/64 - 66 TRACT MAP NO. 36089
CM 210/195 - 227 LOT 1, #0451008 10-13-11
PM 232/21 - 25 PARCEL MAP NO. 35871
PM 235/58 - 61 PARCEL MAP NO. 36405
Pg 59
Pg 22
Pg 23
Pg 29
Pg 41
Pg 40
Pg 43
Pg 64
Pg 05
ASSESSOR'S MAP BK604 PG.63
Riverside County, Calif.
arrodrig
Aug 2013

PORTION OF LOT F

APN 604-630-018

This property is a sliver of land of 871 square feet of public right of way that was dedicated to the RDA to satisfy a condition of approval, enabling the City to construct necessary roadway, walkway and associated landscape improvements.

- Date of Acquisition – 4/4/2005
- Value of Property at Time of Acquisition - $849
- Estimate of Current Value - $849 (Market Value)
- Purpose of which the Property was Purchased – Develop public right of way
- Address - East of Washington Street between Miles Avenue and Seeley Drive
- Lot Size – 871 Square Feet
- Current Zoning Designation – Public Right of Way
- Specific/General Plan Designation – Public Right of Way
- Appraised Value – Not Applicable
- Estimate of Lease Revenues – Not Applicable
- Environmental History – None
- Development Proposal History – None
- TOD Potential – None
- Proposed Disposition – Transfer to City, Governmental Use. To be maintained as existing Public Right-of-Way.

PORTIONS OF LOT E

APNs 604-630-023 and 604-630-024

This lot includes two slivers of land totaling 3,920 square feet of public right of way that was dedicated to the RDA to satisfy a condition of approval, enabling the City to construct necessary roadway, walkway and associated landscape improvements.

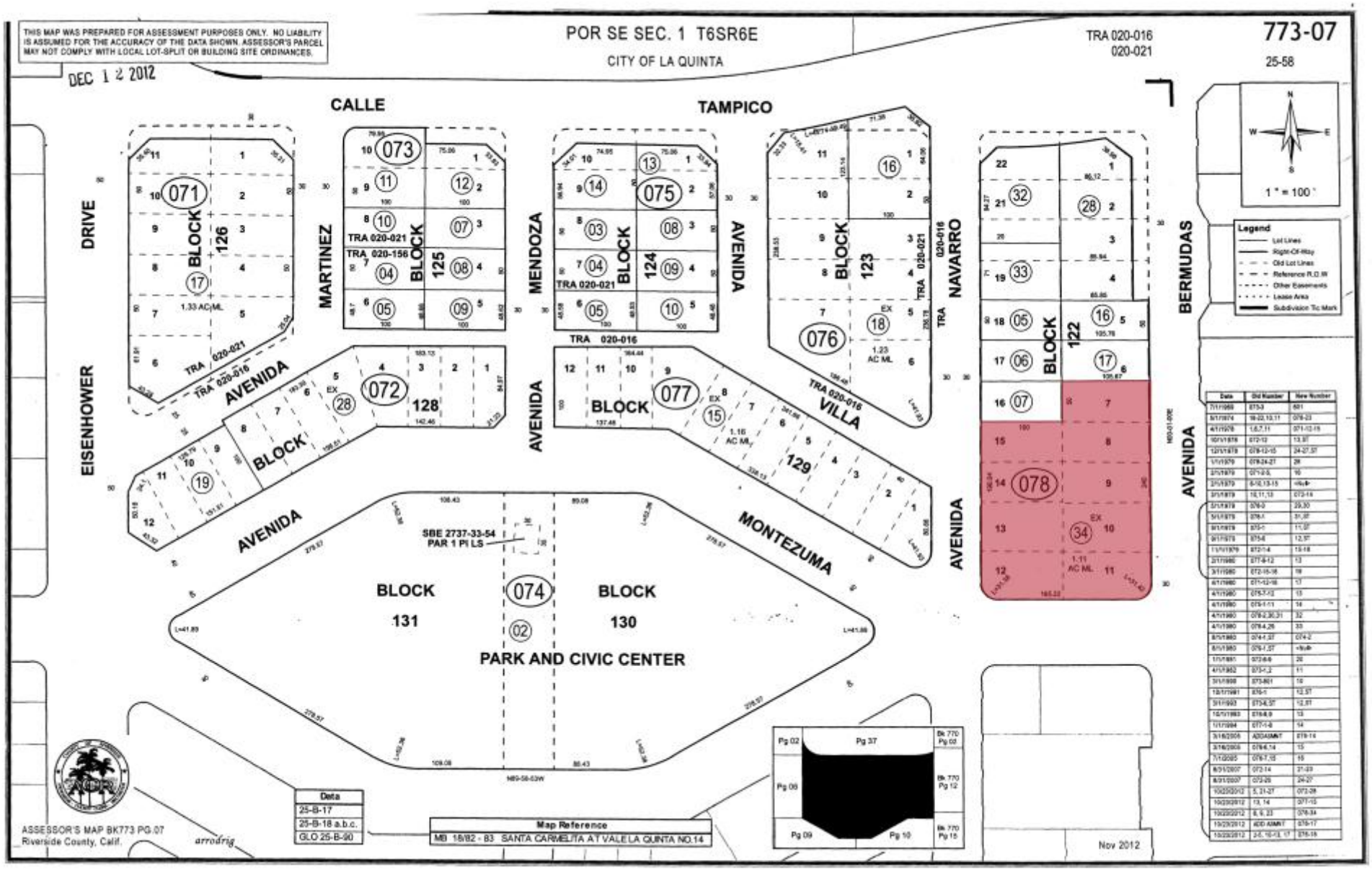
- Date of Acquisition – 4/4/2005
- Value of Property at Time of Acquisition - $3,819
- Estimate of Current Value - $3,819 (Market Value)
- Purpose of which the Property was Purchased – Develop public right of way
- Address - East of Washington Street between Seeley Drive and Highway 111
- Lot Size – 3,920 Square Feet, 0.09 Acres
- Current Zoning Designation – Public Right of Way
- Specific/General Plan Designation – Public Right of Way
- Appraised Value – Not Applicable
- Estimate of Lease Revenues – Not Applicable
- Environmental History – None
- Development Proposal History – None
- TOD Potential – None
- Proposed Disposition – Transfer to City, Governmental Use. To be maintained as existing Public Right of Way.

VILLAGE PUBLIC PARKING LOT

In December 1989 and March 1990, the La Quinta Redevelopment Agency made two purchases for properties located on the northwest corner of the intersection of Avenida Navarro and Avenida Montezuma. The December 1989 purchase was $105,000 for APNs 773-078-008 and 773-078-009. The March 1990 purchase was $440,670 for APN 773-078-023. These three parcels with a combined purchase price of $545,670 were subsequently merged together, forming **APN 773-078-034**, as identified in the map below. The merged property was developed as free public surface parking, serving the adjacent La Quinta Community Park publicly run La Quinta Museum and Desert Recreation District Fitness Center. The City of La Quinta currently has no metered or fee-based parking lots or structures and the La Quinta Municipal Code specifically prohibits private parking lots as a principal use in this zoning district.

The public parking lot was developed with public funding. The improvements include paving, striping, landscaping, irrigation, and lighting, at a cost of $930,000. The City also installed a shade structure at an additional cost of $25,000. Annual maintenance costs for the public parking lot are approximately $5,000 per year, paid for by the City. The cumulative costs to maintain the public parking lot during the eight years since development is approximately $40,000.

The Village Public Parking Lot is zoned as Major Community Facilities. This Zoning Designation, per La Quinta Municipal Code 9.80.040 (b) has a very narrow definition of allowable uses. Allowable uses include offices, hospitals, lighted playfields, ice skating, social clubs, various utility or communication facilities, colleges and other schools, transportation stations, animal shelters, tennis clubs, caretaker residential or child day care, and recycling centers by Conditional or Minor Use Permit, and libraries, museums, parks, trails, fire stations, government offices, flood control, golf courses, and emergency or homeless shelters, as by-right principal uses. The Principal Uses described here are generally considered government or public facilities. Also, an array of other governmental uses may be present under the Major Community Facilities designation as accessory uses. Under this PMP, the City proposes to continue operating the property as free public surface parking.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DEC 1 2 2012
POR SE SEC. 1 T6SR6E
CITY OF LA QUINTA
TRA 020-016
020-021
773-07
25-58
CALLE
TAMPICO
DRIVE
EISENHOWER
MARTINEZ
MENDOZA
AVENIDA
NAVARRO
BERMUDAS
VILLA
MONTEZUMA
BLOCK 126
BLOCK 125
BLOCK 124
BLOCK 123
BLOCK 122
BLOCK 128
BLOCK 129
BLOCK 131
BLOCK 130
PARK AND CIVIC CENTER
1.33 AC/ML
1.23 AC ML
1.16 AC ML
1.11 AC ML
SBE 2737-33-54
PAR 1 PI LS
1 " = 100 '
Legend
Lot Lines
Right-Of-Way
Old Lot Lines
Reference R.O.W.
Other Easements
Lease Area
Subdivision Tic Mark
Data
25-B-17
25-B-18 a.b.c.
GLO 25-B-90
Map Reference
MB 18/82 - 83 SANTA CARMELITA AT VALE LA QUINTA NO.14
Pg 02
Pg 37
Pg 09
Pg 10
Bk 770 Pg 03
Bk 770 Pg 12
Bk 770 Pg 15
Nov 2012
ASSESSOR'S MAP BK773 PG.07
Riverside County, Calif.
arrodrig

APN 773-078-034

- Date of Acquisition – 12/27/1989 & 7/12/1990 (as noted in the narrative above, APN 773-078-034 resulted from the merger of three parcels, two of which were acquired in 1989 and one in 1990).
- Value of Property at Time of Acquisition - $545,670 (as noted in the narrative above, two parcels were acquired in 1989 for $105,000 and one was acquired in 1990 for $440,670, and the three parcels were merged to create the subject APN).
- Estimate of Current Value - $120,878(Appraised Value)
- Purpose of which the Property was Purchased – Provide public parking in the Village adjacent to La Quinta Community Park and La Quinta Museum
- Address – Northeast corner of Avenida Navarro and Avenida Montezuma
- Lot Size – 48,351 Square Feet
- Current Zoning Designation – Major Community Facilities
- Specific/General Plan Designation – Major Community Facilities
- Appraised Value – $120,878
- Estimate of Lease Revenues – Not Applicable
- Environmental History – None
- Development Proposal History – The 2006 Village District Parking Study indicates that future development in the area may result in parking deficits and recommends development of a $7.6 million public parking structure on this site.
- TOD Potential – Sunline Transit Agency Route 70 Bus Stop is on the East side of the site.
- Proposed Disposition – Transfer to City, Governmental Use. The City proposes to maintain this property as free public parking. The City of La Quinta currently has no metered or fee-based parking lots or structures. The Village Public Parking Lot provides parking for the adjacent La Quinta Community Park, publicly run La Quinta Museum, and Desert Recreation District Fitness Center. The City of La Quinta currently has no metered or fee-based parking lots or structures and the La Quinta Municipal Code specifically prohibits private parking lots as a principal use in this zoning district.

SILVERROCK PUBLIC USE PARCELS

In 2002, the La Quinta Redevelopment Agency purchased 525 acres of vacant land located on the southwest corner of the intersection of Jefferson Street and Avenue 52. The 525 acres were purchased for $42,611,960, or $81,176 per acre. Of the 525 acres, 221.78 acres are subject to this PMP, as described below.

In 2005 the first 18-hole public golf course was completed, along with rehabilitation to the Historic Ahmanson Ranch House and surrounding public facilities were developed. The public golf course and most associated public properties west of SilverRock Way were transferred to the City following completion of the golf course in 2008 and are not the subject of this PMP. This City-owned public golf course is managed by Landmark Golf Management, LLC pursuant to a Contract Services and Revocable License Agreement (Attached). The foregoing described City-owned golf course and associated uses comprise 217.12 acres and are not subject to, or part of, this PMP.

In November, 2013, the DOF approved the 2011 transfer of 86 acres designated for private development, including Specific Plan Planning Areas 4, 5, and 6 (Resort Hotel and Resort Casitas, Mixed Use Resort Retail Village, and Traditional Hotel and Resort Casitas, respectively). That property was the subject of a March 2011 fair market value purchase and sale. As such, these properties comprising 86 acres are not subject to, or part of, this PMP.

The remaining 221.78 acres which are the subject of this PMP are divided among four different planning areas, as described in the SilverRock Specific Plan (Attached), and illustrated on the maps that follow this narrative:

- Public Golf Course (Specific Plan Planning Area 1)
- Civic and Cultural Events Facilities (Specific Plan Planning Area 2) – note that these Civic and Cultural Events Facilities are managed by Landmark Golf Management, LLC pursuant to the Contract Services and Revocable License Agreement referred to above (Attached)
- Public Park (Specific Plan Planning Area 7)
- Public Facilities (Specific Plan Planning Area 8)

The properties identified herein as SilverRock Public Use Parcels (the 221.78 acres that are subject to this PMP) were purchased, planned, designed, and partially developed with tax-exempt bond proceeds and must be maintained in public ownership. The Internal Revenue Code and implementing regulations and IRS Revenues Procedures preclude the sale, transfer or assignment of this property for private use. Furthermore, the property is designated exclusively for public use under the City's General Plan and SilverRock Specific Plan. ***The Successor Agency will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1) for the properties with a permissible use of future development.***

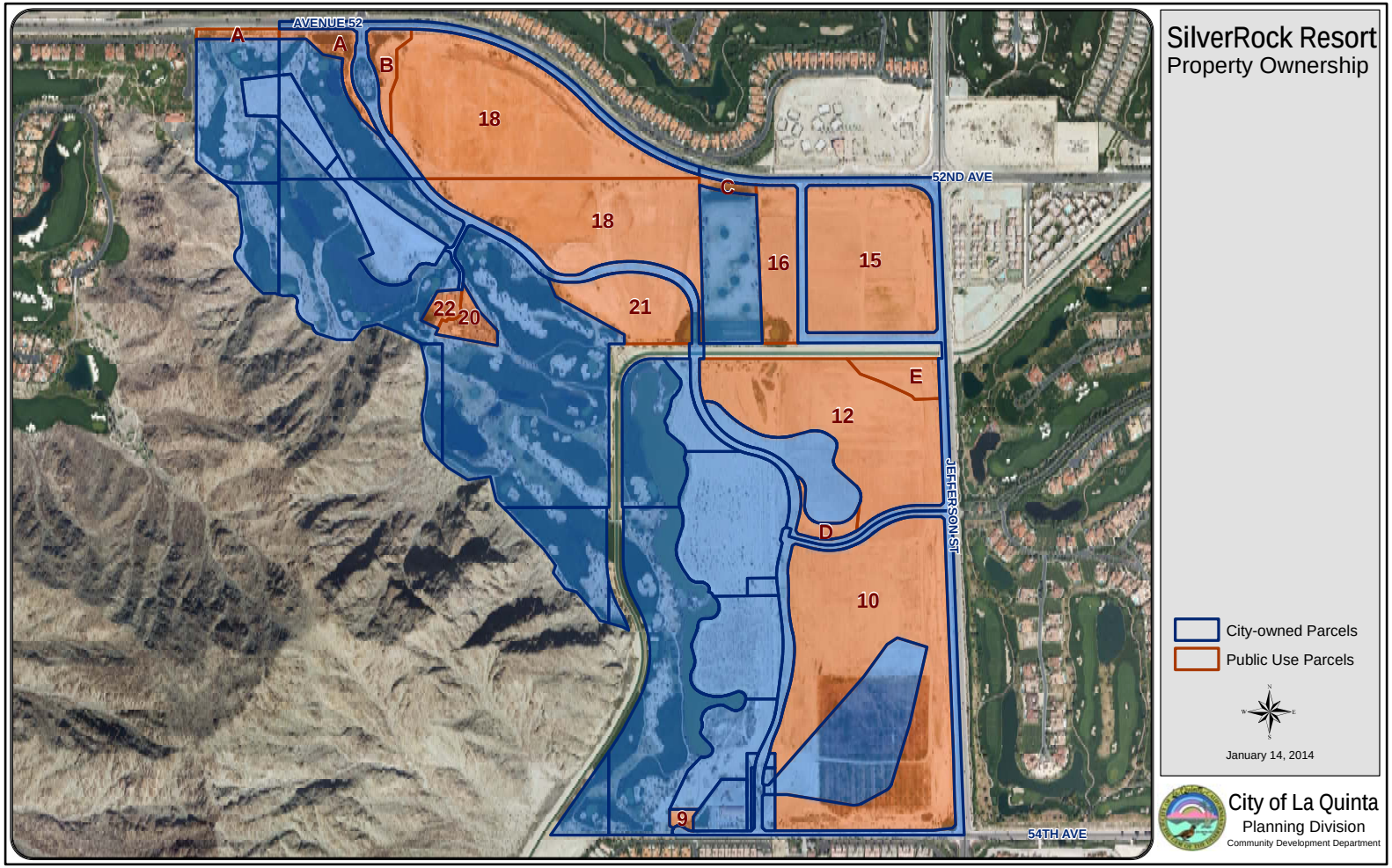
Planning and design of the SilverRock Public Golf Course and associated uses is in process and the following significant public improvements have also been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.

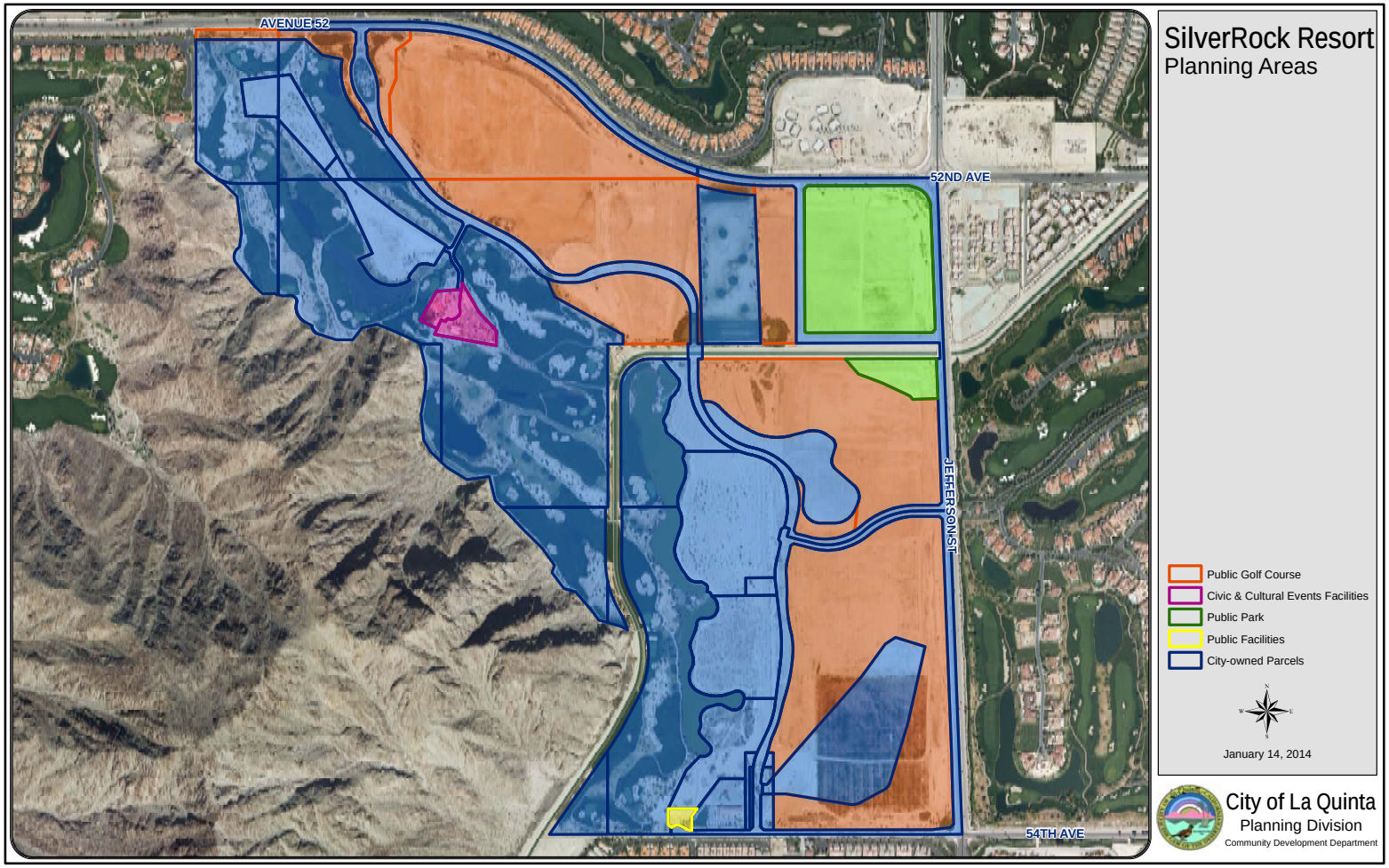
The public storm drain improvements on the site include a large retention basin that currently serves as the outflow for the Rondo Channel. These drainage improvements provide flood control infrastructure for the La Quinta Cove and La Quinta Village, areas covering approximately 300 acres, which are substantially developed as single family residential, multi-family residential and commercial uses.

This public use property has significant annual maintenance costs in its current condition, including approximately $218,000 (a pro rata share assigned to this property) for dust and PM-10 control. See attached Contract Services and Revocable License Agreement.

In conclusion, while the ultimate development of the second 18-hole public golf course has not been completed, planning and design work is in progress and significant infrastructure has been installed in anticipation of the development of the second public golf course. Moreover, and notwithstanding that construction of the second public golf course has not been completed, the properties are *currently* serving the public in that they provide storm water retention and public open space. Federal law and local land use restrictions require that the property remain in public ownership and used for a public purpose.

The properties are identified on the following map:


SilverRock Resort
Property Ownership
AVENUE 52
52ND AVE
JEFFERSON ST
54TH AVE
A
A
B
C
D
E
18
18
16
15
21
22
20
12
10
9
City-owned Parcels
Public Use Parcels
January 14, 2014
City of La Quinta
Planning Division
Community Development Department


AVENUE 52
52ND AVE
JEFFERSON ST
54TH AVE
SilverRock Resort
Planning Areas
Public Golf Course
Civic & Cultural Events Facilities
Public Park
Public Facilities
City-owned Parcels
January 14, 2014
City of La Quinta
Planning Division
Community Development Department

CIVIC AND CULTURAL EVENTS FACILITIES
169,447 SF, 3.89 acres
LOT 20 – APN 777-490-012
LOT 22 – APN 777-490-014

Planning Area 2 is described as an area including the existing Historic Ahmanson Ranch House, which will be preserved and maintained for use as a civic and/or cultural events facility. Presently this property serves as parking, temporary clubhouse and pro shop to service the existing public golf course. The property has a Contract Services and Revocable License Agreement with Landmark Golf Management, LLC, specifying how the property will be managed. The Ahmanson House is a historic building that was built as the working-ranch hacienda amongst the rocky outcropping that surrounds SilverRock.

The properties identified herein as Civic and Cultural Events Facilities were purchased with tax-exempt bond proceeds and must be maintained in public ownership. The Internal Revenue Code, regulations, and IRS Revenue Procedures preclude the sale, transfer or assignment of this property for private use. The Internal Revenue Code, regulations, and IRS Revenue Procedures also prohibit any "private activity" use of the property.

LOT 20
APN 777-490-012

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $197,256
- Estimate of Current Value - $12,150 (Unencumbered market value (assumes no bond restrictions))
- Purpose of which the Property was Purchased – Develop SilverRock Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 105,850 Square Feet, 2.43 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Civic and Cultural Events Facilities (Specific Plan Planning Area 2)
- Appraised Value – - $12,150 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – This property is developed with a public parking lot to service the existing City owned Public Golf Course and adjacent historic building that was rehabilitated for civic and cultural events. The property is managed pursuant to the attached Contract Services and Revocable License Agreement.
- TOD Potential – None
- Proposed Disposition – Transfer to City, Future Development. As this property is adjacent to City-owned properties it is anticipated that during the golf course land planning activities property boundaries may need to be adjusted in the future. These necessary minor boundary adjustments would be made to accommodate course layout and overall playability. The aggregate area of Civic and Cultural Events Facilities parcels as identified in this section (169,447 SF, 3.89 acres), however, will remain the same regardless of any boundary adjustment.
- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

LOT 22
APN 777-490-014

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $118,516
- Estimate of Current Value – $150,000 (Unencumbered market value (assumes no bond restrictions))
- Purpose of which the Property was Purchased – Develop SilverRock Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 63,597 Square Feet, 1.46 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Civic and Cultural Events Facilities (Specific Plan Planning Area 2)
- Appraised Value – $150,000 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The Specific Plan identifies the area for civic and cultural events facilities. This property is a historic building that was rehabilitated for civic and cultural events. The property is managed pursuant to the attached Contract Services and Revocable License Agreement
- TOD Potential – None
- Proposed Disposition – Transfer to City, Future Development. To be maintained as public historic asset as a civic and cultural events facility consistent with the SilverRock Specific Plan.
- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

PUBLIC FACILITIES (CVWD WELL SITE):
29,158 SF, 0.67 acres
LOT 9

Planning Area 8, according to the Specific Plan, includes existing and planned public facilities including streets, the existing All American Canal, and water well sites. This property was originally set aside pursuant to SilverRock Domestic Water and Sanitation System Installation and Irrigation Service Agreement (Attached). It currently functions as a storm water retention basin.

LOT 9
APN 777-060-062

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $54,337
- Estimate of Current Value - $3,350 (Unencumbered market value (assumes no bond restrictions))
- Purpose of which the Property was Purchased – Develop SilverRock Public Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 29,158 Square Feet, 0.67 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Facilities (Specific Plan Planning Area 8)
- Appraised Value – $3,350 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to “private use” or used for “private activity.” Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant public improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.
- TOD Potential – None
- Proposed Disposition – Transfer to City, Governmental Use. To be maintained as an existing storm water retention basin.

PUBLIC GOLF COURSE:
8,096,056 SF, 185.86 acres
LOT A - APNs 776-150-024 and 776-200-027
LOT B - APN 776-150-025
LOT C - APN 777-490-015
LOT D - APN 777-490-016
LOT 10 - APNs 777-060-063, 777-060-066, 777-060-067, and 777-060-069
LOT 12 - APN 777-490-005
LOT 16 - APN 777-490-009
LOT 18 - APN 776-150-022 and 777-490-011
LOT 21 - APN 777-490-013

Planning Area 1 is described as an area including two 18-hole public golf courses and supporting facilities, including a clubhouse, driving range, instructional facility, and a golf course maintenance facility. One 18-hole golf course currently exists in this Planning Area and is not subject to this PMP.

The subject property underwent major excavation during the construction of the existing 18-hole golf course on the adjacent City-owned property (the adjacent City-owned property is not subject to this PMP). Existing public improvements on the subject property include: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.

The City also explored designating the subject property for land conservation purposes and determined that the land is unsuitable for conservation as a result of previous farming operations and mass grading and soil export.

LOT A
APNs 776-150-024 and 776-200-027

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $369,349
- Estimate of Current Value – $22,750 (Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($89,190)
- Purpose of which the Property was Purchased – Develop SilverRock Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 198,197 Square Feet, 4.55 Acres
- Designation – Golf Course
- Specific/General Plan Designation – Public Golf Course (Specific Plan Planning Area 1)
- Appraised Value – $22,750 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to “private use” or used for “private activity.” Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant public improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.
- TOD Potential – None

- Proposed Disposition – Transfer to City, Future Development. The City plans to build out the remaining 18-hole public golf course and provide open space to the public. As this property is adjacent to City-owned properties it is anticipated that during the golf course land planning activities the property boundaries may need to be adjusted in the future. These necessary minor boundary adjustments would be made to accommodate course layout and overall playability. The aggregate area of public golf course parcels as identified in this planning area above (8,096,056 SF, 185.86 acres), however, will remain the same regardless of any such boundary adjustment.
- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

<u>LOT B</u>
APN 776-150-025

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $239,469
- Estimate of Current Value – $14,750 (Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($57,827)
- Purpose of which the Property was Purchased – Develop SilverRock Public Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 128,502 Square Feet, 2.95 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Golf Course (Specific Plan Planning Area 1)
- Appraised Value – $14,750 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to “private use” or used for “private activity.” Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant public improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.
- TOD Potential – None
- Proposed Disposition – Transfer to City, Future Development. The City plans to build out the remaining 18-hole public golf course and provide open space to the public. As this property is adjacent to City-owned properties it is anticipated that during the golf course land planning activities the property boundaries may need to be adjusted in the future. These necessary minor boundary adjustments would be made to accommodate course layout and overall playability. The aggregate area of public golf course parcels as identified in this Planning Area above (8,096,056 SF, 185.86 acres), however, will remain the same regardless of any such boundary adjustment.
- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

<u>LOT C</u>
APN 777-490-015

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $69,000

- Estimate of Current Value – $4,250 (Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($16,662)
- Purpose of which the Property was Purchased – Develop SilverRock Public Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 37,026 Square Feet, 0.85 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Golf Course (Specific Plan Planning Area 1)
- Appraised Value – $4,250 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to "private use" or used for "private activity." Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant public improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.
- TOD Potential – None
- Proposed Disposition – Transfer to City, Future Development. The City plans to build out the remaining 18-hole public golf course and provide open space to the public. As this property is adjacent to City-owned it is anticipated that during the golf course land planning activities the property boundaries may need to be adjusted in the future. These necessary minor boundary adjustments would be made to accommodate course layout and overall playability. The aggregate area of public golf course parcels as identified in this Planning Area above (8,096,056 SF, 185.86 acres), however, will remain the same regardless of any such boundary adjustment.
- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

<u>LOT D</u>
APN 777-490-016

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $143,681
- Estimate of Current Value – $8,850(Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($34,696)
- Purpose of which the Property was Purchased – Develop SilverRock Public Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 77,101 Square Feet, 1.77 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Golf Course (Specific Plan Planning Area 1)
- Appraised Value – $8,850 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to "private use" or used for "private activity." Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant public improvements have been completed: mass grading, installation of

storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.

- TOD Potential – None
- Proposed Disposition – Transfer to City, Future Development. The City plans to build out the remaining 18-hole public golf course and provide open space to the public. As this property is adjacent to City-owned properties it is anticipated that during the golf course land planning activities the property boundaries may need to be adjusted in the future. These necessary minor boundary adjustments would be made to accommodate course layout and overall playability. The aggregate area of public golf course parcels as identified in this planning area above (8,096,056 SF, 185.86 acres), however, will remain the same regardless of any such boundary adjustment.
- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

<u>LOT 10</u>
APNs 777-060-063, 777-060-066, 777-060-067, and 777-060-069

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $4,451,687
- Estimate of Current Value – $274,200 Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($1,074,986)
- Purpose of which the Property was Purchased – Develop SilverRock Public Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 2,388,828 Square Feet, 54.84 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Golf Course (Specific Plan Planning Area 1)
- Appraised Value – $274,200 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to “private use” or used for “private activity.” Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant public improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization. Portions of Lot 10 are utilized pursuant to a Farm Agreement (Attached).
- TOD Potential – None
- Proposed Disposition – Transfer to City, Future Development. The City plans to build out the remaining 18-hole public golf course and provide open space to the public. As this property is adjacent to City-owned properties it is anticipated that during the golf course land planning activities the property boundaries may need to be adjusted in the future. These necessary minor boundary adjustments would be made to accommodate course layout and overall playability. The aggregate area of public golf course parcels as identified in this planning area above (8,096,056 SF, 185.86 acres), however, will remain the same regardless of any such boundary adjustment.
- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

LOT 12
APN 777-490-005

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $2,625,231
- Estimate of Current Value – $161,700 (Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($633,937)
- Purpose of which the Property was Purchased – Develop SilverRock Public Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 1,408,730 Square Feet, 32.34 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Golf Course (Specific Plan Planning Area 1) and Public Facilities (Specific Plan Planning Area 8)
- Appraised Value – $161,700 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to "private use" or used for "private activity." Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.
- TOD Potential – None
- Proposed Disposition – Transfer to City, Future Development. The City plans to build out the remaining 18-hole public golf course and provide open space to the public. As this property is adjacent to City-owned properties it is anticipated that during the golf course land planning activities the property boundaries may need to be adjusted in the future. These necessary minor boundary adjustments would be made to accommodate course layout and overall playability. The aggregate area of public golf course parcels as identified in this planning area above (8,096,056 SF, 185.86 acres), however, will remain the same regardless of any such boundary adjustment.
- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

LOT 16
APN 777-490-009

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $724,900
- Estimate of Current Value – $44,650 (Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($175,048)
- Purpose of which the Property was Purchased – Develop SilverRock Public Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 388,990 Square Feet, 8.93 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Golf Course (Specific Plan Planning Area 1)
- Appraised Value – $44,650 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0

- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to "private use" or used for "private activity." Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.
- TOD Potential – None
- Proposed Disposition – Transfer to City, Future Development. The City plans to build out the remaining 18-hole public golf course and provide open space to the public. As this property is adjacent to City-owned properties it is anticipated that during the golf course land planning activities the property boundaries may need to be adjusted in the future. These necessary minor boundary adjustments would be made to accommodate course layout and overall playability. The aggregate area of public golf course parcels as identified in this planning area above (8,096,056 SF, 185.86 acres), however, will remain the same regardless of any such boundary adjustment.
- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

<u>LOT 18</u>
APN 776-150-022 and 777-490-011

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $5,633,614
- Estimate of Current Value – $347,000 (Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($1,360,396)
- Purpose of which the Property was Purchased – Develop SilverRock Public Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 3,023,064 Square Feet, 69.40 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Golf Course (Specific Plan Planning Area 1)
- Appraised Value – $347,000 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to "private use" or used for "private activity." Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.
- TOD Potential – None
- Proposed Disposition – Transfer to City, Future Development. The City plans to build out the remaining 18-hole public golf course and provide open space to the public. As this property is adjacent to City-owned properties it is anticipated that during the golf course land planning activities the property boundaries may need to be adjusted in the future. These necessary minor boundary adjustments would be made to accommodate course layout and overall playability. The aggregate area of public golf course parcels as identified in this Planning Area above (8,096,056 SF, 185.86 acres), however, will remain the same regardless of any such boundary adjustment.

- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

LOT 21
APN 777-490-013

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $830,429
- Estimate of Current Value – $51,150 (Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($200,531)
- Purpose of which the Property was Purchased – Develop SilverRock Public Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 445,618 Square Feet, 10.23 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Golf Course (Specific Plan Planning Area 1)
- Appraised Value – $51,150 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to "private use" or used for "private activity." Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.
- TOD Potential – None
- Proposed Disposition – Transfer to City, Future Development. The City plans to build out the remaining 18-hole public golf course and provide open space to the public. As this property is adjacent to City-owned properties it is anticipated that during the golf course land planning activities the property boundaries may need to be adjusted in the future. These necessary minor boundary adjustments would be made to accommodate course layout and overall playability. The aggregate area of public golf course parcels as identified in this Planning Area above (8,096,056 SF, 185.86 acres), however, will remain the same regardless of any such boundary adjustment.
- Compensation Agreement - The City will enter into a Compensation Agreement between the City and the taxing entities pursuant to HSC 34180 (f)(1)

PUBLIC PARK:
1,366,041 SF, 31.36 acres
LOTS E AND 15

Planning Area 7 is described in the Specific Plan as an area totaling approximately 35 acres to be used as a public park.

LOT E
APN 777-490-017

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $301,974
- Estimate of Current Value – $18,600 (Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($89,382)
- Purpose of which the Property was Purchased – Develop SilverRock Golf Public Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 162,043 Square Feet, 3.72 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Park (Specific Plan Planning Area 7)
- Appraised Value – $18,600 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None
- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to "private use" or used for "private activity." Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant public improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.
- TOD Potential – None
- Proposed Disposition – Transfer to City, Governmental Use. This property will be developed as a Public Park consistent with the SilverRock Specific Plan when funding is available.

LOT 15
APN 777-490-008

- Date of Acquisition – 6/27/2002
- Value of Property at Time of Acquisition - $2,243,704
- Estimate of Current Value – $138,200 (Unencumbered market value (assumes no bond restrictions))
- Encumbered value – ($664,119)
- Purpose of which the Property was Purchased – Develop SilverRock Public Golf Course and associated public uses, including the Ahmanson Civic and Cultural Events Facilities.
- Address – Southwest corner of Avenue 52 and Jefferson Street
- Lot Size – 1,203,998 Square Feet, 27.64 Acres
- Current Zoning Designation – Golf Course
- Specific/General Plan Designation – Public Park (Specific Plan Planning Area 7)
- Appraised Value – $138,200 (Unencumbered market value (assumes no bond restrictions))
- Estimate of Lease Revenues – $0
- Environmental History – None

- Development Proposal History – The property was purchased, planned, designed and partially developed with tax-exempt bond proceeds and thus the property cannot be converted to “private use” or used for “private activity.” Planning and design of the SilverRock Public Golf Course and associated uses is in progress and the following significant public improvements have been completed: mass grading, installation of storm drain improvements, installation of L-4 pump station improvements, well site construction, perimeter landscaping, multi-purpose public trail improvements, and soil stabilization.
- TOD Potential – None
- Proposed Disposition – Transfer to City, Governmental Use. This property will be developed as a Public Park consistent with the SilverRock Specific Plan when funding is available.

ATTACHMENTS

Appendix 1: Public Right of Way Transfer Staff Report (3 pages)
Appendix 2: SilverRock Golf Course Management Agreement (62 pages)
Appendix 3: SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement (29 pages)
Appendix 4: SilverRock Domestic Water and Sanitation System Installation and Irrigation Service Agreement (70 pages)
Appendix 5: SilverRock Specific Plan (70 pages)

Appendix 1: Public Right of Way Transfer Staff Report (3 pages)

City of La Quinta

COUNCIL/RDA MEETING DATE: October 6, 2009

AGENDA CATEGORY:

BUSINESS SESSION: ____

CONSENT CALENDAR: 8

STUDY SESSION: ____

PUBLIC HEARING: ____

_____: ____

ITEM TITLE: Approval of the Transfer of Ten Parcels of Land from the La Quinta Redevelopment Agency to the City of La Quinta and Authorize the City Manager to Execute the Certificate of Acceptance (APNs 604-040-057, 604-470-001, 770-184-001, 773-101-001, 002, 769-083-007, 008, 009), Lots E, F, G, H, and I of Parcel Map 31116, and Lot D of Parcel Map 33588)

RECOMMENDATION:

Approve the transfer of ten properties from the Redevelopment Agency to the City and authorize the City Attorney to prepare and the City Manger to execute the Certificates of Acceptance.

FISCAL IMPLICATIONS:

None at this time. All operation and maintenance costs are currently in the City Budget.

CHARTER CITY IMPLICATIONS:

None.

BACKGROUND AND OVERVIEW:

Staff has been in the process of cataloging Agency and City property. In reviewing the Agency-owned properties, staff determined that a number of parcels should be transferred to the City for on-going operation, maintenance purposes, and future disposition. Attachment 1 is a map identifying the location of the parcels.

These properties are described as follows: the Pioneer Park within the Centre Pointe project (APN 604-040-057) (Map #1); the La Quinta Community Park (APN 604-470-001) (Map #2) on Westward Ho Drive and Adams Street; that portion of Fritz Burns Park (770-184-001) (Map #3) acquired in the Avenue 52 realignment; and the La Quinta Museum (APN 773-101-001, 002) (Map #4). These parcels should be transferred to the City for operation and maintenance.

Two landscaped lots, Lots E, F, G, H, and I of Parcel Map 31116-Centre Pointe (Map #5), and Lot D of Parcel Map 33588-Stamko Development Co. (Map #6), were not transferred to the City by the County when the Parcel Maps were recorded. The maps stipulated the lots were to be deeded to the City; in speaking with the County Recorders Office, it was an oversight during the map recording. Staff is therefore requesting authorization to make the transfer for on-going maintenance purposes.

In addition, there are three lots (APNs 769-083-007, 008, 009) (Map #7-9) that are part of the Senior Center and Library complex that should be included in this transfer for future disposition of the land.

Funding sources for the original purchase of the above properties are as follows: 1) the La Quinta Community Park and Pioneer Park were purchased with Capital Project Fund-Project Area No. 2 non-housing funds and 1995 Low-Mod Income Housing Bond Proceeds respectively; 2) the addition to Fritz Burns Park was purchased with Capital Project Fund-Project Area No. 1 Non-Housing Tax Increment Funds; 3) the Museum was purchased with Project Area No. 1 Non-Housing Tax Increment Funds; and 4) the three lots on Main Street/Avenida La Fonda were purchased with Capital Project Fund-Project Area No. 1 Non-Housing Funds

FINDINGS AND ALTERNATIVES:

The alternatives available to the Agency Board include:

1. Approve the transfer of ten properties from the Redevelopment Agency to the City and authorize the City Attorney to prepare and the City Manger to execute the Certificate of Acceptance; or

2. Do not approve the transfer; or

3. Provide staff with alternative direction.

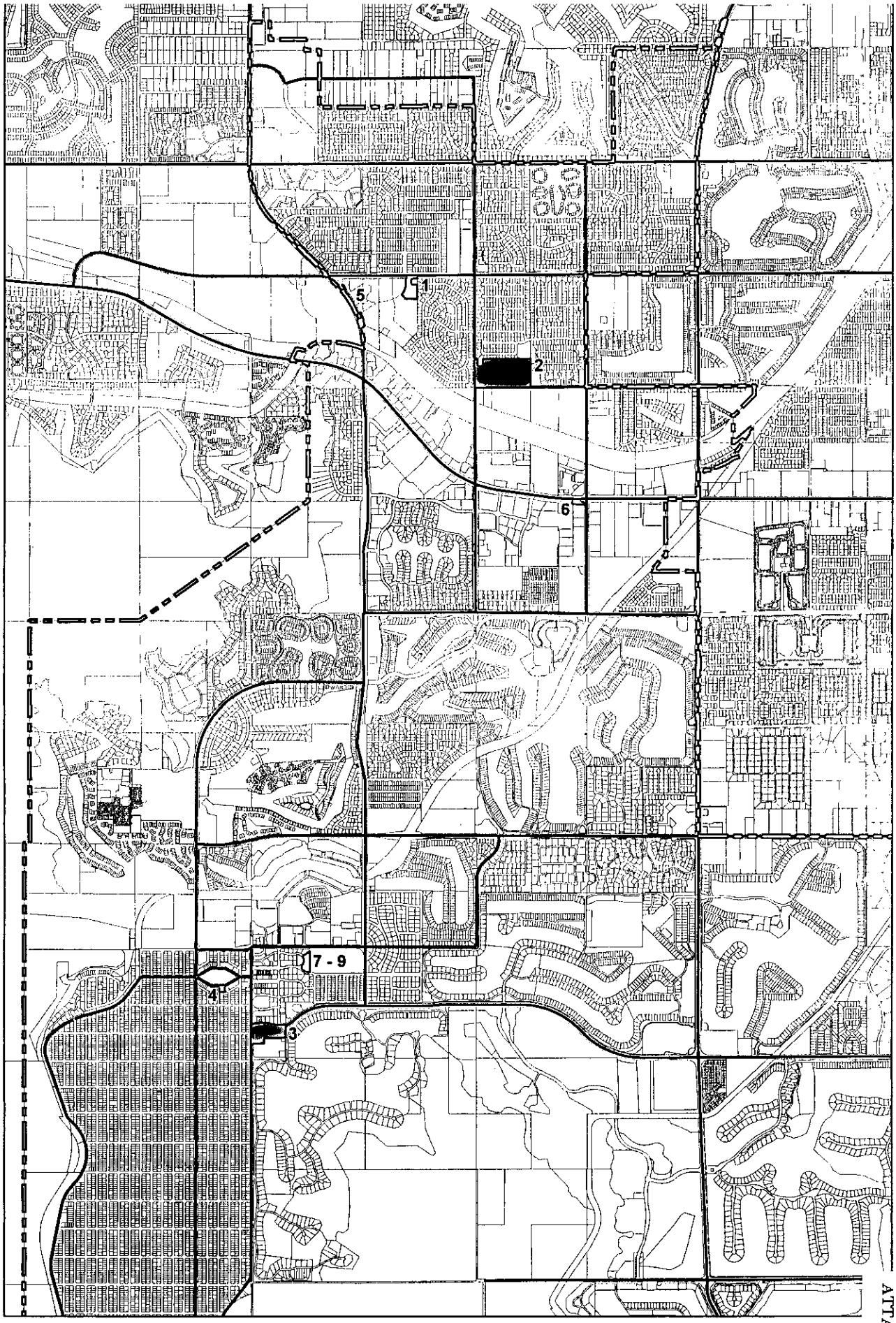
Respectfully submitted,

Douglas R. Evans
Assistant City Manager – Development Services

Approved for submission by:

Thomas P. Genovese, City Manager

Attachment: 1. Vicinity Map



City of La Quinta

Redevelopment Agency-owned Properties (as of April, 2009)

087

ATTACHMENT 1

Appendix 2: SilverRock Golf Course Management Agreement (62 pages)

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GOLF COURSE MANAGEMENT AGREEMENT

BY AND BETWEEN

CITY OF LA QUINTA

AND

LANDMARK GOLF MANAGEMENT, LLC

GOLF COURSE MANAGEMENT AGREEMENT

THIS GOLF COURSE MANAGEMENT AGREEMENT ("Agreement") is made and entered into this 1st day of July, 2013 ("Effective Date") by and between the CITY OF LA QUINTA, a municipal corporation ("City"), and Landmark Golf Management, LLC, a California limited liability company ("Manager").

RECITALS

Whereas, the City is responsible for the development and operation of the SilverRock Golf Course, located in the City of La Quinta, California, consisting of an initial 18-hole golf course, a driving range, clubhouse, pro shop, and maintenance facility (collectively, the "Golf Course"); and

Whereas, the City desires to utilize the services of Manager to manage the Golf Course operations upon the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, City and Manager hereby agree as follows:

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the respective meanings indicated below:

1.1 Annual Plan. The Annual Plan is as described in Section 3.2.

1.2 Capital Improvement Fund. The funds to be held by the City pursuant to Section 3.10.1.

1.3 Capital Improvements. Any alteration, addition, improvement, repair, replacement, rebuilding, or renovation to the Golf Course which exceeds a cost of Two Thousand Five Hundred Dollars ($2,500.00).

1.4 City. The City of La Quinta, a municipal corporation.

1.5 City Council. The City Council of the City of La Quinta.

1.6 City Manager. The person holding the position of City Manager of the City, or his or her authorized designee, including but not limited to the Project Manager.

1.7 Intentionally Omitted.

1.8 Cost of Sales. All monies expended by Manager for the purchase of

consumable items at the Golf Course, including but not limited to food and beverages (including liquor) and Pro Shop merchandise adjusted for beginning inventories, ending inventories, sales returns, and allowance of such items.

1.9 Employee Compensation. The direct salaries and wages paid to or accruing for the benefit of the management staff and all other persons employed by Manager at the Golf Course, together with all fringe benefits payable to or accruing for the benefit of such employees, including employer's contribution under the Federal Insurance Contributions Act ("FICA"), unemployment compensation, or other employment taxes, pension fund contributions, worker's compensation, group life and accident and health insurance premiums, profit sharing, retirement, disability and other similar benefits, as determined by Manager and as set forth in the approved Annual Plan.

1.10 Furnishings and Equipment. All furniture, furnishings, trade fixtures, apparatus and equipment, including without limitation course maintenance vehicles and equipment, golf carts, driving range pickers and pullers, mats, range ball baskets, cash registers, rental golf clubs and bags, ball washers, benches, uniforms, kitchen equipment, appliances, china, glassware, silverware, office equipment, computers, copy machines, facsimile machines, telephone systems, and other personal property used in or held in storage for use in the operation of the Golf Course, other than "Operating Inventory," as defined in Section 1.22.

1.11 Golf Course Expenses. The total of (a) all expenses specifically identified as "Golf Course Expenses" in this Agreement; and (b) those expenses which if assumed by Manager would be inconsistent with the role of a Golf Course Manager, provided that any such unplanned expense not included in the Annual Plan which exceeds Ten Thousand Dollars ($10,000.00) must have prior written approval from the City Manager, and are subject to the expenditure limits set forth in Section 3.2.2. Golf Course Expenses shall not include any expenses of Manager's corporate office, or any services rendered by Manager's corporate offices for or to the Golf Course or the management thereof, or the compensation of any corporate or regional employee of Manager.

1.12 Golf Course Operations and Maintenance Evaluation Form. The form, attached to this Agreement as Exhibit "B", to be used to evaluate Manager's adherence to the Golf Course Operations and Maintenance Standards.

1.13 Golf Course Operations and Maintenance Standards. Those maintenance standards set forth in Exhibit "A" to this Agreement which may be modified from time to time by mutual written agreement of the City Manager and Manager's representative identified in Section 11.1

1.14 Gross Revenues. For the purposes of this Agreement, the term "Gross Revenues" means, except as provided below, all money received as a result of the operation of the Golf Course and the sale of goods and services at the Golf Course,

determined on an accrual basis in accordance with generally accepted accounting principles consistently applied. By way of example, and without limitation, Gross Revenues shall include all green fees; rental fees for golf carts, golf clubs and bags, and other rental items; bag storage fees; range balls; reservation fees; fees for golf handicap service; rental and concession payments; revenue generated from space rentals and from meetings, banquets, parties, receptions, tournaments, and other group gatherings; golf instruction fees; revenues from golf schools; proceeds from business interruption insurance; and Resident Cards. Gross Revenues shall be reduced by any cash refunds or credits allowed on returns by customers.

Gross Revenues shall not include the following:

(a) Sales taxes, excise taxes, gross receipts taxes, and other similar taxes now or later imposed upon the sale of food, beverages, merchandise or services and paid to the appropriate taxing authority, whether added to or included in the selling price;

(b) Receipts in the form of refunds from, or the value of merchandise, supplies or equipment returned to, shippers, suppliers, or manufacturers;

(c) The amount of any gratuities paid or given by customers to Golf Course employees;

(d) Gross receipts received by licensees or concessionaires, except to the extent any portion of such receipts is received by the Golf Course;

(e) Proceeds of insurance other than business interruption insurance or similar types of insurance;

(f) Receipts from public telephones and vending machines, except to the extent of commissions paid to Manager or City;

(g) Proceeds of any borrowings by Manager or City;

(h) Any amount received by Manager in connection with any claim, demand, or lawsuit, except when such amount is for (i) interruption or loss of Golf Course business, or (ii) punitive damages relating to conduct occurring at the Golf Course; and

(i) Any additional funds provided by the City for, or paid by the City for, any Golf Course purpose.

1.15 Impositions. All taxes and assessments (including without limitation real property taxes and assessments, possessory interest taxes, and personal property taxes), water, sewer or other similar rents, rates and charges, levies, license fees, permit fees, inspection fees and other authorization fees and charges, which at any

time may be assessed, levied, confirmed or imposed on the Golf Course or the operation of the Golf Course.

1.16 Index. The Consumer Price Index for All Urban Consumers for Los Angeles - Anaheim - Riverside (1982-84 equals 100) as published by the United States Department of Labor, Bureau of Labor Statistics.

1.17 Insurance Requirements. All requirements of each insurance policy, and all orders, rules, regulations and other requirements of the City and of National Board of Fire Underwriters (or any other body exercising similar functions), applicable to the Golf Course or the operation of the Golf Course.

1.18 La Quinta Resident. Residency is determined by a person's primary residence according to the California Vehicle Code, Section 1205 or proof of ownership of a residential dwelling in La Quinta as supported by a Riverside County Tax Assessor record, as defined in Resolution 2004-137 adopted by La Quinta City Council on November 16, 2004.

1.19 Legal Requirements. All laws, statutes, ordinances, orders, rules, regulations, permits, licenses, authorizations, directives and requirements of governments and governmental authorities, which now or hereafter may be applicable to the Golf Course or the operation of the Golf Course.

1.20 Manager. Landmark Golf Management, LLC, a California limited liability corporation.

1.21 Notice of Golf Course Deficiency. The form attached to this Agreement as Exhibit "C" to be used to notify Manager of Deficiency Items (as that term is defined in Section 3.8.1).

1.22 Operating Inventory. Consumable items used in or held in storage for use in the operation of the Golf Course, including scorecards and cart tickets, driving range balls, golf pro shop merchandise, food and beverage inventory, kitchen supplies, paper and plastic ware, locker room and bathroom supplies, towels, fuel, cleaning materials, fertilizers, pesticides, seed, maintenance parts and supplies, office supplies, and other similar items all of which shall be deemed the property of the City at all times and under all circumstances.

1.23 Operating Year. An Operating Year shall be a twelve (12) month period during the term of this Agreement commencing on July 1 and continuing through and including the following June 30.

1.24 Project Manager. The individual designated by the City Manager to serve as the "Project Manager" pursuant to Section 11.1, or his or her authorized designee.

1.25 Weekends. The period commencing at 12:01 a.m. Friday and ending at

11:59 p.m. on Sunday.

2.0 TERM OF AGREEMENT

2.1 Effective Date; Term. City is contracting with Manager, pursuant to this Agreement, for provision by Manager of Golf Course management services. This Agreement shall be effective on the Effective Date set forth in the preamble, which date shall be the beginning of the "Management Term" set forth in Section 2.2.

2.2 Management Term. The Management Term shall commence July 1, 2013. The Management Term and this Agreement shall end on the date that is the fifth (5th) anniversary (June 30) of the Management Term Commencement Date provided, however, the Management Term may be terminated by the City, in its sole discretion, without penalty or cause at the end of the third year of the Management Term if such earlier termination is deemed necessary in the reasonable opinion of Bond Counsel to maintain the tax exempt status of municipal bonds issued to fund a portion of the Golf Course pursuant to Section 1.141-3(b)(4) of the Regulations promulgated pursuant to the Internal Revenue Code of 1986, as amended, Revenue Proclamation 97-13, Revenue Proclamation 2001-31 and other relevant statutes, regulations and proclamations.

3.0 GOLF COURSE OPERATIONS AND MANAGEMENT

3.1 Management of the Golf Course by Manager. City hereby contracts with Manager, during the Management Term, to manage and operate the Golf Course pursuant to the terms of this Agreement, and Manager agrees it shall manage and operate the Golf Course in such manner. Subject to the terms of this Agreement, Manager shall have authority and responsibility to: (a) implement the policies and standards for the Golf Course as determined by the City; (b) manage and supervise all day-to-day operations of the Golf Course including starting, course marshals, pro shop, building and course maintenance, security, cart rental, driving range, food and beverage service, golf instruction, and administration/management; (c) subject to Section 3.5.2, set, from time to time, fees and charges for other uses and items charged to Golf Course customers, provided that such fees and charges shall be competitive with fees and charges imposed or charged by comparable golf courses in The Coachella Valley; (d) hire, train, and supervise all employees required to carry out Manager's responsibilities, including without limitation the General Manager and Golf Course Superintendent; (e) acquire all goods and services necessary to carry out Manager's responsibilities; (f) acquire all necessary licenses and permits for the operation of the Golf Course including related to food preparation and alcoholic beverages; (g) manage all course reservations, tee times, and tournaments; (h) manage all marketing and promotional activities and customer service relations; (i) manage accounting and payroll procedures and functions; and (j) prepare such annual and other plans and reports as set forth in this Agreement. City agrees it shall cooperate with Manager to permit and assist Manager to carry out its duties under this Agreement.

3.2 Annual Plan.

3.2.1 Preparation and Approval. Manager shall submit to the City Manager, annually on or before April 1 of each year, the Annual Plan for the Golf Course for the next Operating Year ("Annual Plan"). The Annual Plan shall include a monthly operating budget containing bona fide good faith estimates of all Golf Course Expenses for the next Operating Year, including expenditures for (a) property operation and maintenance, (b) repairs, replacements, and alterations which do not constitute Capital Improvements, (c) Furnishings and Equipment and Operating Inventory, (d) salaries, and (e) advertising, sales, and business promotion. The Annual Plan shall also include the course maintenance plan and the marketing and business plan for the Golf Course for the next Operating Year. The parties agree that they shall use their best efforts to limit the increase in total Golf Course Expenses during the term of this Agreement to the increase in the Index. Any increase in excess of the increase in the Index shall be thoroughly documented in the Annual Plan. The parties understand that, as provided in Section 3.10 of this Agreement, recommendations and budgets for Capital Improvements will be treated separately and will not form part of the Annual Plan. The Annual Plan shall be subject to the prior written approval of the City Council. The Project Manager and City Manager agree to examine each Annual Plan submitted by Manager and to work with Manager to develop an Annual Plan that can be forwarded to the City Council with a positive recommendation from the Project Manager and City Manager; provided, however, that Manager is not required to obtain the approval of the Project Manager and City Manager before submitting the Annual Plan to the City Council. It is contemplated by the parties that the Annual Plan will be agreed upon by Manager and City Council not later than sixty (60) days following delivery of the Annual Plan by Manager to the City Council. If the City Council fails to either approve the Annual Plan within said 60-day period or to advise Manager in writing of its objections to the Annual Plan within such period, then the City Council shall be deemed to have disapproved the Annual Plan as submitted.

In the event that the City Council fails to approve the Annual Plan, pending the resolution of such dispute, Manager shall continue to manage and operate the Golf Course in accordance with the standards set forth in this Agreement at a level of expenditures comparable to those of the preceding Annual Plan multiplied by the Index percentage. This Index Percentage shall apply to actual Golf Course Expenses, and shall neither include any expenditure not authorized as a Golf Course Expense pursuant to this Agreement nor the Management Fee.

3.2.2 Compliance. Manager shall comply with the applicable Annual Plan. Without the prior written consent of City Manager (which consent shall not be unreasonably withheld), the actual amount expended per any calendar quarter for Golf Course Expenses shall not be greater than ten percent (10%) higher than the amount budgeted for that calendar quarter in the Annual Plan. Any expenditure made by City and/or Manager Golf Course Expenses in excess of 110% of the amount budgeted for that calendar quarter in the Annual Plan shall constitute a material breach of this Agreement by Manager unless prior approved by the City Manager. In addition, and as a separate material obligation, without the prior written consent of City Manager (which consent shall not be unreasonably withheld), the actual amount expended per any fiscal year for Golf Course Expenses shall not be greater than two percent (2%) higher than the amount budgeted for that fiscal year in the Annual Plan. Any expenditure made on Golf Course Expenses in excess of 102% of the amount budgeted for that fiscal year in the Annual Plan shall constitute a material breach of this Agreement by Manager unless prior approved by the City Manager. Notwithstanding the foregoing sentence, Manager shall be entitled to make additional expenditures not authorized under the then applicable Annual Plan in the event of an emergency or in order to comply with any applicable Insurance Requirements or Legal Requirements.

3.2.3 Monthly Review of Monthly Financial Report (P&L). The City Manager or designee and the General Manager of the Golf Course shall meet and discuss the operating results of the P&L. Manager shall provide, in writing, an explanation for variances from the approved Annual Plan by revenue and expense categories of at least One Thousand Dollars ($1,000) and that are greater than Ten Percent (10%) of the budgeted amount. Neither City nor Manager shall be under legal obligation to approve any modifications to the Annual Plan. Any material amendments or revisions to the Annual Plan shall require the prior approval of the City Council.

3.3 Responsibilities of Manager. Without in any way limiting Manager's right to manage and operate the Golf Course in accordance with the terms of this Agreement, Manager shall, in addition to other obligations and responsibilities set forth in this Agreement, perform the following services, or cause the same to be performed for the Golf Course, and all expenditures of Manager and costs and expenses incurred by Manager in performing these services, including the "Management Fees" (as defined in Section 4.1) shall be Golf Course Expenses:

(a) consummate arrangements with concessionaires, licensees, tenants, or other intended users of the Golf Course;

(b) enter into such contracts for the furnishing of utilities and maintenance and other services to the Golf Course, subject to Section 3.6;

(c) make all repairs, decorations, replacements, additions, revisions, alterations and improvements to the Golf Course as shall be reasonably necessary for maintenance of the Golf Course in good order, condition and repair, subject to the terms of this Agreement;

(d) incur such expenses as shall be necessary for the proper operation and maintenance of the Golf Course, including without limitation rental expenses for leased Furnishings and Equipment pursuant to the Golf Course Maintenance Standards;

(e) assist the City in determining and obtaining the Inventory for Golf Pro Shop and then maintain a level of Operating Inventory deemed appropriate by Manager for supplying the needs of the Golf Course and its customers;

(f) apply for, and use its best efforts to obtain and maintain, all licenses and permits required of Manager in connection with the operation and management of the Golf Course; and City agrees to execute any and all applications and such other documents as shall be reasonably required and to otherwise cooperate, in all reasonable respects, with Manager in the application for, and obtaining and maintenance of, such licenses and permits;

(g) use its best efforts to do, or cause to be done, all such acts and things in and about the Golf Course as shall be reasonably necessary to comply with all Insurance Requirements and Legal Requirements;

(h) pay all Impositions (including but not limited to any sales and/or use tax resulting from the performance of Manager consistent with this Agreement) and insurance premiums when due;

(i) implement a marketing, advertising, and promotional plan for the Golf Course;

(j) purchase Furnishings and Equipment necessary to operate and maintain the Golf Course in the manner provided in this Agreement;

(k) maintain the landscaping within the boundaries of the Golf Course; and

(l) defend and settle claims, lawsuits, and demands relating to the Golf Course and Golf Course personnel (as further provided in and subject to Section 3.12 below), and retain legal counsel (and pay legal fees and costs) who under the direction of Manager will represent City, Manager, and the Golf Course on all questions relating to Legal Requirements, will defend any claims or actions brought against Manager or City relating to the Golf Course or Golf Course personnel, and will institute and defend any and all legal actions or proceedings as shall be reasonably necessary to collect charges,

rent or other income for the Golf Course to dispossess tenants or other persons in possession from all or any portion of the Golf Course, to cancel or terminate any lease, license or concession agreement on the grounds of default by the tenant, licensee, or concessionaire, or to contest property taxes. Manager shall notify City of any claims or a lawsuits relating to the Golf Course within three (3) business days after Manager receives notice of such claims or lawsuits. Any legal fees paid by Manager and charged as a Golf Course Expense shall be for legal services directly related to the Golf Course and shall not include any Manager corporate overhead or administrative fee or charge. The City Manager shall have the right to pre-approve any legal counsel retained by Manager to defend the City, and to approve all legal bills incurred in such defense. Manager shall neither settle nor otherwise resolve any claims or lawsuits without the prior written approval of the City Manager.

3.4 Personnel.

3.4.1 General. Subject to Section 3.4.4, Manager shall employ all of the employees of the Golf Course. Manager shall recruit, hire, train, discharge, promote and supervise the management staff of the Golf Course (i.e., the General Manager, the Golf Course Superintendent, and other key personnel), and Manager shall supervise through the management staff the recruiting, hiring, training, discharge, promotion and work of all other employees of the Golf Course. All employees of the Golf Course shall be bonded, as determined necessary by the City, and properly qualified for their positions. The employee compensation of the management staff and all other Golf Course employees shall be a Golf Course Expense.

3.4.2 Pension and Benefit Plans. Manager shall have the right to provide eligible employees of the Golf Course with pensions and other employee retirement benefits and disability, health and welfare benefits, and other benefit plans now or hereafter available to employees of other golf courses and country clubs operated by Manager, and the allocable share, as set forth in the Annual Plan, of such employee benefits shall be a Golf Course Expense.

3.4.3 Temporary Assignment of Other Manager Personnel. If the position of General Manager, Golf Course Superintendent, or other key management positions of the Golf Course are not filled for whatever reason, Manager may temporarily assign to these positions the staff of other golf courses and country clubs operated by Manager or other qualified Manager staff; provided, however, that said temporary assignment shall not exceed ninety (90) days without the written approval of the City Manager. During such time as these employees are temporarily assigned to the Golf Course, all such employees will be paid their regular Employee Compensation, and the pro-rata share of such Employees' Compensation equal to the actual time

such employees worked at the Golf Course shall be a Golf Course Expense.

3.4.4 Management Staff. The General Manager of the Golf Course shall be responsible for the day to day management and operation of the Golf Course. The name and telephone number (both personal and business) of the General Manager shall be provided, in writing, to the City Manager and shall be current at all times. The General Manager shall be reasonably available during normal working hours to meet with the City Manager. After normal working hours, the General Manager shall be reasonably available to appear at the Golf Course if deemed necessary by the City Manager. The Golf Course Superintendent for the Golf Course shall be certified by the Golf Course Superintendents Association of America. However, the City Manager shall have the right to waive the certification requirements on a case-by-case basis and allow the selection of a qualified superintendent that may not yet be certified. The General Manager shall be a current Class "A" member in good standing of the Professional Golf Association America or the Ladies Professional Golf Association. The City Manager shall have the right to approve the individuals who Manager intends to hire to fill the positions of General Manager and Golf Course Superintendent(regardless of the titles given for such positions by Manager), which approval shall not be unreasonably withheld.

3.5 Specific Operating Procedures. In addition to the more general responsibilities of Manager as manager of the Golf Course as provided in this Article 3.0, Manager shall operate and manage the Golf Course in accordance with the following operating procedures consistent with the approved Annual Plan.

3.5.1 Golf Course Hours of Operation. Except upon the occurrence of the events described in Article 10.0 of this Agreement, the Golf Course shall be operated on a daily basis all year and shall not be closed on holidays. The Golf Course shall be kept open during all hours necessary to adequately serve the public utilizing the Golf Course, except for instances in which scheduled construction and normal maintenance requires temporary closure. The driving range may be open when the Golf Course is closed. The inside food and beverage services of the Golf Course Clubhouse shall be open all year, except as otherwise approved by the City Manager. The permitted hours for food and beverage services in the clubhouse restaurant shall be consistent with similar facilities in the Coachella Valley.

3.5.2 Fees and Charges.

3.5.2.1 Setting of Fees. City Council shall, from time to time, set the amount for fees and charges for greens fees (which shall include use of a golf cart) and the driving range. All other fees, charges, and prices at the Golf Course, including the Pro Shop and the Clubhouse, shall be set by Manager and shall be comparative and competitive

with other first class public golf courses in Riverside County. City shall at all times consult with Manager in setting fees and charges.

3.5.2.2 Resident Green Fee Discount. The City Council has established a "Resident Green Fee Discount," whereby La Quinta residents shall receive a discount on daily play green fees. The City Council shall set the terms and amounts of the resident green fee discount. Manager shall develop all necessary rules and procedures for implementing the Resident Green Fee Discount, which rules and procedures shall be subject to the prior written approval of the City Manager.

3.5.3 Reservation of Golf Rounds. Manager shall establish a system for advance reservations of golf tee times, including a preferential tee time reservation method for residents of the City and guests of hotels/motels/etc. located within the City, as determined by the City Council.

3.5.4 Dress Code. Bathing attire, cut-offs and short shorts, halter tops, tube tops, tank tops, running outfits, and similar types of recreational wear are not considered proper dress on the Golf Course and shall not be permitted. Shirts and shoes shall be worn at all times at the Golf Course. Men's shirts shall have collars and sleeves. This dress code shall apply to all visitors, golfers, and employees, including independent contractors hired by Manager to provide golf instruction, marshalling service, starter service, pro shop or food beverage sales, etc.

3.5.5 Handicap Service. During the Management Term of this Agreement, Manager shall provide at the Golf Course a golf handicap service to both men and women golfers who patronize the Golf Course. The fee charged to golfers by Manager for such handicap service shall be an annual fee and shall not exceed two times the fee charged to the Golf Course by Southern California Golf Association or United States Golf Association, as the case may be, for providing the handicap service. Manager shall not collect annual fees for the handicap service for any annual period that commences after the expiration of the term of this Agreement. The handicap service shall not include as part of its benefits any privileges to use the Golf Course, other than the privileges otherwise available to the general public.

3.5.6 Starter Service and Marshals. Starter services shall be provided and shall include the assignment of tee times and carts and the collection of fees. While the Golf Course is open for play, marshals shall closely monitor and control the speed of play and assist the slower golfers in order to maintain golf play at acceptable levels.

3.5.7 Golf Club Pick-Up. Pick-up and delivery of golf clubs and bags to and from the clubhouse entrance shall be provided when requested by a Golf

Course customer. There shall be no charge to the Golf Course customers for golf club pickup and delivery. Appropriate Golf Course employees may accept gratuities from customers for such services.

3.5.8 Club Cleaning. Golf club cleaning services shall be provided to golfers immediately upon their completion of golf play. There shall be no charge to the golfers for golf club cleaning services. Appropriate Golf Course employees may accept gratuities from golfers for such services.

3.5.9 Tee Times. The tee times for the Golf Course shall be scheduled at no more than eight (8) tee reservation times per hour.

3.5.10 Playing Pace; Fivesome Play. Manager and City agree that fivesome play should be permitted only in unusual circumstances, but when permitted no more than two (2) fivesomes per hour on the Golf Course shall be allowed. The play of all players, including all fivesomes, shall be closely monitored, and the Golf Course marshals shall enforce playing time requirements to maintain a playing pace that insures eight (8) tee times per hour.

3.5.11 Tournaments. Consecutive tee times, shotgun starting formats, and modified shotgun starting formats shall be acceptable forms of reservations for tournaments. During the appropriate seasons and provided the weather conditions permit such an arrangement, when a full shotgun (use of all 18 holes) starting procedure is used, it shall be timed in such a manner so as to potentially accommodate two (2) full shotguns per day—one in the morning and one in the afternoon. Manager shall take all actions necessary to accommodate a scheduled tournament, including but not limited to course preparation, player scorecards, food service, and other customary services reasonably requested by tournament organizers and appropriate for tournament play. Manager may charge additional fees for unusual or special services. Manager shall notify the City in advance of brooking weekend tournaments.

3.5.12 Golf Pro Shop. The Golf Course Pro Shop shall be open every day at the same hours that the Golf Course is open for play unless otherwise approved in writing by City Manager. Manager may employ merchandise sales personnel to work in the Pro Shop when it is open for business. Manager shall evaluate the necessity of engaging a qualified Merchandise Manager for the Pro Shop who would be responsible for promoting and increasing sales at the Pro Shop, and, if necessary, shall employ such a Merchandise Manager. Merchandise that can reasonably be classified as "stale" or "unsellable" may be marked down. No merchandise shall be sold or otherwise alienated at below its cost of acquisition without the prior written approval of the City Manager. If Manager determines that any aged merchandise in the Pro Shop should not be sold, whether on a discounted

basis or otherwise, because of the reputation or image of the Pro Shop, then with the City Manager's approval Manager may purchase with its own funds (and not from the Golf Course Accounts) such merchandise at cost for purposes of selling such merchandise at other golf courses operated by Manager. Space shall be provided in the Pro Shop for merchandise that City may develop as part of its marketing and public relations programs, including but not limited to such items as t-shirts, polo shirts, sun visors, license plate frames, coffee cups, and golf balls. Manager shall perform quarterly inventories of the Pro Shop operating inventory.

3.5.13 Golf Instruction. Manager shall either employ or shall retain as independent contractors golf instructors to provide golf lessons and golf instruction at the Golf Course. All golf instructors must be certified PGA or LPGA golf professionals or apprentices. All golf instruction fees are deemed Gross Revenues and shall be handled as a cash register transaction and reported in the same manner as green fees. Manager shall develop a golf instructional program that will offer individual and group lessons, video instruction, golf clinics, junior golf clinics, and golf schools. A golf professional shall only be allowed to conduct golf lessons at the Golf Course if he or she has first obtained the approval to do so by Manager.

3.5.14 Golf Driving Range. The driving range shall be open during hours of Golf Course operation. Driving range balls shall be of the highest quality, and all cracked and worn range balls shall be removed daily. A fee shall be charged for use of the driving range; provided, however, that at Manager's discretion, a certain amount of driving range balls as determined by Manager may be provided at no additional cost to those golfers who have paid green fees on that day or have purchased instructional lessons.

3.5.15 Golf Club Rentals. Quality rental golf clubs, both left-handed and right-handed, and bags shall be available for rental to customers of the Golf Course at a fee to be determined from time to time by Manager.

3.5.16 Golf Carts. Golf carts shall be provided to all golfers on the Golf Course as part of the green fee. Use of the golf cart by the golfer(s) shall be optional but may be required by Manager or designee if, on a particular day or during part of a particular day, use of golf carts is necessary to maintain satisfactory playing pace or for reasons of safety or other reasons related to the quality of play and maintenance of the Golf Course. Manager shall not permit the use of private golf carts on the Golf Course. Manager shall provide a sufficient number of electrically-powered golf carts to accommodate players. Golf carts shall be new when purchased or leased and shall be manufactured by a reputable firm. Manager shall use GPS systems on the Golf Course, and incorporating such technology as a feature on the golf cart. The entire golf cart fleet shall be replaced with new units at least every five (5) years. A three-year replacement may be appropriate with

a three-year lease agreement. All golf carts shall be 4-wheel vehicles, and shall be equipped with canopies, sand and seed containers, and holders. At the election of the City Manager, Manager shall either (a) employ a full time on-site mechanic who is qualified to repair and maintain the golf carts, or (b) enter into an agreement (with a term not to exceed one (1) year) with a qualified independent golf cart service company approved by the City Manager, provided that in either event the golf carts shall be properly maintained and in sufficient operational condition to assure the full and unhindered availability of the golf course.

An ADA compliant golf cart must be available to eligible golfers within 48 hours notice.

3.5.17 Food and Beverage Operations. The Golf Course shall include a restaurant located in the clubhouse, beverage cart service, and a snack bar which shall be operated in accordance with specifications promulgated by the City. Temporary fixed food stands shall not be installed on the Golf Course except for special events. Manager shall provide a staffed food service and beverage cart for the service of players on the Golf Course during peak hours of operation. Manager shall comply with all requirements of state and local law governing the sale and distribution of alcoholic beverages. Manager shall obtain and maintain all permits from all governmental agencies having jurisdiction for all food and beverage operations at the Golf Course. Manager shall comply with all health law and regulations as existing or as may be established by the federal, state, county, and city governmental agencies. All food service employees shall possess valid food handler cards, and a copy of these cards shall be maintained in the administrative office at the Golf Course. Manager, for all food and beverage employees, shall comply with all applicable codes and regulations as relates to tuberculosis and other health and disease testing as now or hereafter required by applicable law. Prices of food and beverages sold at the Golf Course shall be market rate and competitive with prices charged at comparable first class public golf courses in the Coachella Valley.

3.5.18 Office Operations. Manager shall employ sufficient administrative staff at the Golf Course to permit Manager to competently perform Manager's obligations under this Agreement. Upon City's written request, Manager shall provide the City Manager with a written job description for each management position at the Golf Course. The City Manager shall keep these job descriptions in strict confidence, subject to applicable public records disclosure laws. Manager shall maintain at the Golf Course copies of all Manager corporate policies and procedures, as such may be changed from time to time. Manager shall provide the City with the most recent version of the manager's policies and procedures.

3.5.19 Safety and Security. The Golf Course shall comply with all safety

regulations of federal, state, and local governmental agencies, including without limitation any requirements imposed by California Labor Code Section 6300 et seq, and regulations promulgated with respect thereto, and applicable federal occupational, health, and safety laws and regulations. Manager shall take all reasonable actions to protect the safety of all Golf Course employees and customers. All employees with access to cash receipts shall be bonded pursuant to standards prescribed by the Finance Director. The Golf Course shall maintain appropriate security systems, including video monitoring of cash operations, security alarm systems, motion detection sensors for after-hours control, and locks for the maintenance yard and perimeter gates. The alarm system at the Golf Course shall be tied into an offsite monitoring station. Manager shall keep for thirty (30) days computer recordings for all accounts payable and accounts receivable information. All records at the Golf Course shall be kept in fireproof files.

3.5.20 Customer Evaluation Forms. Forms shall be available to customers of the Golf Course to present their comments or complaints regarding the Golf Course. Completed forms shall be collected on weekly basis and retained by Manager at the Golf Course for not less than one (1) year and made available to City upon request.

3.5.21 Scorecards. Manager shall provide scorecards printed specifically for the Golf Course. The scorecards shall carry the name (and logo) of the Golf Course as directed by the City pursuant to Article 6.0. The scorecards shall, at Manager's option, also include wording stating that the Golf Course is managed by Manager.

3.5.22 Junior Golf Program. Manager shall plan, implement, and supervise a "Junior Golf Program" for elementary school, middle school, junior high school, and high school aged La Quinta residents (i.e., high school-aged and below). The purpose of the Junior Golf Program is to encourage participation in golf, teach golfing skills and course etiquette, and promote competition and sportsmanship. The program shall include incentives for encouraging participation such as non-peak time green fee discounts, free clinics, discounts on golf lessons, use of the facility for La Quinta High School golf team practice/matches, etc. Manager shall incorporate the parameters of the Junior Golf Program as part of the Annual Plan.

3.6 Contracts and Agreements. All leases and financing agreements for Furnishings and Equipment, and all contracts and agreements relating to the operation and maintenance of the Golf Course (including without limitation golf professional contracts, contracts for maintenance and repair services, pest control, supplies, and landscaping services, and agreements for tournaments, banquets, and other group functions), entered into during the term of this Agreement shall be entered into by Manager as the contracting party and approved, as to form,

content, and vendor, by the City. Payments for all approved leases, financing agreements, contracts and otherwise (the "Assumed Agreements") are defined Golf Course Expenses. City agrees, upon expiration or termination of this Agreement, to assume all such agreements it has so approved. In the event that Manager has defaulted on its obligations under any such agreements City shall not be responsible for any scheduled payments due and owing before the termination or expiration of this Agreement and shall only be responsible for any scheduled payments due and owing after the date this Agreement is terminated or expires.

3.7 Alterations to Buildings. Manager shall not make any substantial alterations, additions, or changes to the clubhouse, golf pro shop, maintenance building, or other buildings located at the Golf Course without the prior consent of the City Manager.

3.8 Operations and Maintenance Standards. The parties acknowledge and agree that the Golf Course shall be operated and maintained as a first class golf course. As used herein, "first class golf course" shall mean a golf course comparable to the following golf courses in the Coachella Valley, as they existed on the Effective Date of this Agreement: Westin Mission Hills, Desert Willow, Indian Wells Resort, La Quinta Resort, and PGA West Courses. In addition to all other responsibilities of Manager under this Agreement, Manager agrees that at all times during the term of this Agreement; the Golf Course shall be operated and maintained in accordance with the standards set forth in the Golf Course Operations and Maintenance Standards consistent with the approved Annual Plan. Manager's failure, as measured by the process set forth in sections 3.8.1-3.8.2, to maintain the Golf Course in a manner consistent with this Section shall construe a material breach of this Agreement.

3.8.1 City Inspection and Evaluation. Each month during the term of this Agreement, the City Manager or Agent of the City Manager shall inspect the Golf Course for purposes of compliance with the Golf Course Operations and Maintenance Standards and this Section 3.8. In conducting such inspection and evaluation, the City Manager (or Agent) shall complete the Golf Course Operations and Maintenance Evaluation Form and shall promptly thereafter provide Manager a copy of the completed form or applicable portion thereof. City agrees that the City Manager (or Agent) shall act reasonably and in good faith in making the determination of whether the Golf Course Operations and Maintenance Standards, or applicable portion thereof, have been met. As set forth in Exhibit "B", the Golf Course Operations and Maintenance components shall be rated as "Acceptable," "Needs Improvement," and "Unacceptable." An overall rating using the same scale shall also be determined on a monthly basis. Notwithstanding Manager's obligation to correct Deficiency Items as set forth below and subject to Section 3.8.2 below, Manager shall be in compliance with the Golf Course Operations and Maintenance Standards unless an overall rating is determined to be "Unacceptable." The City Manager's rating of an item as

"Unacceptable" or "Needs Improvement" shall, upon Manager's receipt of the Golf Course Operations and Maintenance Evaluation Form, constitute a Notice of Golf Course Deficiency with respect to the deficient item(s). Within one (1) week after receipt of the Golf Course Operations and Maintenance Evaluation Form, the City Manager and General Manager of the Golf Course, and the Golf Course Superintendent if necessary, shall meet to review the Deficiency Item(s), including the corrective actions Manager intends to take to correct the Deficiency Item(s). Within three (3) working days thereafter, Manager shall complete the "Statement of Corrective Action" detailing the steps it intends to take to correct each Deficiency Item and the time schedule for completion of corrective action and submit the Statement of Corrective Action to the City Manager for written approval. Unless the City Manager states in writing otherwise, all deficiencies shall be corrected within seven (7) working days of the issuance of the Statement of Corrective Action, or if no Statement of Corrective Action is issued or approved by the City Manager, then ten (10) working days from the meeting described above. When a Deficient Item has been satisfactorily corrected in the judgment of the City Manager, the City Manager and the general manager of the Golf Course shall each sign the Notice acknowledging completion of the corrective action. The cost for correcting any Deficiency Item shall be a Golf Course Expense subject to the expenditure limitations set forth in Section 3.2.2.

3.8.2 Results of Manager's Failure to Take Corrective Action. Except as provided in Section 3.8.3 below, if Manager obtains an overall rating of "Unacceptable," or fails to take action to timely correct any Deficiency Item(s), the following shall occur:

(a) If there are two (2) consecutive months in which the Golf Course Operations and Maintenance Evaluation Form indicates that Manager's management of the Golf Course has obtained an overall rating of "Unacceptable," the City shall be entitled to deduct from the Performance Evaluation Deposit described in Section 4.1.1, the amount of Five Thousand Dollars ($5000) per month, and such deduction amount shall be retroactive to the first (1st) of the two (2) consecutive months and shall continue until Manager's management of the Golf Course achieves an overall rating of "Acceptable" as indicated on the Golf Course Maintenance Evaluation Form. In addition, any failure to achieve an overall rating of "Acceptable" for (i) any four (4) months within any single operating year, or (ii) any three (3) consecutive months, shall be considered a material breach of this Agreement entitling City to terminate this Agreement regardless of the deductions that have been made from the Performance Evaluation Deposit.

(b) City shall further be entitled to deduct from the Performance

Evaluation the amount of Two Thousand Dollars ($2,000) per month for each Deficiency Item that is not timely corrected. Such deduction shall be imposed as of the date the Deficiency Item was to have been corrected and shall continue each month thereafter until such Deficiency Item has been corrected as indicated by the signature of the City Manager and General Manager of the Golf Course on the Notice of Golf Course Deficiency as described Section 3.8.1.

The deductions provided for in this Section 3.8.2 shall not be a Golf Course Expense.

3.8.3 Exclusions from Imposition of Deductions. The following items shall be considered exclusions for the purpose of determining whether there have been two (2) consecutive months with overall ratings of "Unacceptable" and for the purpose of determining whether an outstanding Deficiency Item has been timely corrected: (a) any outstanding Deficiency Item that Manager is diligently and timely correcting in accordance with the time schedule jointly agreed to by the City Manager and the General Manager of the Golf Course as provided in Section 3.8.1; (b) any Deficiency Item in which the correction is considered a Capital Improvement but only if and to the extent Manager, in light of its expertise and experience as a manager of first class golf courses, could not have taken reasonable measures to prevent or mitigate the Deficiency Item from occurring; (c) any Deficiency Item that Manager is unable to correct because of the occurrence of a "Force Majeure Event" (as defined in Section 10.3 of this Agreement) but only to the extent Manager, in light of its expertise and experience as a manager of first class golf courses, could not have taken reasonable measures to prevent or mitigate the Force Majeure Event; and (d) any Deficiency Item that Manager is unable to correct due to City's failure to provide sufficient funds to effect such correction in the Annual Plan, provided, however, the City shall be under no obligation to amend the Annual Plan.

3.8.4 Acknowledgement of Parties Concerning Deductions. THE PARTIES HERETO AGREE THAT THE $2,000.00 PER MONTH AND $5,000.00 PER MONTH DEDUCTIONS FROM THE PERFORMANCE EVALUATION DEPOSIT REFERENCED ABOVE CONSTITUTE A REASONABLE APPROXIMATION OF THE ACTUAL DAMAGES THAT THE CITY WOULD SUFFER DUE TO A FAILURE BY MANAGER TO ADHERE TO THE REQUIRED PERFORMANCE LEVEL, CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE EFFECTIVE DATE OF THIS AGREEMENT, INCLUDING THE RELATIONSHIP OF THE CHARGES TO THE RANGE OF HARM TO CITY THAT REASONABLY COULD BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT. THE AUTHORITY OF THE CITY TO EFFECT SUCH DEDUCTIONS SHALL NOT LIMIT THE CITY'S TERMINATION RIGHTS AS SET FORTH IN THIS AGREEMENT. IN PLACING ITS INITIALS AT THE PLACES PROVIDED

HEREIN BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY HAS BEEN REPRESENTED BY COUNSEL WHO HAS EXPLAINED THE CONSEQUENCES OF THE DEDUCTION PROVISIONS AT OR PRIOR TO THE TIME EACH EXECUTED THIS AGREEMENT.

MANAGER	CITY

3.8.5 Performance Evaluation Deposit. Not later than commencement of the Management Term, and as a condition to commencement of the Management Term, Manager shall deposit with City in cash the sum of Twenty-Five Thousand Dollars ($25,000) as security for the performance of Manager's obligations pursuant to this Section 3.8 ("Performance Evaluation Deposit"). The Performance Evaluation Deposit shall not be a Golf Course Expense. In the event of failure of Manager to timely correct Deficiency Items as provided in this Section 3.8, the City Manager shall have the authority to deduct from the Performance Evaluation Deposit the amounts set forth in Section 3.8.2. In the event City is required to make deductions from the Performance Evaluation Deposit, Manager shall promptly, upon written request therefor by City, submit such additional cash amounts to City as is required in order to maintain the Performance Evaluation Deposit at the Twenty-Five Thousand Dollar ($25,000) level.

3.9 Manager Purchases. In connection with any purchases made by Manager, or any related entity or person, for the account of City, it is understood that Manager may perform services as a representative of the manufacturer to secure the benefits of lower costs, and that any resulting savings shall be passed on to City, including representatives' fees. In addition, all trade discounts, rebates and refunds pertaining directly or indirectly to purchases for the Golf Course shall accrue to the benefit of City. All property, real, personal, or otherwise, so purchased by Manager shall be the property of the City.

3.10 Capital Improvements.

3.10.1 Capital Improvement Funds. City shall deposit monthly from the Golf Course Accounts an amount equal to two percent (2%) ("Capital Improvement Fund Percentage") of that portion of the Gross Revenues for the previous month attributed to green fees ("Capital Improvement Funds"). City shall establish and maintain a separate reserve account for the Capital Improvement Funds and these Capital Improvement Funds shall be used for the purposes described in this Agreement. The parties hereby acknowledge and agree that the Capital Improvement Funds shall belong to City, and City shall have complete control over the Capital Improvement Funds. The parties hereby agree that prior to each Operating Year, in connection with the preparation and approval of the "Capital Improvement Plan" as described

in Section 3.10.2 below, the parties shall discuss whether the Capital Improvement Fund Percentage should be changed. Any decision to change the Capital Improvement Fund Percentage shall be in the sole discretion of City Manager, and in making such decision City Manager shall consider such factors as the amount of Capital Improvement Funds currently available and the projected capital improvement requirements of the Golf Course. In no event, however, shall the Capital Improvement Fund Percentage be increased in excess of two percent (2%) except with the written approval of the City Council.

3.10.2 Capital Improvement Plans. During the Management Term, Manager shall submit on or before April 1 of each year, a "Capital Improvement Plan" for the Golf Course for the next Operating Year, which shall include Manager's recommendation of Capital Improvement projects for the next Operating Year, estimated costs of such Capital Improvement projects.

3.10.3 Implementation of Capital Improvement Projects. The parties acknowledge and agree that all Capital Improvement projects are in City's sole control and discretion, and all costs and expenses of Capital Improvement projects shall be paid from the Capital Improvement Funds or from other City funds. The costs and expenses of Capital Improvement projects shall not be considered Golf Course Expenses. The parties acknowledge and agree that this Agreement imposes no responsibilities or obligations on the part of Manager with respect to any aspect of a Capital Improvement project, including design, construction or supervision. In the event City desires Manager to be involved in any capacity in a Capital Improvement project, the City Manager shall be authorized to enter into a separate agreement with Manager setting forth the terms and conditions of such involvement, including without limitation fees to be received by Manager for such involvement.

3.11 Insurance During Management Term.

3.11.1 Coverage. Manager agrees to procure and maintain, during the Management Term, as a Golf Course Expense, at a minimum the following insurance:

(a) insurance on the contents of the buildings located at the Golf Course and other personal property located at the Golf Course which contents and personal property are owned or leased by Manager, against loss or damage by fire, lightning and/or any other perils insurable under the form of "all risk" coverage then available (including specifically irrigation and/or sprinkler system leakage damage, vandalism and malicious mischief, if available), in an amount not less than the lesser of (i) the actual replacement cost of the contents and personal property, or (ii) Five Million Dollars ($5,000,000.00);

provided, however, the parties may agree in writing to such other minimum amount. City shall be named as a loss payee. The parties agree that Manager shall not be responsible for procuring or maintaining "all risk" insurance coverage on the buildings, structures, or other improvements located at the Golf Course and the contents and personal property owned by City, and City shall either procure or maintain such insurance coverage or shall self-insure for such risks.

(b) business interruption insurance, in an amount equal to the annual value of lost business, as determined by the City and Manager, and as required by or pursuant to any "City Financing" (as that term is defined in Section 11.21), covering actual losses sustained due to (i) fire, lightning, and other perils insurable under the form of "all risk" coverage then available (including specifically irrigation and/or sprinkler system leakage damage, vandalism, and malicious mischief, if available) or (ii) the routine or extraordinary maintenance of, or any failure of, any pipes or facilities located above or beneath the surface of the Golf Course. City shall be named as a loss payee to the extent of the City's interests under this Agreement which interests include, without limitation, the Financing.

(c) comprehensive public liability insurance, including without limitation bodily injury, personal injury, property damage, products liability, contractual liability covering the provisions of this Agreement, and liquor liability, in an amount not less than Ten Million Dollars ($10,000,000.00) single limit per occurrence. City, and its officers, officials, employees, agents, representatives, and volunteers (collectively, "City Personnel"), shall be named as an additional insureds.

(d) automobile liability and garage keeper's liability insurance in an amount not less than Ten Million Dollars ($10,000,000.00) single limit per occurrence. City and City Personnel shall be named as additional insureds.

(e) workers compensation insurance covering all Golf Course employees who are Manager's employees in an amount as required by law, and employer's liability insurance in an amount not less than One Million Dollars ($1,000,000.00) or as required by law covering all Golf Course employees who are Manager's employees.

Manager shall have the right to increase (but not to decrease without the prior written consent of the City Manager) the minimum amount of any insurance to be maintained by Manager with respect to the Golf Course under this Section in order to make such coverage comparable to the amount of insurance carried with respect to other golf courses and country clubs

operated by Manager, taking into account the size, character and location of the Golf Course. The types of insurance and the coverage amounts specified in this Section are the requirements of City in connection with the operation of the Golf Course. City acknowledges and understands that Manager has made no representations or warranties that such insurance is adequate to protect City. Any losses, damages, liability, or expenses that are not required to be covered by any of the insurance specified in this Section shall be a Golf Course Expense. In its sole discretion, City may elect to procure and maintain at one or more times and from time to time, some or all of the policies of insurance set forth in subparagraphs (a), (b), (c), and (d) above that Manager is required to procure and maintain, and in such case City shall notify Manager in writing (i) that Manager is temporarily relieved from the obligation of procuring and maintaining the policy(ies) of insurance specified by City in its written notice to Manager, and (ii) of the period of time during which Manager's obligation to procure and maintain the policy(ies) specified in City's written notice is suspended.

3.11.2 Policies and Endorsements.

3.11.2.1 Policies. All insurance coverages required under this Section 3.11, shall be secured through policies issued by insurance companies of good reputation and of sound and adequate financial responsibility having a general policy holder's rating of not less than "A" and a financial rating of not less than Class VIII in the most current edition of Best's Rating Guide, unless such requirements are waived in writing by the City Manager. Such insurance companies shall be qualified to do business and in good standing in California. Prior to the Effective Date, Manager shall deliver to City certificates of insurance with respect to all of the policies of insurance required to be procured and maintained by Manager pursuant to this Section 3.11, and the City Manager shall have approved such certificates of insurance. In the case of insurance about to expire, Manager shall deliver to the City Manager certificates of insurance with respect to renewal policies not less than thirty (30) days prior to the respective dates of expiration. All certificates of insurance shall be signed by a person authorized by the insurance company to bind coverage on its behalf. In the event any subcontractors perform work for Manager under this Agreement, Manager shall include such subcontractors as insureds under the policies of insurance to be maintained by Manager pursuant to this Section 3.11, or in the alternative, Manager shall obtain from such subcontractors separate certificates of insurance that satisfy the requirements of this Section 3.11 unless otherwise waived by the City Manager. Neither the procuring of insurance by Manager pursuant to this Section 3.11, nor the delivery by Manager to City of certificates of insurance evidencing such insurance coverages, shall be construed as a limitation of Manager's indemnity obligations under Section

11.2.1.

3.11.2.2 Endorsements. All policies of insurance to be maintained by Manager pursuant to this Section 3.11 shall have attached an endorsement that such policy shall not be canceled or materially changed without at least thirty (30) days prior written notice to City by certified mail, return receipt requested. In addition, Manager shall also provide to City the required 30-day prior written notice in the manner set forth in this Section 3.11.

3.11.3 Blanket Policies. Any insurance policies provided by Manager under this Section 3.11 may be affected under policies of blanket insurance which cover other properties in addition to the Golf Course, and in such case an allocable portion of the premiums for such blanket policies of insurance shall be considered a Golf Course Expense.

3.11.4 Workers Compensation Insurance. Not later than the Effective Date, and as a condition to the effectiveness of this Agreement, Manager shall deliver to the City Manager a certificate of workers compensation insurance indicating that such insurance complies with all requirements of California law. This certificate shall provide that such policy shall not be canceled or materially changed without at least thirty (30) days prior written notice to City by certified mail return receipt requested. Manager shall require all subcontractors performing work for Manager under this Agreement to maintain workers compensation insurance covering such subcontractors' employees. Prior to the Effective Date, Manager shall file with the City Manager the following signed certification:

> "The undersigned is aware of and will comply with, Divisions 4 and 5 of the California Labor Code by securing, paying for, and maintaining in full force and effect for the duration of the Agreement, complete workers compensation insurance, and shall furnish a certificate of insurance to City prior to the commencement of the term of the Agreement."

City and City Personnel shall not be responsible for any claims in law or equity occasioned by the failure of Manager to comply with this Section 3.11 as it pertain to worker's compensation insurance, or with the provisions of California law relating to workers compensation insurance.

3.11.5 Waiver of Subrogation. Neither Manager nor City shall assert against the other, and Manager and City hereby waive with respect to each other, any claims and rights of recovery for any losses, damages, liability or expenses (including attorneys' fees) incurred or sustained by either of them on account of injury to persons or damage to property arising out of the ownership, operation and maintenance of the Golf Course to the extent that

the same are covered by the insurance required under this Section 3.11. City and Manager hereby grant to each other, on behalf of any insurance company providing insurance covering the Golf Course, a waiver of any right of subrogation which any insurer or party may acquire against the other party by virtue of payment of any loss under any insurance policy. City and Manager shall give notice to the insurance companies providing insurance under this Agreement of the mutual waiver of subrogation contained in this Section 3.11.

3.11.6 Insurance Maintained by Manager. Any insurance maintained by Manager under this Section 3.11 may contain deductible provisions and self-insurance or self-assumption provisions in such amounts as are maintained by Manager for other golf courses of a similar quality level operated by Manager. The parties acknowledge and understand that as of the Effective Date the following applies to insurance maintained by Manager: (a) Five Thousand Dollars ($5000.00) deductible per occurrence for property damage insurance, (b) ZERO Dollars ($0.00) self-insured retention per occurrence for comprehensive public liability insurance, automobile liability insurance, and garage keeper's liability insurance, and (c) ZERO Dollars ($0.00) participation in loss limits (which is comparable to self-insurance) per accident for workers compensation insurance. City understands and agrees that with respect to all policies of insurance required under this Section 3.11, the portion of any claim, loss, or damage subject to a deductible amount or a self-insurance or self-assumption amount shall be a Golf Course Expense. Manager shall notify City in writing at least thirty (30) days prior to any increase in the deductible amount or self-insured or self-assumed amounts for the insurance coverage maintained by Manager under this Section 3.11. The City Manager shall have the right to approve any such increase if the amount of the increase (on a percentage basis) as compared to the deductible amount or self-insured or self-assumed amounts set forth in clauses (a), (b), and (c) above exceeds the percentage increase, if any, of the Index from the Management Term Commencement Date, to the month immediately preceding Manager's notice of the proposed increase.

3.12 Handling of Claims. Manager shall be responsible for handling all claims, demands, and lawsuits for any losses, damages, liability, and expenses (including without limitation personal injury and property damage claims) arising out of the operation and management of the Golf Course ("Claims"), whether or not such Claims are covered by the insurance required under Section 3.11. Handling such Claims shall include without limitation responding to such Claims, investigating such Claims, retaining legal counsel to defend such Claims, settling such Claims, and paying any losses, damages and expenses relating to such Claims. All costs and expenses relating to the handling of such Claims as set forth in the preceding sentence, including without limitation attorneys' fees and costs for Manager's in-house counsel and for outside legal counsel as approved in the Annual Plan or by the City Manager in writing, shall be a Golf Course Expense. The City Manager

shall have the right to approve any legal counsel retained by Manager to defend the City, and to approve all legal bills incurred in such defense.

3.13 Cost of Sales. Manager shall provide an accounting for its Cost of Sales as part of the profit and loss statements to the City required by Section 5.6.

4.0 MANAGER FEES DURING MANAGEMENT TERM

4.1 Forms of Manager Compensation. Manager shall receive as compensation for its services during the Management Term a fixed management fee (the "Management Fee"). The Management Fee is further defined below.

> 4.1.1 Management Fee. Manager shall receive from City a Management Fee in the amount of Ninety-Six Thousand Dollars ($96,000) for Fiscal Year 2013/2014 and Fiscal Year 2014/2015. The Management Fee will increase 4% annually for the third, fourth, and fifth fiscal years. The annual Management Fee shall be payable in arrears in twelve monthly installments, payable by City each month within thirty (30) business days of receipt of an invoice for same from Manager (subject to any extensions as may be required for approval of warrants by the City Council, if applicable).

5.0 ACCOUNTS: WORKING FUNDS; DISBURSEMENT OF FUNDS; RECORDS AND REPORTS

5.1 Golf Course Accounts. City shall establish appropriate bank account(s) for the Golf Course, including for the deposit of all Gross Revenues and other Golf Course revenues and for the Capital Improvement Funds, at a banking institution or institutions selected by the City Manager or City Finance Director, such accounts to be in City's name (the "Golf Course Accounts"). Manager shall deposit on a daily basis in the Golf Course Accounts all monies received from the operation of the Golf Course. Any interest earned on monies in the Golf Course Accounts shall be the property of the City. Manager shall also be entitled to maintain funds in amounts approved by the City Manager or City Finance Director in "cash register banks or in petty cash funds at the Golf Course. Within ten (10) days of commencement of the Management Term, the City, shall advance Two Hundred Fifty Thousand Dollars ($250,000.00) to Manager (the "Advance"), to pay expenses for the first month of Golf Course operations. Manager shall deposit the Advance in a bank account at a bank and upon terms and conditions approved by the City Finance Director (the "Advance Account"). Manager shall be responsible for the payment of those Golf Course Expenses identified in Section 5.2.1(a) as incurred in accordance with the monthly operating budgets set forth in the approved Annual Plan but only to the extent funds have been made available by the City. Manager shall invoice the City for repayment of Golf Course Expenses paid from the Advance or the Advance Account on or before the 1st and 15th of each month. Manager may use the Advance as necessary to pay any Golf Course Expenses authorized under this Agreement to be paid by Manager and required to

be paid, until Manager has received reimbursement from the City. Upon receipt of payment from the City, Manager shall replenish the Advance to its full amount. All Golf Course funds held by Manager, whether the Advance or monies held by Manager in "cash register banks" or petty cash funds at the Golf Course shall be owned by City.

5.2 Payment of Golf Course Expenses.

5.2.1 Payment of Certain Golf Course Expenses by Manager.

(a) Consistent with the terms of Section 5.1, Manager shall pay, initially from the Advance or from its own account (or, if appropriate, from "cash register banks" or petty cash funds available at the Golf Course) Golf Course Expenses (other than the Golf Course Expenses set forth in Section 5.2.2) as and when incurred; provided, however, that (1) the amount disbursed must constitute a permitted Golf Course Expense pursuant to the monthly operating budget in the approved Annual Plan and (2) Manager shall provide the City Manager or City Finance Director, no later than ten (10) days following the end of each calendar month, an accounting delineating the Golf Course Expenses paid and payable for such preceding calendar month (e.g., accounting due not later than April 10 covering the immediately preceding month of March).

(b) City shall pay to Manager approved Golf Course Expenses invoiced to the City consistent with the Annual Plan within thirty (30) days of the receipt of the invoices and all necessary supporting documentation. Manager shall deposit these payments in the Advance Account to be used to pay Golf Course Expenses.

(c) With the prior written approval of the City Manager, which approval may be granted or withheld in the sole discretion of City Manager, Manager shall be reimbursed for those expenses incurred by Manager prior to the commencement of the Management Term which, in the opinion of the City Manager, would constitute Golf Course Expenses if they had been expended subsequent to the commencement of the Management Term.

5.2.2 Payment of Management Fee. Manager shall invoice the City on a monthly basis for the Management Fee; provided, however, that such payment to Manager shall be paid in accordance with the terms of Section 4.1.1.

5.3 Remaining Funds. Upon the expiration or earlier termination of this Agreement, Manager shall repay the Advance, all amounts in the Advance

Account, and any and all funds held in possession of Manager or its agents that are revenues of the Golf Course. After termination of this Agreement, and assuming no uncured breaches exist, City shall pay to Manager any monies due Manager under this Agreement, but unpaid as of the date of termination, within ten (10) days after Manager delivers to the City Manager the final profit and loss statement.

5.4 Books and Records. Manager shall keep full and accurate books of account and such other records as are necessary to reflect the results of the operation of the Golf Course. For this purpose, City agrees it will make available to Manager, or Manager's representatives, all books and records in City's possession relating to the Golf Course including contract documents, invoices and construction records. All books and records for the Golf Course shall be located either at the Golf Course or at Manager's corporate office. All accounting records shall be maintained in accordance with generally accepted accounting principles and shall be maintained in an accrual format. All such books, records, and reports shall be maintained separately from other facilities operated by Manager. Manager agrees to maintain reasonable and necessary accounting, operating, and administrative controls relating to the financial aspects of the Golf Course and such controls shall provide checks and balances designed to protect the Golf Course, Manager, and City. The cash registers used by Manager shall be approved by the City Manager. Manager shall maintain all financial and accounting books and records for a period of at least seven (7) years after the expiration or earlier termination of this Agreement, and City shall have the right to inspect and audit such books and records during such period as provided in Section 5.5 below.

5.5 Inspection. Upon seven (7) days prior written notice to Manager, which notice shall set forth the date and time that City desires to inspect the books and records, City or its authorized agents, auditors, or representatives shall have the right during normal business hours to review, inspect, audit, and copy the books, records, invoices, deposit receipts, canceled checks, and other accounting and financial information maintained by Manager in connection with the operation of the Golf Course. All such books and records shall be made available to City at the Golf Course unless City and Manager agree upon another location. City, at its own expense, shall have the right to retain an independent accounting firm to audit the books and records of the Golf Course from time to time.

5.6 Reports to City. Manager shall deliver to City the following financial statements, in a form acceptable to City:

(a) Within twenty (20) days after the end of each calendar month, a profit and loss statement showing the results of operation of the Golf Course for such month and for the Operating Year to date, which statement shall include sufficient detail to reflect all Gross Revenues, Cost of Sales, Management Fee, and Capital Improvement Funds; and

(b) Within sixty (60) days after the end of each Operating Year, a profit

and loss statement showing the results of operation of the Golf Course for such Operating Year which statement shall include sufficient detail to reflect all Gross Revenues, Management Fee, and Capital Improvement Funds. If requested by City, and at the sole expense of City, the financial statements shall be audited according to Generally Accepted Audit Standards by an independent certified public accountant acceptable to the City, to be completed in a time frame established by the CPA.

5.7 Manager Accounting Software. The parties acknowledge and understand if the accounting software to be used at the Golf Course is owned by Manager, City shall have no rights or interests in such software. Upon the expiration or earlier termination of this Agreement, accounting software owned by Manager shall be removed from the Golf Course by Manager.

6.0 GOLF COURSE NAME

The Golf Course shall be known by such trade name and/or trademark or logo as may from time to time be determined by City. The parties acknowledge and understand that the names, logos, and designs used in the operation of the Golf Course together with appurtenant goodwill, are the exclusive property of City. Manager may identify the Golf Course as a golf course managed and operated by Manager; provided, however, that any display of any Manager logo or other corporate identification shall first be approved by the City Manager in his or her sole discretion. At no time will the Manager's logo be printed more prominently than the Golf Course or City logo.

7.0 ENVIRONMENTAL MATTERS

In performing its responsibilities under this Agreement, Manager shall comply with all federal state, and local laws and regulations pertaining to the storage, use, and disposal of "hazardous or toxic wastes, substances, or materials" as defined by applicable law. MSDS sheets shall be visible as required by law.

8.0 TERMINATION RIGHTS

8.1 Termination by City. In addition to any other rights of City to terminate this Agreement that are set forth in this Agreement, City shall also have the right to terminate this Agreement upon the occurrence of any of the following events:

(a) Manager fails to keep, observe or perform any material covenant, agreement, term or provision of this Agreement to be kept, observed or performed by Manager, and such default continues for a period of thirty (30) days after written notice and a demand to cure such default by City to Manager; or

(b) Failure to meet the Operating Standards set forth in Section 3.8.2(a); or

(c) (i) Manager or its parent(s) applies for or consents to the appointment of a receiver, trustee or liquidator of Manager or of all or a substantial part of its assets; (ii) Manager or its parent(s) files a voluntary petition in bankruptcy or commences a proceeding seeking reorganization, liquidation, or an arrangement with creditors; (iii) Manager or its parent(s) files an answer admitting the material allegations of a bankruptcy petition reorganization proceeding, or insolvency proceeding filed against Manager or its parent(s); (iv) Manager or its parent(s) admits in writing its inability to pay its debts as they come due; (v) Manager or its parent(s) makes a general assignment for the benefit of creditors; or (vi) an order, judgment or decree is entered by a court of competent jurisdiction, on the application of a creditor, adjudicating Manager or its parent(s) a bankrupt or insolvent or approving a petition seeking reorganization of Manager or its parent(s) or appointing a receiver, trustee or liquidator of Manager or its parent(s) or of all or a substantial part of its assets, and such order, judgment or decree continues unstayed and in effect for any period of sixty (60) consecutive days.

City's right to terminate this Agreement pursuant to this Section shall be exercisable immediately upon written notice to Manager given at any time after the applicable notice and cure period has expired, and City's termination notice shall specify the effective date of such termination, which date shall not be more than sixty (60) days after the date of City's termination notice; provided, however, that no notice and cure period or sixty (60) day delay shall apply with respect to terminations pursuant to subparagraph (c) of this Section.

8.2 Termination by Manager. Manager shall have the right to terminate this Agreement if City fails to keep, observe, or perform any other material covenant, agreement, term or provision of this Agreement to be kept, observed or performed by City, and such default continues for a period of thirty (30) days after notice and a demand to cure such default by Manager to City.

Manager's right to terminate this Agreement Pursuant to this Section shall be exercised upon written notice to City given at any time after the applicable grace period has expired. The grace period shall be extended as may be required for the City Council to comply with applicable law pertaining to the posting of agendas and hearings notices. Manager's termination notice shall specify the effective date of such termination, which date shall not be less than sixty (60) days after the date of Manager's termination notice.

8.3 Effect of Termination. The termination of this Agreement under the provisions of this Article 8.0 shall not affect the rights of the terminating party with respect to any damages it has suffered as a result of any breach of this Agreement, nor shall it affect the rights of either party with respect to any liability or claims accrued, or arising out of events occurring, prior to the date of termination.

8.4 Remedies Cumulative. Neither the right of termination, nor the right to sue

for damages, nor any other remedy available to a party under this Agreement shall be exclusive of any other remedy given under this Agreement or now or hereafter existing at law or in equity.

9.0 TITLE MATTERS; ASSIGNMENT

9.1 Ownership of Improvements and Personal Property. All improvements to the Golf Course made during the term of this Agreement and all Furnishings and Equipment and Operating Inventory purchased by Manager during the term of this Agreement shall be considered property owned by City at such time as the improvements are made or the Furnishings and Equipment or Operating Inventory are purchased.

9.2 Assignment or Subcontracting. Manager shall neither directly or indirectly assign this Agreement to any third party, nor contract or subcontract any work required hereunder to any third party, without the prior written consent of the City. Except as provided below, the ownership structure or composition of Manager, or any direct or indirect parent(s) thereof, as it existed as of the date of execution of this Agreement, shall not be changed, amended, or modified without the prior written consent of the City Council. Transfers restricted hereunder include the direct or indirect transfer of more than twenty-five percent (25%) of the stock, partnership interests, or other form of equity ownership in the Manager or its direct or indirect parent(s), and/or any transfer of operational control of the Manager or its parent(s). Transfers of more than twenty-five percent (25%) but less than fifty percent (50%) of the stock, partnership interests, or other form of equity ownership in Manager or its direct or indirect parent(s) may be approved in writing by the City Manager. Transfer of over fifty percent (50%) shall require prior City Council approval. Any otherwise lawful assignment by Manager shall not be effective unless and until Manager and such assignee execute an assignment and assumption in a form acceptable to the City Attorney. It is understood and agreed that any consent granted by the City Manager to any such assignment by Manager shall not be deemed a waiver of any consent required under this Section as to any future assignment. Any assignment by Manager of this Agreement in violation of the provisions of this Agreement shall be null and void and shall result in the immediate termination of this Agreement. In addition to any other remedies available to the parties, the provisions of this Section shall be enforceable by injunctive proceeding or by suit for specific performance.

9.3 Successors and Assigns. Subject to Section 9.2, this Agreement shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns.

10.0 DAMAGE OR DESTRUCTION; EMINENT DOMAIN; FORCE MAJEURE EVENTS

10.1 Damage or Destruction. Should the Golf Course be destroyed or

substantially damaged by fire, flood, acts of God, or other casualty, City, by written notice to Manager given within sixty (60) days following the occurrence of such event, shall have the right to terminate this Agreement on the basis that City does not choose to rebuild or restore the Golf Course, and in such event neither party shall have any further obligation to the other party under this Agreement, except with respect to liabilities accruing, or based upon events occurring, prior to the effective date of such termination. For the purpose of this Section, the Golf Course shall be deemed to have been substantially damaged if the estimated length of time required to restore the Golf Course substantially to its condition and character just prior to the occurrence of such casualty shall be in excess of six (6) months, as indicated by an architect's certificate or other evidence reasonably satisfactory to Manager. If this Agreement is not terminated in the event of damage to the Golf Course either because (i) the damage does not amount to substantial damage as described above, or (ii) notwithstanding destruction of or substantial damage to the Golf Course, City elects to restore the Golf Course, then City shall proceed, at City's own expense, with all due diligence to commence and complete restoration of the Golf Course to its condition and character just prior to the occurrence of such casualty. If as a result of any damage or destruction to the Golf Course as provided in this Section, the responsibilities of Manager under this Agreement are substantially changed, then the parties shall meet and discuss in good faith appropriate modifications to this Agreement including the Management Fees.

10.2 Eminent Domain. If all of the Golf Course (or such a substantial portion of the Golf Course so to make it unfeasible, in the reasonable opinion of City, to restore and continue to operate the remaining portion of the Golf Course for the purposes contemplated in this Agreement) shall be taken through the exercise (or by agreement in lieu of the exercise) of the power of eminent domain, then upon the earlier of (i) the date that City shall be required to surrender possession of the Golf Course or of that substantial portion of the Golf Course, or (ii) the date when the Golf Course is no longer open, this Agreement shall terminate and neither party shall have any further obligation to the other party under this Agreement except with respect to liabilities accruing, or based upon events occurring, prior to the effective date of such termination. If such taking of a portion of the Golf Course shall not make it unfeasible, in the reasonable opinion of City, to restore and continue to operate the remaining portion of the Golf Course for the purposes contemplated in this Agreement, then this Agreement shall not terminate, and City shall proceed, at City's own expense, with all due diligence to alter or modify the Golf Course so as to render it a complete architectural unit which can be operated as a golf course of substantially the same type and character as before. If as a result of any alteration or modification of the Golf Course as provided in this Section, the responsibilities of Manager under this Agreement are substantially changed, then the parties shall meet and discuss in good faith appropriate modifications to this Agreement including the Management Fees.

10.3 Force Majeure Events. As used in this Agreement, the term "Force Majeure

Event" means a disruption in the operation of the Golf Course due to, or the cause of the failure to perform by a party hereto due to, declared or undeclared war, sabotage, riot or acts of civil disobedience, acts or omissions of governmental agencies (except acts of governmental agencies including but not limited to the City taken in accordance with this Agreement), accidents, fires, explosions, floods, earthquakes, or other acts of God, strikes, labor disputes, shortages of materials, or any other event not within the control of Manager and not caused by the gross negligence or intentional wrongful conduct of Manager. For purposes of this Section, any disruption to the operation of the Golf Course caused by a Capital Improvement project shall also constitute a Force Majeure Event. If as a result of the occurrence of a Force Majeure Event, the responsibilities of Manager under this Agreement are substantially changed, then the parties shall meet and discuss in good faith appropriate modifications to this Agreement including the Management Fees.

11.0 GENERAL PROVISIONS

11.1 Contract Administration. City has designated the City Manager as the individual who is responsible for administering this Agreement on behalf of City. The City Manager may designate a member of his or her staff to serve as the Project Manager, which individual shall carry out the City Manager's responsibilities in administering this Agreement. The City Manager shall inform Manager in writing of the person who will serve as the Project Manager and any change of the Project Manager. Manager has designated Joe Gill, Director of Golf Operations, as the individual who is responsible for administering this Agreement on behalf of Manager. Manager shall notify the City Manager in writing if another individual has replaced the foregoing designated person as the person responsible for administering this Agreement on behalf of Manager. The parties acknowledge that except as otherwise expressly provided herein (a) the City Manager has the authority to approve or consent to those matters identified in this Agreement as requiring City's approval or consent and to make all other decisions on behalf of City regarding the administration of this Agreement (except where City Council approval is expressly required herein), and (b) Manager's foregoing designated person or such other individual designated by Manager in writing to City has the authority to approve or consent to those matters identified in this Agreement as requiring Manager's approval or consent and to make all other decisions on behalf of Manager regarding the administration of this Agreement. City's management direction to Manager shall be given by the City Manager.

11.2 Indemnities.

11.2.1 Manager's Indemnity. Manager agrees to indemnify and hold harmless City and City's officers, officials, members, employees, agents, representatives, and volunteers from and against any and all claims, demands, actions, lawsuits, proceedings, damages, liabilities, judgments, penalties, fines, expert witness fees, attorneys' fees, costs, and expenses,

which results from one or more of the following:

(a) any act or omission by Manager or any shareholder, director, officer, or employee of Manager in connection with Manager's performance under this Agreement that constitutes negligence or willful misconduct; or

(b) any action taken by Manager relating to the Golf Course (i) that is expressly prohibited by this Agreement, or (ii) that is not within the scope of Manager's duties under this Agreement, or (iii) that is not within Manager's delegated authority under this Agreement; or

(c) Manager's breach of any material covenant, requirement or commitment contained in this Agreement; or

Manager's indemnity obligations under this Section shall not apply to any acts or omissions taken (or in the case of omissions, not taken) either at the written direction of City or with the written approval of City.

11.2.2 City's Indemnity. City agrees to indemnify and hold harmless Manager and its owners, officers, directors, and employees from and against any and all claims, demands, actions, lawsuits, proceedings, damages, liabilities, judgments, penalties, fines, expert witness fees, attorneys' fees, costs, and expenses, which result from:

(a) any act or omission by Manager in connection with the management and operation of the Golf Course (i) that is expressly authorized by this Agreement, or (ii) that is within the scope of Manager's duties under this Agreement, or (iii) that is within Manager's delegated authority under this Agreement, or (iv) that was either at the written direction of City or with the written approval of City; unless such act or omission constitutes negligence or willful misconduct (and was neither at the written direction of City nor with the written approval of City) in which event Manager shall not be indemnified under this Section.

(b) any act or omission constituting negligence or willful misconduct by City or any officer, official, member, employee, agent, representative, or volunteer of City; or

(c) City's failure to make any payment to Manager hereunder to which Manager is entitled pursuant to the terms of this Agreement, provided that Manager has provided written notice to City of such asserted failure and has given City an opportunity of not less than sixty (60) days to cure or contest such asserted failure.

11.3 Notices. All notices, demands, requests, consents, approvals, replies and other communications ("Notices") required or permitted by this Agreement shall be in writing and may be delivered by any one of the following methods: (a) by personal delivery; (b) by deposit with the United States Postal Service as certified or registered mail return receipt requested, postage prepaid to the addresses stated below (Notices deposited with the United States Postal Service shall be actually deposited with a branch of the United States Postal Office located in either the county of City's address as provided in this Section or the county of Manager's address as provided in this Section); or (c) by deposit with a same-day or overnight express delivery service that provides a receipt showing date and time of delivery. Notice deposited with the United States Postal Service in the manner described above shall be deemed effective three (3) business days after deposit with the Postal Service. Notice by same-day or overnight express delivery service shall be deemed effective upon receipt. Notice by personal delivery shall be deemed effective at the time of personal delivery.

For purposes of Notices hereunder, the address of City shall be:

City of La Quinta
Attn: City Manager
78495 Calle Tampico
La Quinta, CA 92253

For purposes of Notices hereunder, the address of Manager shall be:

Landmark Golf Management
Attn: President
74947 Highway 111
Indian Wells, CA 92210

Each party shall have the right to designate a different address within the Southern California area by the giving of notice in conformity with this Section.

11.4 Independent Contractor. Manager shall at all times be considered an independent contractor under this Agreement. Nothing contained in this Agreement shall be construed to be or create a partnership or joint venture between City and its successors and assigns, on the one part, and Manager and its successors and assigns, on the other part.

11.5 Compliance with Law; Licenses. Manager shall comply with all applicable laws of governmental bodies having jurisdiction with respect to the Golf Course site and Manager performance of this Agreement. Manager shall, at its expense, procure and maintain all licenses, permits, and approvals required to be obtained by it to perform the work under this Agreement.

11.6 Modification and Changes. This Agreement may be amended or modified

only in writing and signed by both parties.

11.7 Entire Understanding and Agreement. Except as otherwise provided herein, this Agreement constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof, and this Agreement supersedes all prior understandings and agreements, whether written or oral, between City and Manager pertaining to the subject matter hereof.

11.8 Headings. The Article, Section, and Subsection headings contained in this Agreement are for convenience and reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

11.9 Consents. Except as provided herein, each party agrees that it will not unreasonably withhold any consent or approval requested by the other party pursuant to the terms of the Agreement, and that any such consent or approval shall not be unreasonably delayed or qualified, except where such consent is expressly stated as within the party's sole and absolute discretion. Similarly, each party agrees that any provision of this Agreement which permits such party to make requests of the other party shall not be construed to permit the making of unreasonable requests.

11.10 Survival of Covenants. Any covenant, term, or provision of this Agreement which in order to be effective must survive the termination of this Agreement shall survive any such termination.

11.11 Third Parties. None of the obligations under this Agreement of either party shall run to or be enforceable by any party other than the party to this Agreement or by a party deriving rights under this Agreement as a result of an assignment permitted pursuant to the terms of this Agreement.

11.12 Waivers. No failure by Manager or City to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement or to exercise any right or remedy consequent upon the breach of this Agreement shall constitute a waiver of any such breach or any subsequent breach of the same covenant, agreement, term or condition. No covenant, agreement, term or condition of this Agreement and no breach of this Agreement shall be waived, altered or modified except by a written instrument. A waiver of any breach of this Agreement shall only affect this Agreement to the extent of the specific waiver, and all covenants, agreements, terms and conditions of this Agreement shall continue in full force and effect.

11.13 Applicable Law; Venue; Service of Process. This Agreement shall be construed and interpreted in accordance with, and shall be governed by, the laws of the State of California. The parties agree that the Superior Court of the State of California, County of Riverside shall have jurisdiction of any litigation between the parties relating to this Agreement. Service of process on City shall be effected in

such manner as required by California law for service on public entities. Service of process on Manager shall be made in any manner permitted by California law and shall be effective whether served inside or outside of California. Manager acknowledges that service of process may be effected by service on its registered agent in California, which as of the Effective Date of this Agreement is July 1, 2013. Manager shall promptly notify City in writing of any change pertaining to the entity or address serving as Manager's registered agent in California.

11.14 No Presumption Regarding Drafter. City and Manager acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between City and Manager, and that this Agreement reflects their mutual agreement regarding the subject matter of this Agreement. Because of the nature of such negotiations and discussions, it would be inappropriate to deem either City or Manager to be the drafter of this Agreement, and therefore no presumption for or against the drafter shall be applicable in interpreting or enforcing this Agreement.

11.15 Enforceability of Any Provision. If any term, condition, covenant or obligation of this Agreement shall be determined to be unenforceable, invalid, or void, such determination shall not affect, impair, invalidate, or render unenforceable any other term, condition, covenant, or obligation of this Agreement.

11.16 United States Currency. All amounts payable pursuant to this Agreement shall be paid in lawful money of the United States of America.

11.17 Counterparts. This Agreement and any amendment may be executed in counterparts, and upon all counterparts being so executed each such counterpart shall be considered as an original of this Agreement or any amendment and all counterparts shall be considered together as one agreement.

11.18 Attorneys' Fees. In the event of a dispute involving the nonperformance by a party hereto of its obligations under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all other expenses (including expert witness fees and fees and costs related to discovery and appeal) reasonably incurred in connection with such dispute, whether or not litigation is commenced, in addition to all other relief to which the party is entitled. If the successful party recovers judgment in any legal action or proceeding, the attorneys' fees and all other expenses of litigation shall be included in and made a part of any such judgment.

11.19 Publicity. Any commercial advertisements, press releases, articles, or other written media information generated by Manager using City's name or "SilverRock" related to SilverRock Resorts day to day operation(s) shall be subject to the prior approval of the City Manager which approval shall be given or withheld in the City Manager's sole and absolute discretion.

11.20 City Financing. Manager acknowledges that tax-exempt bond financing or

other tax-exempt financing ("Financing") has been obtained for construction of a portion of the Golf Course. The form and issuance of such Financing, the selection of Financing legal counsel, and all other matters pertaining to the Financing, shall be in the sole and absolute discretion of the City. City has the right, at any time and from time to time, to issue additional financing and/or effect or cause a refinancing and refunding of the Financing in its sole and absolute discretion. Notwithstanding any authority given in this Agreement to Manager to set fees, charges, and prices, the City Council shall have the superior authority to set fees, charges, and prices at the Golf Course. Manager agrees to amend this Agreement at any time and from time to time, if, in the opinion of the City's legal counsel, this Agreement must be amended to comply with laws, regulations, rules, or procedures applicable to the Financing (except those laws regulations, rules and/or procedures adopted by or promulgated by City or any Agency controlled by the City), and any refinancing or refunding thereto, including but not limited to those laws, regulations, rules, and procedures applicable to or promulgated by the Internal Revenue Service. City and Manager shall meet and confer in good faith to effect such written amendment to this Agreement as necessary to insure the Agreement is in compliance as required by the preceding sentence, which amendment(s) shall be affixed as an attachment to this Agreement; provided, however, that in the event City and Manager disagree on the nature or scope of the required amendment(s), either party shall have the right to terminate this Agreement upon written notice to the other party and upon such termination neither Manager nor City shall have any further rights or obligations hereunder.

11.21 Covenants Against Discrimination. Manager agrees that in connection with its performance under this Agreement, there shall be no discrimination by Manager against any person on account of race, color, creed, religion, sex, marital status, national origin or ancestry. Manager agrees to include a provision similar to this Section in all subcontracts entered into by Manager in connection with work being performed under this Agreement.

11.22 Non-liability of City Officers and Employees. No officer, official, employee, agent, representative, or volunteer of the City shall be personally liable to Manager, or any successor in interest, in the event of any default or breach by the City, or for any amount which may become due to Manager or any successor, or for breach of any obligation of the terms of this Agreement.

11.23 Time of the Essence. Time is of the essence of this Agreement. The parties understand that the time for performance of each obligation has been the subject of negotiation by the parties.

11.24 Exhibits and Attachments Incorporated. All exhibits and attachments to this Agreement are incorporated herein and made a part hereof.

11.25 Authority. The parties represent for themselves that (a) such party is duly organized and validly existing, (b) the person or persons executing this Agreement

on behalf of such party is/are duly authorized to execute and deliver this Agreement on behalf of such party, (c) by so executing this Agreement, such party is formally bound to the terms and provisions of this Agreement, and (d) the execution of this Agreement does not violate any provision of any other agreement to which such party is bound.

11.26 Authorization to City Manager. In addition to such other authorizations granted the City Manager of City in this Agreement to act on behalf of City, the City Manager shall have the authority, in the event of a dispute involving the interpretation of the terms and provisions of this Agreement, to reasonably interpret the terms and provisions of this Agreement on behalf of City.

11.27 Possessory Interest. Pursuant to California Revenue and Taxation Code Section 107.6, City hereby informs Manager that this Agreement may create a possessory interest subject to property taxation, and in such event Manager may be subject to the payment of property taxes levied on such interest, which taxes, if levied, shall be defined as a Golf Course Expense.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the day and year first written above.

"CITY"
CITY OF LA QUINTA, a municipal corporation

30 April 2013
Date

Frank J. Spevacek, City Manager

ATTEST:

Susan Maysels
City Clerk

APPROVED AS TO FORM
RUTAN & TUCKER, LLP

SIGNED IN COUNTERPART

M. Katherine Jenson
City Attorney

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CITY OF LA QUINTA, a municipal corporation

Date

Frank J. Spevacek, City Manager

ATTEST:

Susan Maysels
City Clerk

APPROVED AS TO FORM
RUTAN & TUCKER, LLP

M. Katherine Jenson
City Attorney

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IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the day and year first written above.

"CITY"
CITY OF LA QUINTA, a municipal corporation

Date

Frank J. Spevacek, City Manager

ATTEST:

Susan Maysels
City Clerk

APPROVED AS TO FORM
RUTAN & TUCKER, LLP

M. Katherine Jenson
City Attorney

"MANAGER"
LANDMARK GOLF MANAGEMENT, LLC

April 15, 2013
Date

By: Andy Vossler

Name: Andy Vossler President & CEO

APRIL 15, 2013
Date

By: Tom Gilliam

Name: TOM GILLIAM, CFO, SR VP

EXHIBIT "A"
SILVERROCK GOLF COURSE
GOLF COURSE OPERATIONS AND MAINTENANCE STANDARDS

1. Greens Maintenance. Manager shall maintain all greens in accordance with accepted playability and industry-wide standards. Without limiting the generality of the foregoing, Manager shall maintain all greens in accordance with the following minimum requirements:

(i) Change cups and repair ball marks daily.

(ii) Mow greens daily with a reel-type mower designed specifically for mowing golf greens and of the type, make, and model accepted by the golf industry.

(iii) Verticut all greens as needed to control mat and thatch buildup.

(iv) Aerify greens as scheduled and remove plugs the same day, top dress the greens following each core aerification.

(v) Treat greens with proper Integrated Pest Management practices (IPM) to control insects, disease, and other pests.

(vi) Fertilize greens at a rate and frequency that will promote healthy turf propagation.

(vii) Manager shall have the soil analyzed once every five years to determine the nutrient needs of the soil and turf. Additional analysis may be necessary to identify conditions causing a deficiency.

2. Tee Maintenance. Manager shall maintain all tees in accordance with accepted playability and industry-wide standards. Without limiting the generality of the foregoing, Manager shall maintain all tees in accordance with the following minimum requirements:

(i) Service tees daily by moving markers.

(ii) Mow tees four (4) times weekly with reel-type mower at appropriate height for turf type and climate conditions.

(iii) Verticut tees as needed for thatch removal.

(iv) Repair worn and damaged turf areas as they occur by overseeding or sod to ensure playable tees at all times.

(v) Treat tees with proper IPM practices to control insects, disease, and other pests.

(vi) Fertilize tees at a rate and frequency that will promote healthy turf propagation.

(vii) Repair divots daily.

(viii) Manager shall have the soil analyzed once every five years to determine the nutrient needs of the soil and turf. Additional analysis may be necessary to identify conditions causing a deficiency.

(ix) Aerify all tees as scheduled.

3. Fairway Maintenance (Including Driving Range Area). Manager shall maintain all fairways in accordance with accepted playability and industry-wide standards. Without limiting the generality of the foregoing, Manager shall maintain all fairways (including the driving range area) in accordance with the following minimum requirements:

(i) Mow fairways with a reel-type mower.

(ii) Verticut fairways as necessary for turf health and playing conditions.

(iii) Aerify all fairways as scheduled.

(iv) Overseed and top dress (or sod) worn or bare areas of fairways as necessary.

(v) Treat fairways with proper IPM practices to control insects, disease, and other pests.

(vi) Fertilize fairways at a rate and frequency that will promote healthy turf propagation.

(vii) Manager shall have the soil analyzed once every five years to determine the nutrient needs of the soil and turf. Additional analysis may be necessary to identify conditions causing a deficiency.

4. Maintenance of Rough and Other Turf Areas. Manager shall maintain rough, turf, perimeter landscape areas, and landscape lawn areas, including plant and annual color areas, in accordance with accepted playability and industry-wide standards. Without limiting the generality of the foregoing, Manager shall maintain all rough, turf, perimeter landscape areas, and landscape lawn areas, including plant and annual color areas, in accordance with the following minimum requirements:

(i) Mow at least once per week.

(ii) Verticut as necessary to promote healthy growth.

(iii) Aerify as needed and seed or sod worn or bare areas in turf as necessary.

(iv) Treat areas with proper IPM practices to control insects, disease, and other pests.

(v) Fertilize at a rate and frequency that will promote healthy turf propagation.

(vi) Manager shall have the soil analyzed once every five years to determine the nutrient needs of the soil and turf. Additional analysis may be necessary to identify conditions causing a deficiency.

5. Maintenance of Accessory Equipment. Manager shall maintain all golf course accessory equipment in a clean, safe, functioning condition at all times, replacing with equipment and/or materials as necessary, including, but not limited to, the following:

(i) Signs.
(ii) Trash receptacles.
(iii) Tee markers.
(iv) Cleat cleaners.
(v) Out-of-bounds markers, water hazards, cart directional signs, etc.
(vi) Directional flags and poles.
(vii) Distance markers (150 yards, etc.).
(viii) Greens flags, poles and cups.
(ix) Practice green markers and cups.

6. Irrigation. Manager shall maintain the entire irrigation system serving the Golf Course property, including main lines, valves, lateral lines, sprinkler heads, and controllers, in good repair, functioning properly and conforming to all related codes and regulations at all times. Manager shall irrigate the Golf Course property as required to maintain adequate moisture for growth rate and appearance in accordance with accepted industry standards. Adequate soil moisture shall be determined by visual observation, plant resiliency, turgidity, examining cores removed by soil probe, moisture sensoring devices and programming irrigation controllers accordingly. In addition:

(i) Consideration shall be given to soil texture, structure, water holding capacity, drainage, compaction, precipitation rate, run-off, infiltration rate, percolation rate, seasonal temperatures, prevailing wind condition, time of

day or night, type of grass or plant, and root structures.

(ii) In areas where wind creates problems of spraying onto private property or road rights-of-way, the irrigation controller shall be set to operate during the period of lowest velocity.

(iii) Manager shall be responsible for monitoring all systems within the Golf Course property and for correcting the same for coverage, adjustment, clogging of lines, and sprinkler heads, and removal of obstacles, including plant materials which obstruct the spray.

(iv) Manager shall check the system daily and adjust and/or repair any sprinkler heads causing excessive run-off, or which throw directly onto roadway, paving or walks within rights-of-way.

(v) All controllers shall be inspected on a daily basis and adjusted as required, considering the water requirements of each remote control valve.

(vi) A soil probe or tensiometer shall be used regularly to determine the soil moisture content in various areas, with particular attention being given to the greens.

(vii) Manager shall repair all leaking or defective valves within twenty-four (24) hours.

(viii) Upon written request by City, Manager shall file a monthly statement with City certifying that all irrigation systems are functioning properly.

(ix) If there is a reduction of the volume of water supplied to the Golf Course property during peak demand periods, the priority of water distribution by Manager shall be as follows:

(a) greens,
(b) tees,
(c) fairways, and
(d) other turf and landscape areas.

7. Other Required Duties.

(i) Manager shall remove all litter daily from the Golf Course grounds, including but not limited to the Golf Course, maintenance yard, landscape areas, and the driving range. Manager shall remove all trash and debris resulting from Golf Course maintenance as it occurs. Manager shall clean, repair, and replace trash receptacles as necessary to maintain clean, safe, and sanitary conditions at all times.

(ii) Manager shall maintain shrub and ground cover plantings and lawn areas in a manner to promote proper healthy growth and an aesthetically pleasing appearance at all times.

(iii) Manager shall maintain all trees in a safe, healthy and aesthetically pleasing condition at all times. Trees shall be pruned regularly in order to promote growth, safety, and beauty.

(iv) Manager shall maintain all sand traps in a raked, edged, and weed-free condition at all times, replacing sand in kind and rakes as necessary.

(v) Manager shall take whatever preventive steps necessary and legal to protect all slope areas from erosion at all times, subject to the approved budget.

(vi) Manager shall control rodent and other animal pests as necessary.

(vii) Manager shall maintain and repair as necessary surface flow lines, swales, catch basins, grates, subsurface drainage systems, and other drainage structures in a clear, weed-free, and properly functioning condition at all times.

(viii) Manager shall observe all legal requirements and safety regulations in the use and storage of chemicals, hazardous materials, supplies, and equipment.

(ix) Manager shall maintain the golf maintenance storage room and yard in a clean, orderly, and safe condition at all times, conforming to all applicable laws and regulations.

(x) Manager shall take reasonable measures to protect golfers from injury and the Golf Course from damage in periods of frost, rainy weather, and other unusual conditions.

(xi) Manager shall maintain bridge abutments and approaches in a safe and stable condition.

(xii) Manager shall maintain walkways, steps, handrails on walkways, headerboards, and cart paths in a clean, edged, safe, and weed-free condition.

(xiii) Manager shall maintain, repair, and replace parking lots and driveways to achieve clean, safe, and weed-free conditions.

(xiv) Manager shall inspect the following frequently and repair as needed:

(a) all area lighting systems for safe and functioning condition, and

(b) all golf course parking lots, walkways, and interior paved and/or unpaved surface roads.

8. Equipment. Manager shall maintain all equipment.

Personal Vehicles and Vehicles provided under a "Vehicle Allowance" are not entitled to fuel, maintenance, or cleaning under the golf operations and training travel.

EXHIBIT "B"
CITY OF LA QUINTA
SILVERROCK GOLF COURSE
GOLF COURSE OPERATIONS AND MAINTENANCE STANDARDS

SUPERINTENDENT:_____ DATE:_____
CITY MANAGER/DESIGNEE:_____

GREENS

QUALITY STANDARD: Smooth, uniform, turf, firm but not hard, well-defined, consistent, of suitable speed for the location. Cups placed in accordance with USGA recommendations. Flags stand up straight. Cups, poles and flags are uniform, clean and in good repair. 100% Turf coverage, color and texture of the greens are uniform and properly mowed. No diseases, weeds, insects, rodents, or bare spots. U NI A

TEES

QUALITY STANDARD: TEES: Complete turf coverage, level, firm but not hard, clean, properly directed, with trash cans, signs, tee markers, sand and seed containers (as appropriate) in good condition and repair, consistent and uniform in turf coverage and color. No weeds, diseases, insects or rodents. Adequate top dressing, seeding, and divot repair. Minimal litter or broken tees. U NI A

FAIRWAYS AND ROUGHS

QUALITY STANDARD: Fairways: Uniform turf coverage and color, smooth mowing and trimming, clean, firm but not hard, well defined, that properly supports the ball for play. Roughs: Properly mowed and trimmed, clean and uniform for play, distinct in height from fairways. Mowing height of fairways and roughs is within USGA specifications, mowing frequency is appropriate for the turf type and season. Absence of wet or dry spots in play areas. No weeds, disease, insects, rodents, off-color areas, or bare spots. U NI A

DRIVING RANGE

APPEARANCE - MANICURED AND CLEAN. Uniform mowing, color, texture of turf,

U = Unacceptable
NI = Needs Improvement
A = Acceptable

smoothness of surface, cleanness of mowing on perimeters. Season appropriate condition. Adequate top dressing, seeding, and divot repair for driving range tees.
U NI A

TREES AND SHRUBS

Pruned to maintain specimen health and safety to golfers and maintenance employees. Shall be maintained in natural form with no geometric shapes.
U NI A

LAKES AND OTHER WATER BODIES

QUALITY STANDARD: Appearance of water-clean, no weeds or noxious growth, no noxious odors, no floating trash/debris. Well defined and marked according to USGA standards. U NI A

TRAFFIC CONTROL

1. Ropes, stakes, and other traffic control devices are provided as necessary, in good condition and proper appearance. Traffic control devices are used effectively to minimize turf wear in high traffic areas. Worn areas are under repair. Routes used by golf carts are well-maintained, free of potholes, and present a generally smooth and clean appearance. U NI A

2. Cart paths - Concrete paths are clean with edges properly trimmed.
U NI A

MAINTENANCE RECORDS AND SCHEDULES

All of the following maintenance records properly kept, on site, and up to-date

1. Annual Maintenance Plan U NI A
2. Daily Employee Task Board U NI A
3. Materials and Safety Data Sheets U NI A
4. Equipment Maintenance Records U NI A
5. Labor scheduling U NI A
6. Gasoline log U NI A
7. First Aid Kit U NI A

U = Unacceptable
NI = Needs Improvement
A = Acceptable

MAINTENANCE EMPLOYEES/CORE STAFF

1. Required state and federal forms posted. U NI A

2. Report number of Department employees. U NI A
Actual: _____ Budget: _____

3. Uniforms, hard hats, steel toe shoes on all Department employees except Golf Course Superintendent and Assistant Golf Course Superintendent. U NI A

MAINTENANCE SHOP AND EQUIPMENT

1. Shop area is orderly, clean, with no obvious safety hazards. Fertilizer and chemical storage is per federal, state, and local laws. No trash in yard or shop.
U NI A

2. Equipment is in good repair, is clean and properly maintained. Daily checking the engine oil, air cleaners, hydraulic oil, and status of machines under repair.
U NI A

REST ROOMS

MEN'S AND WOMEN'S FRONT NINE. Ceilings, walls, and floors are clean; toilets clean, tops and under sides; mirrors clean and streak fee; soap dispenser clean and full; paper towel, toilet paper, and seat cover dispensers clean and full; counter top, sink, and faucet fixtures clean and functional. Light fixtures clean, functional and bug-free; room air freshener clean and functional; trash receptacle clean with liner, reasonable empty; napkin receptacles clean with liners.
U NI A

MEN'S AND WOMEN'S BACK NINE. Ceilings, walls, and floors are clean; toilets clean, tops and under sides; mirrors clean and streak fee; soap dispenser clean and full; paper towel, toilet paper, and seat cover dispensers clean and full; counter top, sink, and faucet fixtures clean and functional. Light fixtures clean, functional and bug-free; room air freshener clean and functional; trash receptacle clean with liner, reasonable empty; napkin receptacles clean with liners.
U NI A

U = Unacceptable
NI = Needs Improvement
A = Acceptable

CLUBHOUSE

MANAGER:_____ DATE:_____

CITY MANAGER/DESIGNEE: _____

REST ROOMS

MENS AND WOMEN'S CLUBHOUSE. Ceilings, walls, and floors are clean; toilets clean, tops and under sides; mirrors clean and streak fee; soap dispenser clean and full; paper towel, toilet paper, and seat cover dispensers clean and full; counter top, sink, and faucet fixtures clean and functional. Light fixtures clean, functional and bug-free; room air freshener clean and functional; trash receptacle clean with liner, reasonable empty; napkin receptacles clean with liners. U NI A

CLUBHOUSE EXTERIOR

1. Parking lot trash-free, lot well striped and in good repair, trash bin area clean. U NI A

2. Exterior wall surfaces clean and cobweb-free, windows clean. Paint in good condition. All signage in good condition and uniformed. U NI A

3. Ground well-manicured, trash-free, walkways clean and edged, proper planting, planter beds weed and trash-free. U NI A

4. Scorecards on carts with pencil, at golf shop counter, and #/tee. U NI A

5. Preventative maintenance programs in place for building and equipment. U NI A

DRIVING RANGE

Quality and quantity of balls, ball washer in good condition, balls clean, no trash, employees in uniform with name badge, baskets picked up on a regular basis, receptacle for cigarettes, no cigarette butts on walkways or in grass area, bag stands. U NI A

U = Unacceptable
NI = Needs Improvement
A = Acceptable

GOLF (PRO) SHOP

1. Managers Office: Clean, files organized, Manager in uniform with name badge U NI A

2. Customer Service: all staff have been trained in and provide first class service to customers (including staff empowered to handle customer problems). U NI A

3. Prices marked clearly, approved signage, merchandise hung and folded properly, clean and neat with no old stock. U NI A

4. Carpet vacuumed and spot-free, windows and mirrors clean and streak- free, shelves, counter tops, base boards, window ledges are dusted, starter counters clean, and dressing room is clean and not used for storage. U NI A

5. Staff in uniform, clean, neat and clean hair, beard shaved with name badge. U NI A

6. Customer message board up and current, customer comment forms are available on counter. U NI A

7. Starter's responsibilities: Starter sheet is in ink and legible; all last names only with ring number. Complimentary play sheet by starter sheet, cart tickets dated and signed, car key deposit control used. U NI A

8. No employee access to security cameras. U NI A

9. First Aid Kit Available U NI A

FOOD AND BEVERAGE

1. Staff in uniform: logo shirt with name badge. U NI A

2. Front counter is clean with condiments fresh and in clean containers. Coffee and soft drink stations are clean, adequately stocked, and ready for use. U NI A

3. Snack display well stocked and clean. U NI A

4. Storage areas: clean with shelves organized. Food and materials stored per applicable governmental regulations. U NI A

5. First aid kit available U NI A

U = Unacceptable
NI = Needs Improvement
A = Acceptable

DINING ROOM

1. Chairs, seats, and tables are clean and in good repair. U NI A

2. Dining area: carpet vacuumed and spot-free. Windows clean and streak-free. Tables and chairs neatly arranged. U NI A

3. Kitchen: Dish washing machine clean and sanitation procedures followed, garbage disposal operable; pots, pans and all shelving grease-free; garbage cans clean with liners; chopper, slicer and mixer clean and operable; kitchen floors clean; drains operable and clean; hoods and filters clean; refrigerators clean and organized; food stored off of the floor; food (film covered) in refrigerators and freezers; fire extinguishers current; last Health Department inspection. U NI A

4. Inventory organized and in locked storage when applicable. Two staff members take the inventories. U NI A

5. Freezers and refrigerators are at correct temperature. Sink areas clean. Grill areas clean. U NI A

OFFICE

1. Banquet information available with contracts completed and signed for each booking with deposit. Banquet histories, call reports, and files in place and current. U NI A

2. Beverage tracking form being used. Breakage being disposed of properly. U NI A

SECURITY

Alarm system operational, staff trained to use Fire extinguishers. U NI A

Proper accounting software on P.C. U NI A

Parking and clubhouse lighting adequate, functional and on time, set properly for the season: off a.m. - on p.m. U NI A

Bank deposits made during daylight hours only/one day or less, of receipts in locked safe/deposits in bank daily/transfers made daily. U NI A

Safe locked, not on day lock. Combination last changed _____ U NI A

U = Unacceptable
NI = Needs Improvement
A = Acceptable

Tournament contracts files with receipt attached. Deposit rung and recorded day received. U NI A

Security cameras U NI A

CARTS

Electric Carts on site.
Quantity of carts down #_____ U NI A

General Manager and cart mechanic understand and comply with agreement parts, batteries, warranties (copy of agreement in maintenance book). U NI A

Maintenance records currently maintenance cardform in use/battery discharge records kept/all repairs dated/tools available. U NI A

Carts cleaned daily and in good repair. Stocked with water, tees, and scorecard. U NI A

Cart storage area clean. U NI A

Employees demonstrate caring customer service/neat and clean/hair clean/shaved/employees in uniform with name badge/proper shoes. U NI A

PERSONNEL

Time clocks operational with cards available. U NI A

Required state and federal forms posted by time clock. OSHA 200 form posted in clubhouse. U NI A

Personnel files up to date to include key and uniform issue. Attestation forms on file for all employees. U NI A

First aid kit available and adequately stocked. Phone number for emergencies, police, and fire posted. U NI A

Monthly staff and safety meetings being held. Forms complete and up-to-date. U NI A

New employee forms available, checklist/applications/loss prevention/employee

U = Unacceptable
NI = Needs Improvement
A = Acceptable

handbook/Reid reports/payroll deduction forms/insurance enrollment cards/liability claim form. U NI A

Additional personnel forms available, verbal warning/written warnings/termination checklist/liability claim form. U NI A

Employee background checks U NI A

LIST COMMENTS/DEFICIENCIES

U = Unacceptable
NI = Needs Improvement
A = Acceptable

EXHIBIT "C"
CITY OF LA QUINTA
SILVERROCK GOLF COURSE
NOTICE OF GOLF COURSE DEFICIENCY

Golf Operations

_____ Greens
_____ Tees
_____ Fairways & Roughs
_____ Driving Range
_____ Maintenance Records & Schedules
_____ Lakes & Water Hazards
_____ Traffic Control
_____ Maintenance Employees
_____ Maintenance Shop & Equipment
_____ Rest Room

Clubhouse Operations

_____ Clubhouse
_____ Pro Shop
_____ Inventory
_____ Food & Beverage
_____ Security & Accounting
_____ Carts
_____ Personnel

Statement of Deficiency

Describe nature of deficiency to be corrected:_____

_____
_____
_____
_____
_____

Reported By:_____ Date:_____
Date Correction Due:

Statement of Correction

Describe what has or will be done to correct this deficiency:_____

_____
_____
_____
_____
_____

Reported By:_____ Date:_____

Acknowledgement of Deficiency Correction

It is hereby acknowledged that the above-listed golf course deficiency has been satisfactorily corrected.

City of La Quinta: By:_____ Date:_____

Landmark Golf Management: By:_____ Date:_____

U = Unacceptable
NI = Needs Improvement
A = Acceptable

gl TVD 4.24.13

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 04/24/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Phone: (951) 694-5200 Fax: (951) 302-0470
TEMECULA INSURANCE SERVICES
28544 OLD TOWN FRONT STREET
SUITE #306
TEMECULA CA 92590

CONTACT NAME: Ashlee Salute
PHONE (A/C, No, Ext): (951) 694-5200 FAX (A/C, No): (951) 302-0470
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Granite State Insurance Company	
INSURER B : Star Insurance Company	
INSURER C :	
INSURER D:	
INSURER E :	
INSURER F :	

INSURED
LANDMARK GOLF MANAGEMENT
79-179 AHMANSON LANE
LA QUINTA CA 92253

COVERAGES CERTIFICATE NUMBER: 3860 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			02-LX-066142514-1	11/05/12	11/05/13	EACH OCCURRENCE	$ 1,000,000
	X COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurence)	$ 300,000
	CLAIMS-MADE X OCCUR						MED. EXP (Any one person)	$ 15,000
	X Liquor Liability						PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 3,000,000
								$
A	AUTOMOBILE LIABILITY			02-LX-066142514-1	11/05/12	11/05/13	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS / X NON-OWNED AUTOS						PROPERTY DAMAGE (per accident)	$
								$
A	X UMBRELLA LIAB / OCCUR			02-LX-066142514-1	11/05/12	11/05/13	EACH OCCURRENCE	$ 10,000,000
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$ 20,000,000
	DED / RETENTION $							$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WCMSTR 0522214	12/23/12	12/23/13	X WC STATU-TORY LIMITS / OTH ER	$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE-EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE-POLICY LIMIT	$ 1,000,000
A	Business Personal Property			02-LX-066142514-1	11/05/12	11/05/13	$989,550	
A	Garagekeepers Legal Liability			02-LX-066142514-1	11/05/12	11/05/13	$10,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Certificate Holder is named as Additional Insured as respect General Liability and Loss Payee as respects Business Personal Property and Business Interruption. Waiver of Subrogation for Workers Compensation is attached. The undersigned is aware of and will comply with, Divisions 4 and 5 of the California Labor Code by securing, paying for, and maintaining in full force and effect for the duration of the Agreement, complete workers compensation insurance, and shall furnish a certificate of insurance to City prior to the commencement of the term of the Agreement. Coverage also includes Business Interruption including rental value with an Actual Loss Sustained limit.

CERTIFICATE HOLDER

City of La Quinta
78495 Calle Tampico
La Quinta, CA 92253

Attention:

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Bradley J. Salute Digitally signed by Bradley J. Salute DN: cn=Bradley J. Salute, o=Temecula Insurance Services, ou, email=brad@temeculainsuranceservices.com, c=US Date: 2013.04.24 14:38:53 -07'00'

ACORD 25 (2010/05)

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WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

WC 04 03 06 (Ed. 4-84)

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT—CALIFORNIA

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on 12/23/2012 at 12 01 A.M standard time, forms a part of

Policy No. WCMSTR 0522214 Endorsement No.

of the Star Insurance Company

issued to Landmark Golf Management, LLC

Premium (if any) $ 63

Authorized Representative

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Name	Address	Description of Operations
City of La Quinta	78945 CALLE TAMPICO LA QUINTA,CA,92253	Start Date 12/23/2012 End Date 12/23/2013 Street 1 79179 Ahmanson Lane Zip 92253 Street 2 City State La Quinta, CA Description Golf Course

POLICY NUMBER: 02-LX-066142514-1

COMMERCIAL GENERAL LIABILITY
CG 20 26 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)
City of La Quinta 78495 Calle Tampico La Quinta, CA 92253
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

A. In the performance of your ongoing operations; or

B. In connection with your premises owned by or rented to you.

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10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

    a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

    b. While it is in or on an aircraft, watercraft or "auto"; or

    c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

    but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

    a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

    b. Vehicles maintained for use solely on or next to premises you own or rent;

    c. Vehicles that travel on crawler treads;

    d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

        (1) Power cranes, shovels, loaders, diggers or drills; or

        (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

    e. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

        (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

        (2) Cherry pickers and similar devices used to raise or lower workers;

    f. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

    However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

        (1) Equipment designed primarily for:

            (a) Snow removal;

            (b) Road maintenance, but not construction or resurfacing; or

            (c) Street cleaning;

        (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

        (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

    However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

    a. False arrest, detention or imprisonment;

    b. Malicious prosecution;

    c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

    d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

    e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

    f. The use of another's advertising idea in your "advertisement"; or

    g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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Apr 3, 2013 1:18:49 PM PDT

File Edit Commands Help

SECTOR

NavLine

License File Changes - General Information

Business control: 1185 **Last activity:** Created: 01/16/13 by MMENDOZA

Business Name and Address	Mailing Address
LANDMARK GOLF MANAGEMENT, LLC 79178 AHMANSON LN LA QUINTA CA 92253	

License number: 14 00007739

Application, issue, expiration: 01/14/2013 01/16/2013 01/31/2014

License status: AC ACTIVE

Classification: C5 MANAGEMENT & PUBLIC RELATIONS SERVICES

Exemption:

Comments: MANAGEMENT CO FOR SILVERROCK RESORT

Restrictions:

Gross receipts: 563064.00

Reprint this license

Additional charges

Miscellaneous

Extra requirements

Sub codes

OK

Exit

Cancel

Code descrip...

Applicant/Qu...

Business ma...

Tags mainte...

Images

Review step...

Page down

MW

Appendix 3: SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement (29 pages)

CONTRACT SERVICES AND REVOCABLE LICENSE AGREEMENT

This CONTRACT SERVICES AND REVOCABLE LICENSE AGREEMENT (the "Agreement") is made and entered into by and between the CITY OF LA QUINTA, a California municipal corporation and charter city (the "City"), and LA QUINTA FARMS, LLC., a California limited liability company (the "Contractor").

RECITALS

WHEREAS, City desires to utilize the services of Contractor as an independent contractor to provide the City with contract farming of the undeveloped property at SilverRock Resort for the purpose of dust and PM10 control; and

WHEREAS, Contractor represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees; and

WHEREAS, City desires to retain Contractor, and Contractor desires to serve City, to perform these services subject to the terms contained herein and all applicable local, state and federal laws and regulations; and

WHEREAS, City is the owner of U.S. Trademark Registration No. 3,509,881 for the mark SR SILVERROCK (stylized), as well as Application Serial Nos. 78/426623, 77/521788 and 77/661713 to register the mark SR SILVERROCK RESORT (stylized), SR SILVERROCK (stylized) and SR SILVERROCK RESORT (stylized), respectively (collectively the "Trademarks"), which recite a variety of goods and services. The Trademarks are used by City in connection with property on which one golf course has been developed, and which is designated for development of a second golf course, a luxury resort, and a retail venue (the "SRR Property"). Contractor seeks to use the Trademarks in connection with produce grown and sold on the Property (the "Licensed Goods").

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and for other valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1.0 SERVICES OF CONTRACTOR

1.1. Scope of Services. In compliance with all terms and conditions of this Agreement, Contractor shall provide those services related to the undeveloped portions of the Property, which comprise approximately 290 acres (the "Property"), as specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference (the "services" or "work"). Contractor warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services. In addition to the services required to be performed by Contractor hereunder, the City has agreed to provide to Contractor a revocable license, pursuant to the terms and conditions set forth in Exhibit "B", which is attached

hereto and incorporated herein by this reference, and as further governed by this Agreement, for the sole and exclusive purposes of permitting Contractor to use up to 35 acres of the Property (at Avenue 52 and Jefferson Street) for the purpose of Contractor growing vegetables and fruit, together with the operation of a vegetable/fruit stand (the "License").

1.2. Compliance with Law. All services rendered hereunder and all actions taken by Contractor pursuant to the License shall be provided in accordance with all applicable local, state and federal ordinances, resolutions, statutes, rules, regulations and laws.

1.3. Licenses, Permits, Fees and Assessments. Except as otherwise specified herein, Contractor shall obtain at its sole cost and expense all licenses, permits and approvals as may be required by law for all of Contractor's services and activities hereunder, including, without limitation, any farming operation or retail sales of vegetables and fruits permitted by the License. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the performance of the services required by this Agreement or the actions taken by Contractor pursuant to the License.

1.4. Familiarity with Work. By executing this Agreement, Contractor warrants that (a) it has thoroughly investigated and considered the work to be performed, (b) it has investigated the site of the work and fully acquainted itself with the conditions there existing, (c) it has carefully considered how the work should be performed, and (d) it fully understands the facilities, difficulties and restrictions attending performance of the work under this Agreement. Should Contractor discover any latent or unknown conditions materially differing from those inherent in the work or as represented by City, it shall immediately inform City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the Contract Officer (as defined in Section 4.2 hereof).

1.5. Standard of Care. Contractor acknowledges and understands that the services and work contracted for under this Agreement require specialized skills and abilities and that, consistent with this understanding, Contractor's services and work will be held to a heightened standard of quality and workmanship. Consistent with Section 1.4 hereinabove, Contractor represents to City that it holds the necessary skills and abilities to satisfy the heightened standard of work as set forth in this Agreement. Contractor shall adopt reasonable methods during the term of this Agreement to furnish continuous protection to the work performed by Contractor, and the equipment, materials, papers and other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, during the term of this Agreement, except such losses or damages as may be solely caused by City's own negligence. The performance of services by Contractor shall not relieve Contractor from any obligation to correct any incomplete, inaccurate or defective work at no further cost to City, when such inaccuracies are due to the negligence of Contractor.

1.6. Additional Services. In accordance with the terms and conditions of this Agreement, Contractor shall perform services in addition to those specified in the Scope of Services only when directed in writing to do so by the Contract Officer, provided that Contractor shall not be required to perform any additional services without compensation. Any addition in compensation not exceeding five percent (5%) of the "Contract Sum" (as defined in Section 2.1 hereof) may be approved by the Contract Officer. Any greater increase must be approved by the City Council.

1.7. Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" provisions in Exhibit "E" which is incorporated herein by this reference and expressly made a part hereof. In the event of a conflict between the provisions of the Special Requirements and any other provisions of this Agreement, the provisions of the Special Requirements shall govern.

2.0 COMPENSATION

Prorational share applicable to SR public use parcels =221.78 acres / 290 acres or 76.5% of $285,000 or $217,956

2.1. Contract Sum. For the services rendered pursuant to this Agreement, Contractor shall be compensated in accordance with Exhibit "C" (the "Schedule of Compensation"). Contractor shall be paid monthly, with each such monthly payment in the amount of Twenty-Three Thousand, Seven Hundred Fifty Dollars **($23,750)**, not to exceed Two Hundred Eighty-Five Thousand Dollars **($285,000)** per year in any full year of this Agreement (the "Contract Sum"), except as provided in Section 1.6. These payments are inclusive of all of Contractor's costs and expenses, and no reimbursement will be provided for Contractor's costs and expenses in carrying out these services. The method of compensation set forth in the Schedule of Compensation shall be paid in the manner set forth in Section 2.2 but shall not exceed the Contract Sum.

2.2. Method of Payment. The Contract Sum will be payable in 12 monthly installments of $23,750, pending a monthly Performance Schedule (Exhibit "D") review by and between the Contractor's representative and the Contract Officer. Contractor shall submit to City no later than the tenth (10th) working day of each month during the term hereof, in the form approved by City's Finance Director, an invoice for services rendered for the immediately preceding calendar month. Such invoice shall (1) describe in detail the services provided, including labor, time, and materials, and (2) contain a certification by a principal member of Contractor specifying that the payment requested is for work performed in accordance with the terms of this Agreement. City will pay Contractor the sum due pursuant to this Agreement no later than thirty (30) days after an invoice is received by the City's Finance Department.

3.0 PERFORMANCE SCHEDULE

3.1. Time of Essence. Time is of the essence in the performance of this Agreement.

3.2. Schedule of Performance. All services rendered pursuant to this Agreement shall be performed diligently and within the time period established in Exhibit "D", attached hereto and incorporated herein (the "Schedule of Performance"). Extensions to the time period specified in the Schedule of Performance may be approved in writing by the Contract Officer.

3.3. Force Majeure. The time period specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of Contractor, including, but not restricted to, acts of God or of the public enemy, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, acts of any governmental agency other than City, and unusually severe weather, if Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the forced delay when and if in his or her judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

3.4. Term. This Agreement shall commence on July 1, 2012 and expire on June 31, 2015 (initial term) unless earlier terminated pursuant to specific terms in this Agreement. This Agreement may be extended for two (2) additional one-year terms upon mutual agreement by both parties (each, an extended term). Unless earlier terminated in accordance with Sections 8.7 or 8.8 of this Agreement, or the Schedule of Performance, this Agreement shall continue in full force and effect until the expiration of the initial term or any extended term.

4.0 COORDINATION OF WORK

4.1. Representative of Contractor. The following principals of Contractor are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

a. Joe Manion, President
b. Bret Manion, Secretary

It is expressly understood that the experience, knowledge, capability, and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder.

The foregoing principals may not be changed by Contractor and no other personnel may be assigned to perform the service required hereunder without the express written approval of City.

4.2. Contract Officer. The Contract Officer shall be Steve Howlett, Golf & Parks Manager of the City, or such other person as may be designated in writing by the City Manager. It shall be Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer.

4.3. Prohibition Against Subcontracting or Assignment; Preventions of Liens. The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for City to enter into this Agreement. Except as set forth in this Agreement, Contractor shall not contract or subcontract with any other entity to perform in whole or in part the services required hereunder without the express written approval of City. In addition, neither this Agreement nor any interest herein (including, without limitation, the License) may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City, which approval may be granted or withheld in the City's sole and absolute discretion. Any attempted or purported assignment or sub-contracting by Contractor without the City's express written approval shall be null, void and of no effect. In addition, Contractor shall take all steps necessary to insure that no supplier of goods or services to Contractor files any notice, lien or similar document against the Property or any portion thereof and shall be responsible for the immediate removal of any such cloud on the City's title to the Property or portion thereof.

4.4. Independent Contractor. Neither City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall have no power to incur any debt, obligation, or liability on behalf of City. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. Contractor agrees to pay all required taxes on amounts paid to Contractor under this Agreement, and to indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Contractor shall fully comply with the workers' compensation laws regarding Contractor and Contractor's employees. Contractor further agrees to indemnify and hold City harmless from any failure of Contractor to comply with applicable workers' compensation laws. City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this Section 4.4.

4.5. City Cooperation. City shall provide Contractor with any plans, publications, reports, statistics, records or other data or information pertinent to services to be

performed hereunder which are reasonably available to Contractor only from or through action by City.

5.0 INSURANCE.

5.1 Insurance. Prior to the beginning of any work under this Agreement and throughout the duration of the term of this Agreement, Contractor shall procure and maintain, at its sole cost, and submit concurrently with its execution of this Agreement, insurance as described herein. All insurance coverage required by this Agreement shall be placed with insurers authorized to do business in the State of California with an A.M. Best rating level of A- or better, Class VI or better, unless otherwise approved by the City's Risk Manager in writing.

5.1.1. Minimum Coverage. Insurance shall include the following (or broader) coverage:

a. Insurance Services Office Commercial General Liability coverage "occurrence" form CG 00 01 or its exact equivalent with an edition date prior to 2004 and with minimum limits of $1,000,000 per occurrence and $2,000,000 in the aggregate.

b. Insurance Services Office form number CA 0001 or equivalent covering Automobile Liability, including hired and non-owned automobile liability with a minimum limit of $1,000,000 per accident. If Contractor owns no vehicles, this requirement may be satisfied by a non-owned and hired auto endorsement to Contractor's commercial general liability policy.

c. Contractor shall carry Workers' Compensation Insurance complying with California's worker's compensation laws, including statutory limits for workers' compensation and an Employer's Liability limit no less than $1,000,000 per accident or disease.

5.1.2. Required Endorsements. Liability insurance policies required to be provided by Contractor hereunder shall contain or be endorsed to contain the following provisions:

a. City, its employees, officials, representatives, agents and member agencies shall be covered as additional insureds. Coverage shall apply to any and all liability arising out of the work or related to this Agreement. Additional insured status under the general liability requirement shall be provided on Insurance Services Office Form CG 20 10 with an edition date prior to 2004, or its equivalent. Additional insured status for completed operations shall be provided either in the additional insured form or through another endorsement such as CG 20 37 with an edition date prior to 2004.

b. General and automobile liability insurance shall apply separately to each insured against whom a claim is made or suit is

brought, except with respect to the limits of the insurer's liability. Coverage will not be limited to City's vicarious liability.

c. Liability coverage shall be primary and non-contributing with any insurance maintained by the City.

d. Each policy required hereunder, and the associated evidence of coverage (including the workers' compensation and employer's liability policies), shall provide that coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after prior written notice has been given to City. Such provision shall not include any limitation of liability of the insurer for failure to provide such notice.

e. No liability insurance coverage provided to comply with this Agreement shall prohibit Contractor, or Contractor's employees, or agents, from waiving the right of recovery prior to a loss. Contractor waives its right of recovery against City.

5.1.3. Verification of Coverage. Contractor shall deposit with City concurrently with the execution of this Agreement certificates of insurance evidencing the coverage required hereunder and all required endorsements.

5.1.4. No Waiver or Obligation. There shall be no recourse against City for payment of premiums or other amounts with respect to the insurance required to be provided by Contractor hereunder. Any failure, actual or alleged, on the part of City to monitor compliance with these requirements will not be deemed as a waiver of any rights on the part of City. City has no additional obligations by virtue of requiring the insurance set forth herein.

5.1.5. Prompt Notice. Contractor agrees to provide immediate notice to City of any claim or loss against Contractor arising out of the work performed under this Agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

5.1.6. Subcontractors. Contractor shall include all subcontractors, if any, as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor approved by City. All coverages for subcontractors, if any, shall be subject to all of the requirements stated herein unless otherwise approved in advance in writing by City's Risk Manager.

5.2 Remedies. In addition to any other remedies City may have if Contractor fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option:

a. Obtain the insurance City deems necessary and either (i) require prompt reimbursement by Contractor, or (ii) deduct and retain the amount of the premiums for such insurance from any sums due under this Agreement.

b. Order Contractor to stop work under this Agreement and/or withhold any payment(s) which become due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.

c. Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to any other remedies City may have. The above remedies are not the exclusive remedies for Contractor's failure to maintain or secure appropriate policies or endorsements. Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractors' performance of work under this Agreement.

6.0 INDEMNIFICATION; ENVIRONMENTAL MATTERS.

6.1 Indemnification. To the fullest extent permitted by law, Contractor shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees, representatives, and agents (collectively, the "Indemnified Parties") from and against any and all liability, claims, suits, actions arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including, without limitation, incidental and consequential damages, actual attorney fees incurred by City, court costs, interest, defense costs including fees of expert contractors or expert witnesses incurred in connection therewith and any other costs or expenses of any kind whatsoever incurred in relation to, as a consequence of or arising out of or in any way attributable in whole or in part to the performance of this Agreement. All obligations under this provision are to be paid by Contractor as the City incurs them.

6.1.1. Exception to Contractor's Obligation to Indemnify. Without affecting the rights of City under any provision of this Agreement or this section, Contractor shall not be required to indemnify and hold harmless City as set forth above for liability attributable to the sole fault of City, provided such sole fault is determined by agreement between the parties or by the findings of a court of competent jurisdiction. This exception will apply only in instances where City is shown to have been solely at fault and not in instances where Contractor is solely or partially at fault or in instances where City's fault accounts for only a percentage of the liability involved. In those instances, the obligation of Contractor will be all-inclusive and City will be indemnified for all liability incurred, even though a percentage of the liability is attributable to conduct of the City.

6.1.2. Contractor Acknowledgment. Contractor acknowledges that its obligation pursuant to this section extends to liability attributable to City, if that liability is less than the sole fault of City.

6.1.3. Indemnity Provisions for Subcontractors. Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth in this Section 6.1.3 from each and every subcontractor, sub tier contractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. In the event Contractor fails to obtain such indemnity obligations from others as required herein, Contractor agrees to be fully responsible according to the terms of this section.

6.1.4. No Waiver; Survival. Failure of City to monitor compliance with the requirements of this Section 6.1.4 imposes no additional obligations on City and will in no way act as a waiver of any of City's rights hereunder. Contractor's obligation to indemnify and defend the Indemnified Parties as set forth herein is binding on the successors, assigns, or heirs of Contractor and shall survive the termination of this Agreement or this section.

6.2. Environmental Requirements.

a. Contractor shall use only non-restricted and approved products, as set forth on attached Exhibit "E", which is incorporated herein by this reference, on the Property.

b Contractor shall not use manure on the Property. Contractor shall use only dry and liquid fertilizers which do not have lingering odors.

c. Contractor shall be liable and responsible for the clean-up of any "Hazardous Materials" (defined below) or environmental contamination, which occur as a result of, or arises in connection with, any activities conducted by Contractor, its employees, agents, subcontractors or representatives, or invitees, under this Agreement, including, without limitation, the License, and shall indemnify and hold harmless the City of La Quinta from and against any and all claims, losses, damages and injuries of any nature whatsoever resulting from or arising out of Contractor's activities under this Agreement, including, without limitation, the License, except to the extent resulting from the gross negligence or willful misconduct of City, its employees, agents, contractors or representatives. Contractor's obligation to observe and perform this covenant shall survive the expiration or other termination of this Agreement. If any Hazardous Materials attributable to Contractor, its agents, employees, subcontractors or representatives, or invitees, or the activities of any of them, are found in the soil, air, surface or ground water on, under or about the Property, Contractor, at its sole expense, shall promptly take any and all actions necessary to return the Property to the condition existing prior to the introduction of such Hazardous Materials to the Property in accordance with

all applicable laws and the requirements of all governmental agencies with jurisdiction, provided that City's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld. If Contractor causes or permits a significant release of Hazardous Materials or is in material noncompliance with any applicable law or requirement of this Section, City may make a reasonable demand for action upon Contractor. If Contractor does not respond within thirty (30) days (unless there is an emergency, in which case Contractor shall be required to respond as soon as practicable), City may, at its option, take reasonable actions to remedy the release or noncompliance at Contractor's sole expense, which sums shall be immediately due and payable to City as additional compensation. At any time during the term of this Agreement, Contractor shall, if required by any governmental agency, promptly take whatever steps are necessary to investigate and remedy any contamination by Hazardous Materials caused by Contractor, its agents, employees, subcontractors or representatives, or invitees.

d. For purposes of this Agreement, the term "Hazardous Materials" shall mean (1) hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including, but not limited to, substances deemed as "hazardous wastes," "hazardous materials," "hazardous substances," "toxic substances," "pollutants," "contaminants," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA "), 42 U.S.C. § 9601 et seq.; the Toxic Substance Control Act ("TSCA"), 15 U.S.C. § 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 9601, et seq.; the Clean Water Act ("CWA"), 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300 et seq.; the Clean Air Act ("CAA"), 42 U.S.C. § 7401 et seq.; the Hazardous Waste Control Law, California Health and Safety Code § 25025 et seq., the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code, Division 20, Chapter 6.8, the Hazardous Materials Release Response Plans and Inventory Act, California Health and Safety Code, Division 20, Chapter 6.95, The Underground Storage of Hazardous Substances Act, California Health and Safety Code, Division 20, Chapter 6.7, the Porter-Cologne Act, California Water Code § 13050 et seq. and in any permits, licenses, approvals, plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar federal, state or local laws, regulations, rules or ordinances now or hereafter in effect relating to environmental matters (collectively the "Environmental Laws"); and (ii) any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation, ordinance or common law doctrine, including any Environmental Law, now or hereafter in effect, including, but not limited to, (A) petroleum, (B) refined petroleum products, (C) waste oil, (D) waste aviation or motor vehicle fuel, (E) asbestos, (F) lead in water, paint

or elsewhere, (G) radon, (H) polychlorinated biphenyls (PCB's) and (I) urea formaldehyde.

7.0 RECORDS AND REPORTS.

7.1. Reports. Contractor shall periodically prepare and submit to the Contract Officer such reports concerning Contractor's performance of the services required by this Agreement as the Contract Officer shall require.

7.2. Records. Contractor shall keep such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the cost and the performance of such services. Books and records pertaining to costs shall be kept and prepared in accordance with generally accepted accounting principles. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

7.3. Ownership of Documents. Originals of all drawings, specifications, reports, records, documents and other materials, whether in hard copy or electronic form, which are prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement, shall be the property of City and shall be delivered to City upon termination of this Agreement or upon the earlier request of the Contract Officer, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Contractor shall cause all subcontractors to assign to City any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages suffered thereby.

7.4. Release of Documents. The drawings, specifications, reports, records, documents and other materials prepared by Contractor in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer or as required by law. Contractor shall not disclose to any other entity or person any information regarding the activities of City, except as required by law or as authorized by City.

7.5. Confidentiality. Contractor covenants that all data, documents, discussion, or other information, if any, developed or received by Contractor or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Contractor to any person or entity without prior written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Contractor's covenant under this section shall survive the termination of this Agreement.

8.0 ENFORCEMENT OF AGREEMENT.

8.1. California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the

State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

8.2. Disputes. In the event of any dispute arising under this Agreement, the injured party shall notify the injuring party in writing of its contentions by submitting a claim therefore. The injured party shall continue performing its obligations hereunder so long as the injuring party commences to cure such default within ten (10) days of service of such notice and completes the cure of such default within forty-five (45) days after service of the notice, or such longer period as may be permitted by the Contract Officer; provided that if the default is an immediate danger to the health, safety and general welfare, City may take such immediate action as City deems warranted. Compliance with the provisions of this section shall be a condition precedent to termination of this Agreement for cause and to any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not cured, provided that nothing herein shall limit City's right to terminate this Agreement without cause pursuant to Section 8.7.

8.3. Retention of Funds. City may withhold from any monies payable to Contractor sufficient funds to compensate City for any losses, costs, liabilities, or damages it reasonably believes were suffered by City due to the default of Contractor in the performance of the services required by this Agreement.

8.4. Waiver. No delay or omission in the exercise of any right or remedy of a non defaulting party on any default shall impair such right or remedy or be construed as a waiver. City's consent or approval of any act by Contractor requiring City's consent or approval shall not be deemed to waive or render unnecessary City's consent to or approval of any subsequent act of Contractor. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.5. Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

8.6. Legal Action. In addition to any other rights or remedies, either party may take legal action, at law or at equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

8.7. Termination Prior to Expiration of Term. This section shall govern any termination of this Agreement, except as specifically provided in the following Section 8.8 for termination for cause or as provided for termination of the License. City reserves the right to terminate this Agreement at any time, with or without cause, upon thirty (30) days' written notice to Contractor. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except as may be specifically approved by the Contract Officer. Contractor shall be entitled to compensation for all services rendered prior to receipt of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3.

8.8. Termination for Default of Contractor. If termination is due to the failure of Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 8.2, take over work and prosecute the same to completion by contract or otherwise, and Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to Contractor for the purpose of setoff or partial payment of the amounts owed City as previously stated in Section 8.3.

8.9. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs of suit from the losing party, including, without limitation, expert witness fees.

9.0 CITY OFFICERS AND EMPLOYEES; NONDISCRIMINATION.

9.1. Non-liability of City Officers and Employees. No officer or employee of City shall be personally liable to Contractor, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

9.2. Conflict of Interest. No officer or employee of City shall have any personal interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which she or he is, directly or indirectly, interested, in violation of any State statute or regulation. Contractor warrants that it has not paid or given and will not pay or give any third party any money or general consideration for obtaining this Agreement.

9.3. Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national

origin or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

10.0 MISCELLANEOUS PROVISIONS

10.1. Notice. Any notice, demand, request, consent, approval, communication either party desires or is required to give the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing if mailed as provided in this section.

To City:
CITY OF LA QUINTA
Attn: Steve Howlett
78-495 Calle Tampico
P.O. Box 1504
La Quinta, CA 92247-1504

To Contractor:
LA QUINTA FARMS, LLC
Attn: Joe Manion
P.O. Box 3028
Indio, CA 92202

10.2. ABx1 26 Disclosure and Release. On June 28, 2011, the Governor signed Assembly Bill 26 ("ABx1 26") and Assembly Bill 27 ("ABx1 27") from the 2011-12 First Extraordinary Session of the California Legislature. ABx1 26 immediately suspended all redevelopment agency activities, except continued performance of "enforceable obligations," and set forth a process to dissolve redevelopment agencies and end redevelopment in California. ABx1 27 provided a "voluntary alternative redevelopment program," which would have allowed redevelopment agencies to remain in existence and continue redevelopment, if remittance payments were made to cover the State of California's budget shortfall for fiscal year 2011-12 and were made in subsequent fiscal years to cover State costs. A lawsuit was filed, challenging the constitutionality of both ABx1 26 and 27. The California Supreme Court upheld the constitutionality of ABx1 26, revising the effective dates of certain provisions, and struck down as unconstitutional ABx1 27. (*California Redevelopment Assn. v. Matosantos* (2011) 53 Cal.4th 231 (*"CRA Case"*). ABx1 26 is Chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 (suspension provisions) and Part 1.85 (dissolution provisions) of Division 24 of the Health and Safety Code. The City acquired the Property from the former La Quinta Redevelopment Agency ("Agency") prior to the date ABx1 26 was signed by the Governor. With the exception of certain portions of the Property designated for public uses, the City paid to the Agency the fair market value of the Property. Although the City believes the City's acquisition of the Property from the Agency was lawfully conducted, the City cannot guarantee that the California Department of Finance or another interested party will not order the Property to be returned to the City, in its capacity as the "Successor Agency" to the former Agency, and require the City, in its capacity as the Successor Agency, to sell the Property to a third party. Contractor, on behalf of itself and its successors and assigns, hereby releases and forever discharges the City and the City's officials,

officers, members, agents, employees, and representatives, and each of them (collectively, the "City Released Parties"), from and against any and all claims, complaints, demands, causes of action, obligations, damages, costs, expenses, liens, attorneys' fees, rights and liabilities of any nature whatsoever, whether known or unknown, suspected or not suspected to exist, claimed or not claimed, that arise in connection with the City's termination of this Agreement and the License as a result of an order under ABx1 26 to the City to transfer the Property to the City, in its capacity as the Successor Agency, and sell the Property to a third party (collectively, the "City Released Claims"). To the full extent of the foregoing release of the City Released Claims, Contractor also expressly waives all "unknown claims" as against the City Released Parties and expressly waives its rights under Civil Code section 1542, which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

10.3. Integrated Agreement. This Agreement contains all of the agreements of the parties and all previous understanding, negotiations and agreements are integrated into and superseded by this Agreement.

10.4. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail except as otherwise provided in Section 1.7.

10.5. Amendment. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing signed by both parties.

10.6. Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder.

10.7. Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

CITY

CITY OF LA QUINTA, a California municipal corporation and charter city

Mark Weiss, Interim City Manager

Dated: 5-21-12

CONTRACTOR:

LA QUINTA FARMS, LLC., a California limited liability company

By:

Name: Joe Mavrou

Title: President

ATTEST:

Susan Maysels, Interim City Clerk

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP

SIGNED IN COUNTERPART

M. Katherine Jenson, City Attorney

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

CITY

CITY OF LA QUINTA, a California municipal corporation and charter city

SIGNED IN COUNTERPART

Mark Weiss, Interim City Manager

Dated: _____

CONTRACTOR:

LA QUINTA FARMS, LLC., a California limited liability company

By: _____

Name: Joe Marione

Title: President

ATTEST: **SIGNED IN COUNTERPART**

Susan Maysels, Interim City Clerk

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP

M. Katherine Jenson, City Attorney

Exhibit A

SCOPE OF SERVICES

La Quinta Farms, LLC shall manage the "Property," which is the approximately 290 acres of undeveloped property at SilverRock Resort. This includes PM10 management and mitigation, planting and maintaining Sudan grass to cover approximately 80 acres of the Property, removing current and future weeds including tamarisk trees, removing current and future debris from the property, cleaning the vegetation that grows in the storm water retention area, planting and maintaining rye grass to cover approximately 45 acres, for purposes of providing a temporary parking lot that can be used annually for events from November through April, and (subject to the limitations in this exhibit and the Agreement) operating a 35 acre farm operation.

Irrigation. A water truck shall be on site at all times. All water costs related to the scope of services contained in this contract will be included in the contractors' service.

Sudan Grass. Sudan grass will be planted annually over 80 acres and will be maintained throughout the year. There will be a dormant season for the Sudan grass. The dormant grass will still require maintenance and irrigation for weed and dust control. Sudan grass is used by farmers to condition soils because of its abilities to remove salts and impurities from the soil.

Temporary Parking Lot. The City has an agreement for the Humana Challenge Golf Tournament to provide 45 acres of event parking within the undeveloped property at SilverRock located at Avenue 54 and Jefferson Street. As part of the Scope of Services, the Contractor will annually plant the rye grass in October and maintain the grassed area through the Humana Challenge Golf Event.

Weed Removal. Tumbleweeds, Sahara Mustard, and Tamarisk trees are invasive weeds that have become problematic throughout the Coachella Valley. When not eradicated, these weeds may cause problems along Jefferson Street and at the Hideaway Development during wind events. Tamarisk trees are difficult to remove and will damage the water features at SilverRock Resort if they are not eradicated. The Contractor will continually remove these weeds throughout the Property.

Debris Removal. The perimeter of the SilverRock Resort development is mostly open landscape with a few wall and fence features. Unfortunately, this design provides access to trespassers who occasionally dump debris on the Property. The Contractor, as part of the services under the Agreement, will monitor trespass activity and remove current and future debris.

Storm Water Retention Area. A storm water retention basin currently exists on the north section of the Property along Avenue 52 and just east of the SilverRock Resort entrance. This retention basin is the termination point for the Calle Rondo Channel which collects most of the storm and run-off water from the La Quinta Cove and Village communities. The Contractor will continually remove the vegetation that grows within and around the storm water retention area as part of the services under the Agreement.

Exhibit B

REVOCABLE LICENSE

1. GRANT; LIMITATION OF RIGHTS. City hereby grants to Contractor a non-exclusive, revocable license over the "Licensed Property" (as defined in Paragraph 2 below) during the term of the Agreement (as such term may be extended pursuant to the terms thereof) for the sole purpose of the activity identified below in Paragraph 3.

2. DESCRIPTION OF LICENSED PROPERTY. The Licensed Property shall consist of up to 35 acres of the Property and shall be located at the corner of Avenue 52 and Jefferson Street.

3. USE OF LICENSED PROPERTY. Aside from Contractor's access to the Licensed Property for the purpose of performing the Scope of Services, Contractor may use the Licensed Property only for the following purposes: growing vegetables and fruit together with the operation of a vegetable/fruit stand.

4. CONTRACTOR'S OPERATION. Contractor hereby acknowledges that the Licensed Property is unimproved, undeveloped, and unoccupied. Contractor hereby assumes all risks of injury to persons or property associated with the condition of the Licensed Property, and Contractor's use of the Licensed Property is subject to the Indemnity provisions contained above in Section 6.1 of the Agreement. All materials and equipment, if any, shipped or brought to the Licensed Property under this License shall be unloaded, checked and stored at no expense or risk to City. Contractor shall retain full responsibility and risk of loss for its materials, equipment and supplies stored on the Licensed Property. Contractor shall (i) conduct all activity in connection with this License at its sole cost and expense and in a safe manner and workmanlike manner and not allow any dangerous or hazardous conditions created by Contractor or its agents, representatives, consultants or contractors to occur on the Licensed Property during such activity and Contractor shall promptly and diligently cure any such conditions should they occur; (ii) comply with all applicable laws and governmental regulations (including, without limitation, any "Hazardous Materials" [as that term is defined in Section 6.3.d of the Agreement] laws); (iii) keep the Licensed Property free and clear of all liens, lis pendens and other liens arising out of the entry or activity performed pursuant to this License; and (iv) provide to the City prior to initial entry the certificates of insurance required by the Agreement.

5. SECURITY OF LICENSED PROPERTY. At all times, Contractor shall secure the Licensed Property to permit only lawful activity to occur on site.

6. NO RELOCATION ASSISTANCE. Contractor acknowledges that the Property, including the Licensed Property, is designated for development of a second golf course, a luxury resort and a retail development, and Contractor's use of the Licensed Property is for the short term convenience of the City to help with the PM10 and dust control of the Licensed Property. Contractor irrevocably and absolutely waives, releases and discharges the City, and any present or former employees, subsidiaries, officers, agents, consultants, attorneys, insurers, successors and assigns of the City from all claims that Contractor has or may be entitled to "Relocation Assistance" (as defined below) or from all claims that Contractor is or may be deemed a "displaced person" upon the expiration or earlier

termination of the Agreement, either of which events shall result in the automatic termination of this License. It is understood and agreed that the City shall have no liability for any Relocation Assistance, including without limitation, relocation benefits payable under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601, *et seq.*) and the implementing regulations thereto, or under Title I, Division 7, Chapter 1 of the Government Code of the State of California (Section 7260, *et seq.*) and the California Relocation Assistance and Real Property Acquisition Guidelines (25 C.C.R. § 6000 *et seq.*), or relocation assistance or benefits payable to any owner or tenants (collectively, "Relocation Assistance"). Contractor acknowledges that it has no property interest in the Licensed Property, and that it will have no claim for loss of business, loss of profits, or loss of goodwill upon termination of Contractor's use of the Licensed Property on the expiration or earlier termination of the Agreement.

7. REMOVAL OF CONTRACTOR'S PROPERTY. Upon termination of the License, Contractor shall remove any and all construction, structures, buildings, improvements and fixtures from the Licensed Property at its sole costs and expense. Such removal shall be completed no later than twenty (20) days after termination. If the Contractor does not adequately remove all such property, then the City may deduct the cost of doing so from the Contract Sum or from any payment due Contractor under the Agreement.

8. TERMINATION OF LICENSE. This License shall automatically terminate on the expiration or earlier termination of the Agreement in accordance with the terms set forth therein, without any further action or notice required to be provided by the City. In addition, City may terminate this License pursuant to the terms of Paragraph 9 below. Upon such termination, Contractor shall immediately cease using the Licensed Property and shall remove all property as provided in Paragraph 7 and shall restore the Licensed Property to its original condition or such other condition as is satisfactory to the City.

9. TRADEMARK LICENSE RIGHTS GRANTED.

(a) **General**. City hereby grants to Contractor, and Contractor hereby accepts, upon the terms and conditions set forth herein, a non-exclusive, non-transferable, non-sublicensable, revocable license to use the Trademarks solely for the marketing and sale of the Licensed Goods. Contractor acknowledges that the Trademarks are owned solely and exclusively by City. Contractor hereby acknowledges and agrees that, except as set forth herein, Contractor has no rights, title or interest in or to the Trademarks and that all use of the Trademarks by Contractor shall inure to the benefit of City. Contractor agrees that it will not oppose, contest or challenge the validity of the Trademarks or City's ownership or registration thereof during the term of this License. Contractor understands and agrees that it does not have the right to use the Trademarks in any manner that weakens or impairs City's rights in and to the Trademarks. If, in City's sole determination, Contractor's use of the Trademarks weakens or impairs City's rights in and to the Trademarks, then Contractor agrees to immediately terminate or modify such use in accordance with City's instructions. In the event Contractor fails to terminate or modify such use as directed by City within ten (10) business days of having been notified by City, then City may terminate this License by providing written notice to Contractor.

(b) **Quality Standards**. Upon City's request, Contractor shall furnish to City, at no expense to City, samples of License Goods offered by Contractor in connection with the Trademarks. City shall control the quality of all materials bearing the Trademarks and Contractor's use of the Trademarks. If City believes that the Trademarks are being used in a manner that could diminish City's rights in or protection of the Trademarks, Contractor agrees, at Contractor's sole cost and expense, to make whatever changes and/or corrections City deems necessary to protect the Trademarks. Contractor agrees that it shall not engage, participate or otherwise become involved in any activity or course of action that diminishes and/or tarnishes the image and/or reputation of City or the Trademarks. Licensee agrees to comply with all applicable local, state and federal laws and, at all times, to conduct its activities under this License in a lawful manner.

(c) **Use and Display of Licensed Marks**. Contractor agrees to use the Trademarks solely in the manner that City shall specify from time to time in City's sole discretion. After the Effective Date of this License, all literature and materials printed, distributed or electronically transmitted by Contractor containing the Trademarks shall include the following notice:

SILVERROCK and the SILVERROCK Logo are trademarks of the City of La Quinta.

(d) **Effect of Termination**. Upon the termination of this License, all rights granted to Contractor hereunder shall immediately revert to City. Thereafter, Contractor will refrain from further use of the Trademarks or any further reference to the Trademarks in connection with the sale or offering of any goods or services.

(e) **Cooperation and Protection**. In the event any third party asserts a claim for infringement or unfair competition against Contractor based on allegedly superior rights in the Trademarks, or marks similar thereto, Contractor shall promptly notify City of said claim. Contractor agrees to cooperate with and assist City in protecting and defending the Trademarks against any claim, at City's expense; provided, however, that City shall have the sole right to determine whether any action shall be taken on account of any such infringement, claim or action. Contractor shall not take any action on account of any such infringement, claim or action without the prior written consent of City.

Exhibit "C"

SCHEDULE OF COMPENSATION

Payment under this Agreement shall be made monthly, with each such monthly payment in the amount of Twenty-Three Thousand, Seven Hundred Fifty Dollars **($23,750)**, not to exceed Two Hundred Eighty-Five Thousand Dollars **($285,000)** per year in any full year of the Agreement. The monthly payments are inclusive of costs and expenses incurred by Contractor in carrying out the terms under this Agreement. No reimbursables are provided for by the Agreement and all of such costs and expenses shall be the sole responsibility of Contractor.

Additional authorized services beyond the scope of services outlined in this Agreement and in Exhibit "A" will be billed at Contractor's then current hourly consulting rates. Contractor's current hourly rates are set forth in the attached rate schedule.

PRECISION LANDLEVELING & CUSTOM FARMING
44-917 Golf Center Parkway, Suite 12 • Indio, CA 92201 • 760-347-1585 • Fax 760-347-2295

Disking- $45.00 per acre

Sprinkler Pipe- $25.00 per joint per month

Mowing- $85.00 per acre

Labor- $45.00 per acre

Plowing- $65.00 per acre

Deep Ripping- $75.00 per acre

Watertruck-$100.00 per day

Lasering- $150.00 per hour

$800.00 per acre to plant & grow

Booster Pump- $2300.00 per month plus diesel

Exhibit D

SCHEDULE OF PERFORMANCE

Contractor shall complete all services in accordance with the Schedule of Performance set forth below and made a part of this Agreement:

	July	August	September	October	November	December	January	February	March	April	May	June
Irrigation for Roads and Perimeter	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Sudan Grass	----------	----------	----------									----------
Temporary Parking Lot				----------	----------	----------	----------	----------	----------	----------	----------	
Weed Removal	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Debris Removal	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Storm Water Retention Area	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Irrigation Retention Pond	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Farm Operation	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------

Exhibit E

SPECIAL REQUIREMENTS

1. Contractor shall provide information of any pesticide intended for use on the Property to City for City approval prior to application. Contractor shall then file all Pesticide Use Reports and maintain a list of all approved pesticides used on-site as per the California Department of Pesticide Regulation. Any Restricted Use Pesticide will first require a use permit issued by the Riverside Agricultural Commissioner before the City will approve any on-site application.

2. Contractor shall limit the use of Restricted Use Pesticides and shall provide the City with advance notice prior to the use of any Restricted Use Pesticide. Contractor shall comply with all Federal, State, and Local laws and regulations regarding the application of Restricted Use Pesticides. All pesticides used at the Property, both Restrictive Use Pesticides and non-restrictive products, shall be applied by California State Licensed Applicators who shall follow the California Agricultural Code.

3. The State of California Agricultural Code requires that Restricted Use Pesticides may be used only after a written recommendation by a State of California licensed Pest Control Advisor is obtained. A recommendation consists of all the applicator should know for an accurate and safe usage. The recommendation must be time and site specific.

4. Application of all pesticides shall be only by a properly State Licensed Pest Control Operator or a Certified Applicator of Pesticides.

5. Contractor shall be responsible for all pesticide related liabilities associated with the Property including, but not limited to: licensing, storage, employee training, mixing/loading/applying, container disposal, rinse water, spray log documentation, and monthly use reporting.

LAQUI-2 9/12 OP ID: JS

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 04/27/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
ISU CorMarc Agency
25220 Hancock Ave. #200
Murrieta, CA 92562
Bill Frederick
951-278-1388
951-278-0664

CONTACT NAME:
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Nationwide Mutual Ins Co	23787
INSURER B: Allied Group Insurance	19100
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
LaQuinta Farms, LLC
82372 Samantha Ct.
Indio, CA 92201

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY							
B	X COMMERCIAL GENERAL LIABILITY	X		FPKGLNO7824473587	04/27/12	04/27/13	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
A				FPKFMP7824473587	04/27/12	04/27/13	PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
B	ANY AUTO			FPKBAN7824473587	04/27/12	04/27/13	BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / X SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS / X NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

City of LaQuinta is named as an additional insured in respect to our insureds operations.

CERTIFICATE HOLDER

LAQU150

City of La Quinta
P.O. Box 1504
La Quinta, CA 92247-1504

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

B. Strecher

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POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 10 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
CITY OF LA QUINTA PO BOX 1504 LA QUINTA, CA 92247 1504
Location(s) Of Covered Operations
ALL LOCATIONS AT WHICH ONGOING OPERATIONS ARE BEING PERFORMED FOR THE ADDITIONAL PERSON(S) OR ORGANIZATION(S)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

All terms and conditions of this policy apply unless modified by this endorsement.

© ISO Properties, Inc., 2004

POLICYHOLDER COPY

NK

STATE COMPENSATION INSURANCE FUND

P.O. BOX 420807, SAN FRANCISCO,CA 94142-0807

CERTIFICATE OF WORKERS' COMPENSATION INSURANCE

ISSUE DATE: 05-07-2012

GROUP:
POLICY NUMBER: 1940438-2011
CERTIFICATE ID: 3
CERTIFICATE EXPIRES: 07-01-2012
07-01-2011/07-01-2012
THIS CERTIFICATE SUPERSEDES AND CORRECTS
CERTIFICATE # 2 DATED 12-02-2011

CITY OF LA QUINTA NK
PO BOX 1504
LA QUINTA CA 92247-1504

This is to certify that we have issued a valid Workers' Compensation Insurance policy in a form approved by the California Insurance Commissioner to the employer named below for the policy period indicated.

This policy is not subject to cancellation by the Fund except upon 30 days advance written notice to the employer.

We will also give you 30 days advance notice should this policy be cancelled prior to its normal expiration.

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policy listed herein. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate of insurance may be issued or to which it may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions, and conditions, of such policy.

James Mearry
Authorized Representative

Thomas E Rose
President and CEO

EMPLOYER'S LIABILITY LIMIT INCLUDING DEFENSE COSTS: $1,000,000 PER OCCURRENCE.

ENDORSEMENT #1901 - MANION, JOE W - EXCLUDED.

ENDORSEMENT #2065 ENTITLED CERTIFICATE HOLDERS' NOTICE EFFECTIVE 07-16-2010 IS ATTACHED TO AND FORMS A PART OF THIS POLICY.

EMPLOYER

LA QUINTA FARMS, LLC NK
82372 SAMANTHA CT
INDIO CA 92201

[B1A.NK]

PRINTED : 05-07-2012

(REV.8-2010)

Appendix 4: SilverRock Domestic Water and Sanitation System Installation and Irrigation Service Agreement (70 pages)

DOC # 2005-0852063
10/14/2005 08:00A Fee:NC
Page 1 of 69
Recorded in Official Records
County of Riverside
Larry W. Ward
Assessor, County Clerk & Recorder

No Recording Fee
Required Per
Government Code
Section 27383

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

COACHELLA VALLEY WATER DISTRICT
Post Office Box 1058
Coachella, California 92236

M	S	U	PAGE	SIZE	DA	PCOR	NOCOR	SMF	MISC.
	1		69	69					
					70			✓	TP
A	R	L			COPY	LONG	REFUND	NCHG	EXAM

70

C
TP

File: 0421.2
0721.2 ✕
0655.
0322.12

(Space above this line for Recorder's Use)

DOMESTIC WATER AND SANITATION SYSTEM INSTALLATION AND IRRIGATION SERVICE AGREEMENT

THIS AGREEMENT is made on this 11th day of June, 2005, for identification purposes only, by and between the COACHELLA VALLEY WATER DISTRICT, a public agency of the State of California, ("District") and LA QUINTA REDEVELOPMENT AGENCY, a public agency of the State of California, ("La Quinta").

RECITALS

WHEREAS, La Quinta is developing a project named Silver Rock Resort ("Project") generally consisting of two (2) 18-hole golf courses, up to a total of 1250 combined hotel and casita/timeshare units, a clubhouse, a conference center, a commercial/retail center and a maintenance facility located on approximately five hundred twenty-three (523) acres within Sections 5, 6 and 8, Township 6 South, Range 7 East, San Bernardino Base and Meridian, in the City of La Quinta and described in Exhibit A and Exhibit B attached hereto and by this reference incorporated herein; and

060705-3-005
060705-4-XXX
060706-4-XXX
060708-1-XXX

WHEREAS, the Project will require domestic water distribution and sanitation collection systems and domestic water and sanitation service to each of the Units; and

WHEREAS, the Project has fire flow requirements of one thousand five hundred (1,500) gallons per minute (gpm) for two (2) hours and four thousand (4,000) gpm for two (2) hours, respectively, which are in excess of that available from District's existing system; and

WHEREAS, La Quinta is desirous of having District provide domestic water and sanitation service to the Project and is willing to transfer to District the domestic water and sanitation distribution systems necessary, therefore, after the construction thereof and District is willing to accept such transfer and to provide domestic water and sanitation service to the Project on the terms and conditions set forth herein; and

WHEREAS, the Project will also include two 18-hole golf courses with water features and amenities and will require irrigation water service to serve the golf courses. Except as otherwise set forth herein, the term "irrigation water" is intended to refer to canal water; and

WHEREAS, La Quinta will require modifications of the existing irrigation water distribution/delivery system which includes the modification of two (2) delivery systems consisting of a twelve-inch (12") line, meters, gate valves, telemetry and all related appurtenances.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. La Quinta shall do the following for domestic water service:

a. If necessary, as determined by City and District, execute District's Domestic Water and/or Sanitation System Installation Agreement (the "Standard Agreement") for each tract within the Project in such form and content as set forth in Exhibit C attached hereto and by this reference incorporated herein, as amended by

District from time to time. In the event of any inconsistency or ambiguity between the terms of the Standard Agreement and this Agreement, the terms of this Agreement shall control.

b. La Quinta shall act as lead agency for the purpose of complying with CEQA and all other applicable state and federal environmental laws for the design and construction of the domestic water facilities and/or sites designated herein. As a part of its obligations to fund the CEQA process, La Quinta shall prepare or cause to be prepared all instruments, documents, reports and other like or kind writings required to be prepared and/or filed by CEQA.

c. La Quinta, at its cost and expense, shall provide to District grant deeds for six (6) domestic water well sites and one (1) booster station/pressure reducing site ("BS/PR Site"), at such locations approved by District, in District's sole and absolute discretion. Said domestic water well sites and BS/PR Site shall be approximately one hundred fifty feet (150') by one hundred fifty feet (150') in dimension. La Quinta shall ensure that the well sites and site are free and clear of all monetary liens and encumbrances and that the transfers to District shall comply with the California Subdivision Map Act. The BS/PR Site is in lieu of a seventh well site.

d. Pay to District the actual cost of the design and construction of two (2) domestic water wells and pumping plants complete with all necessary appurtenances including backup, on-site generators. The wells and pumping plants may be constructed on any of the above-mentioned well sites provided by La Quinta as determined by District in its sole and absolute discretion. The District shall invoice La Quinta on a monthly basis or at La Quinta's option La Quinta may provide an irrevocable letter of credit acceptable to District or La Quinta may provide cash in the amount of eight hundred fifty

thousand dollars ($850,000.00) per well to be used by District to pay the cost of two (2) of the wells and pumping plants with on-site, backup generators complete with all necessary appurtenances before water service is initiated to the Units within the Project in accordance with the schedule in Appendix A. District reserves the right to review and modify the irrevocable letter of credit or cash amount to pay for the wells and pumping plants due to increased construction costs. La Quinta shall pay to District any additional cost within thirty (30) days of being billed should the cost of design and construction of the well and pumping plants exceed the advance payment referenced herein.

In lieu of La Quinta providing an irrevocable letter of credit or cash deposit in the amount mentioned above to be used by District to pay for the cost of the domestic water wells and well pumping plants, La Quinta, at District's option, may construct one (1) and/or two (2) domestic water wells at the well sites described in Subparagraph 1.c. and furnish and install the pump and motor in accordance with District specifications. All well, pump and motor materials and appurtenances shall be approved by District. The well, drilling, soil and water sampling, constructing, developing and testing shall be done under the direction of a District approved hydrogeologist. All directions given by the hydrogeologist shall be subject to District approval.

In conjunction with this option, La Quinta shall provide an irrevocable letter of credit acceptable to District or cash in the amount of eight hundred fifty thousand dollars ($850,000.00) less the bid amounts for the well drilling, pump and motor contracts to be used by District to pay for the cost of the well pumping plant facilities and appurtenances including backup generator power supply. La Quinta shall submit the contract documents for the well, pump and motor to District for review and approval prior to presenting them to contractors for bidding purposes.

Before the domestic water wells are transferred to District, La Quinta shall have the domestic water wells tested for water quality, water production, specific yield and sand content. Well shall comply with all District, state and federal water and well requirements.

If the above water well requirements are not met, La Quinta will not be relieved of its obligation to provide District with a well in accordance with the schedule in Appendix A.

e. Provide, at La Quinta's sole cost and expense, separate grading and landscaping plans for the six (6) well sites and the BS/PR Site described in Subparagraph 1.c. The provisions of Paragraph 4(a) shall apply to the review and approval of the plans. After the grading and landscaping plans have been approved by District, La Quinta shall grade and landscape the sites per the approved plans. The provisions of Paragraph 4 shall apply to the grading and landscaping of the well sites and the BS/PR Site.

f. Provide, at La Quinta's sole cost and expense, electrical power of a voltage and wattage necessary for well operation to the six (6) well sites and the BS/PR Site described in Subparagraph 1.c.

g. Provide, at La Quinta's sole cost and expense, telephone service necessary for well communication operation to the six (6) well sites and BS/PR Site described in Subparagraph 1.c.

h. Design and construct, at La Quinta's sole cost and expense, (i) eight-foot (8') high perimeter walls around the six (6) well sites and, (ii) BS/PR Site described in Subparagraph 1.c., and (iii) exterior landscaping. The design of the walls shall also include consideration of noise attenuation to maintain exterior noise levels to an

acceptable ambient level for residential development while the wells and reservoir are in operation. The wall, landscaping and berm shall be of the type and include such material as District shall determine, in District's sole and absolute discretion. The provisions of Paragraph 4 shall apply to the design and construction of the walls, berm and landscaping.

i. Design and construct, at La Quinta's sole cost and expense, well site drainage and well discharge water facilities from each of the six (6) well sites and site drainage and water discharge facilities from the BS/PR Site into local drainage facilities. La Quinta shall include drainage and well and BS/PR Site discharge water facilities designs for District approval on the grading plans described in Subparagraph 1.h.

j. Design and construct, at La Quinta's sole cost and expense, a minimum of a twelve-inch (12") diameter domestic water pipeline, if one is not adjacent to each of the six (6) domestic water well sites, from an existing twelve-inch (12") diameter or larger domestic water pipeline and provide a twelve-inch (12") diameter or larger domestic water pipeline and provide a twelve-inch (12") stub-out to each of the six (6) well sites described in Subparagraph 1.c.

k. Design and construct, at La Quinta's sole cost and expense, a minimum of two (2) eighteen-inch (18") diameter domestic water pipelines, if not already adjacent to the BS/PR Site, from existing eighteen-inch (18") pipelines and "stub-out" into the BS/PRS site. One eighteen-inch (18") pipeline shall be connected to the District's Cahuilla Pressure Zone (150-foot Pressure Zone) and the second shall be connected to the District's Lower La Quinta Zone (235-foot Pressure Zone).

l. Design and construct, at La Quinta's sole cost and expense, a building or buildings at La Quinta's option to house any or all of the two (2) wells and appurtenances described in Subparagraph 1.d. The design shall include a removable/retractable roof,

ventilation and soundproofing. The provisions of Paragraph 4 shall apply to the design and construction of the buildings.

m. Pay or cause a third party to pay or provide for the operation and maintenance, including malicious damage and graffiti, of the landscaping, walls, gates and drainage facilities for the six (6) well sites and BS/PR Site described in Subparagraphs 1.c. and 1.d. Maintenance of the landscaping and drainage facilities for the six (6) well sites and the BS/PR Site shall be in accordance with the requirements of District, as they may be amended from time to time.

La Quinta shall be responsible for installing and establishing the initial landscaping at the BS/PR Site and maintaining the landscaping for one (1) year after the landscaping is planted.

n. Design and construct, at La Quinta's sole cost and expense, to District specifications, the following pipelines before water service is initiated by District to the Units within the Project in accordance with the Schedule on Appendix A. The provisions of Paragraph 4 shall apply to the design and construction of the pipelines described herein.

(i) An eighteen-inch (18") diameter domestic water pipeline for the 235-foot Pressure Zone along Avenue 52 service road, which connects to the existing eighteen-inch (18") diameter stub at intersection of service road and Avenue 52 and extends southeast approximately two thousand feet (2,000) to the interim clubhouse.

(ii) An eighteen-inch (18") diameter domestic water pipeline for the 150-foot Pressure Zone along Avenue 54, which connects to an existing eighteen-inch (18") diameter pipeline located 400 feet west of Jefferson Street and

extends approximately 1,900 feet west to the golf course maintenance facility.

(iii) An eighteen-inch (18") diameter domestic water pipeline for the 150-foot Pressure Zone along the Avenue 54 entrance road which connects to the eighteen-inch (18") diameter pipeline referenced in Subparagraph 1.n.(ii) and extends to BS/PR Site described in Paragraph 1.c.

(iv) A eighteen-inch (18") diameter domestic water pipeline for the 235-foot Pressure Zone along Avenue 52 which connects to the eighteen-inch (18") diameter domestic water pipeline described in Subparagraph 1.n. (i) at its southeasterly terminus (near interim clubhouse) and extends southeasterly past proposed clubhouse and across canal and then southerly to BS/PR Site described in Paragraph 1.c.

(v) An eighteen-inch (18") diameter domestic water pipeline for the 235-foot Pressure Zone along Avenue 53 entrance road, which connects to the eighteen-inch (18") domestic water pipeline described in Subparagraph 1.n.(iv) and extends east to the existing eighteen-inch (18") stub on Jefferson Street and Avenue 53.

o. Design and construct, at La Quinta's sole cost and expense, to District specifications, the internal domestic water pipelines to meet the Project's fire flow and domestic water requirements in accordance with the approved domestic water system model. The provisions of Paragraph 4 shall apply to the design and construction of the internal domestic water pipelines.

p. La Quinta shall install a pressure regulating valve on each nonirrigation service within the boundaries of the Project.

q. Complete in the required sequence, in accordance with the schedule in

Appendix A, the six (6) well sites, payment for the two (2) well and pumping plants, a BS/PR Site and each pipeline described in Subparagraphs 1.c., 1.d. and 1.n., respectively, before domestic water service is initiated by District to the referenced Units in Appendix A within the Project.

r. Immediately upon completion of the six (6) well sites and BS/PR Site described in Subparagraph 1.c., La Quinta shall field review with a District representative the remaining visual and aesthetic impacts and agree to mitigate with, but not limited to, landscaping, walls, paint and/or decorative rock to District's satisfaction. Designs shall be reviewed and approved by District prior to construction.

2. La Quinta shall do the following for sanitation service:

a. If necessary, as determined by City and District, execute District's Domestic Water and/or Sanitation System Installation Agreement (the "Installation Agreement") for each tract within the Project in such form and content as set forth in Exhibit C attached hereto and by this reference incorporated herein, as amended by District from time to time. In the event of any inconsistency or ambiguity between the terms of the Installation Agreement and this Agreement, the terms of this Agreement shall control.

b. La Quinta shall act as lead agency for the purpose of complying with CEQA and all other applicable state and federal environmental laws for the design and construction of the sanitation facilities and/or sites designated herein. As a part of its obligations to fund the CEQA process, La Quinta shall prepare or cause to be prepared all instruments, documents, reports and other like or kind writings required to be prepared and/or filed by CEQA.

c. Design and construct, at La Quinta's sole cost and expense, to District specifications, a fifteen-inch (15") diameter gravity sewer pipeline along Avenue 54 from the existing fifteen-inch (15") diameter gravity sewer pipeline located approximately four hundred feet (400') west of Jefferson Street to the golf course maintenance facility. The provisions of Paragraph 4 shall apply to the design and construction of the gravity sewer line.

d. Design and construct, at La Quinta's cost and expense, to District specifications, a minimum of twenty-four inch (24") diameter gravity sewer pipeline from an existing twenty-four inch (24") diameter gravity sewer pipeline located on Avenue 52, approximately 1,800 feet west of Jefferson Street, south within Project to the Coachella Branch of the All American Canal. The provisions of Paragraph 4 shall apply to the design of the gravity pipeline.

e. Design and construct, at La Quinta's cost and expense, to District specifications, a minimum of a twenty-seven inch (27") diameter gravity sewer pipeline from the twenty-four inch (24") diameter gravity sewer pipeline described in Subparagraph 2.d., at the canal and extend across the canal and south to the Avenue 53 entrance road and then west to the existing twenty-four inch (24") diameter gravity sewer main located on Jefferson Street at Avenue 53. The provisions of Paragraph 4 shall apply to the design and construction of the gravity sewer main. This gravity sewer pipeline shall be completed prior to District providing sanitation service to the clubhouse and the mixed use area located northwest of the Project.

f. After completion of the gravity sewer piplines described in Subparagraphs 2.d. and 2.e., abandon, at La Quinta's sole cost and expense, the remaining surface appurtenances (after District has removed the reusable items) at the sewer lift

station located on Avenue 52, approximately 1,800 feet west of Jefferson Street and abandon in place the existing fourteen-inch (14") sewer force main along Avenue 52 from sewer lift station to Jefferson Street. The provisions of Paragraph 4 shall apply to the abandonment of the sewer lift station and the sewer force main.

g. Design and construct, at La Quinta's sole cost and expense, the internal sanitary sewer system to meet the Project's discharge requirements. The provisions of Paragraph 4 shall apply to the design and construction of the internal sanitary sewer system.

3. La Quinta shall do the following for irrigation water service:

a. Execute District's Well Metering Agreement ("Metering Agreement") with District substantially in the form of the La Quinta Irrigation Well Metering Agreement, as set forth in Exhibit D, entered into simultaneously with this La Quinta Metering Agreement for each irrigation well within or supplying water to Project. In the event of any inconsistency or ambiguity between the terms of the Metering Agreement and this Agreement, the terms of this Agreement shall control.

b. La Quinta shall act as lead agency for the purpose of complying with CEQA and all other applicable state and federal environmental laws for the design and construction of the domestic water facilities and/or sites designated herein. As a part of its obligations to fund the CEQA process, La Quinta shall prepare or cause to be prepared all instruments, documents, reports and other like or kind writings required to be prepared and/or filed by CEQA.

c. La Quinta acknowledges and agrees that the irrigation water service provided by District is interruptible in nature and La Quinta will maintain an alternate water supply capable of meeting peak summer demands in "ready" status. If for any

reason District does not or is not able to deliver irrigation water to La Quinta, La Quinta hereby waives any claim, loss, damage or action it may have against District including, but not limited to, damages, loss of business, loss of profit or inconvenience (collectively "Claims"), and La Quinta shall hold District free and harmless from any and all legal liabilities or economic losses incurred by La Quinta or any other person or entity acting through La Quinta arising from District's failure to delivery irrigation water to La Quinta, excluding therefrom any claims incurred by La Quinta arising from District's, its officers', employees' or agents' gross negligence or willful misconduct in failing to deliver irrigation water to La Quinta, which result in the failure to deliver irrigation water.

d. District shall have the right, but not the obligation, to conduct a water audit of the Project once every five (5) years beginning with the execution of this Agreement to determine if La Quinta is in compliance with the Water Management Plan. District shall give La Quinta thirty (30) days prior written notice of each audit and an invitation to participate. All costs incurred by District in connection with the audit, including labor costs, shall be at La Quinta's expense. District shall invoice La Quinta for the costs incurred herein. La Quinta shall make payment to District within thirty (30) days of receipt of the billing therefore from District.

As a condition of continued water service, the recommendations, if any, resulting from the water audit necessary to bring La Quinta into compliance with the Water Management Plan, must be implemented unless District's General Manager-Chief Engineer, in his discretion, determines otherwise. La Quinta hereby agrees to undertake the recommendations set forth in the water audit within thirty (30) days of receipt of the audit and shall diligently and continuously complete the recommendations unless La Quinta within thirty (30) days of the receipt thereof, requests, in writing, to be relieved

from the obligation to undertake one or more of the recommendations set forth in the water audit. Within a reasonable time after receipt of the notice from La Quinta, the General Manager-Chief Engineer of District will notify La Quinta, in writing, if La Quinta shall be relieved from the obligations to undertake the recommendations. In the event District's General Manager–Chief Engineer determines that one or more of the recommendations must be undertaken, La Quinta shall begin within thirty (30) days of receipt of District notice and complete the recommendations within the time frame set in the notice from District's General Manager–Chief Engineer.

e. Pro rata stipulation. It is mutually understood and recognized that La Quinta will be allowed to distribute irrigation water service throughout Project; however, only the pro rata amount of irrigation water will be used by La Quinta on the number of irrigated acres that lie within Improvement District No. 1 (ID No. 1) and the average plant consumption rate for the turf grown. In addition, canal water shall not exceed ninety-seven (97) percent of the Project's total water usage. The remaining amount of water service required for the portion of La Quinta that lies outside of ID No. 1 will be supplied by well water.

f. Outside of improvement district stipulation. To ensure that irrigation water service supplied by District is not being used outside ID No. 1, La Quinta shall execute a separate Well Metering Agreement with District in the form provided by District for each groundwater well supplying La Quinta with well water. The Well Metering Agreement does not include the conveyance of said metering devices to District.

g. La Quinta shall employ, at its sole cost and expense, a qualified professional engineer to plan, design and prepare detailed construction plans and

specifications in accordance with District design criteria and standards for the irrigation works (Works) to the Project. All planning, design work and plans for said Works shall be subject to review and approval by District prior to the beginning of any construction of the Works.

The entire cost of the design plans and construction of the irrigation and telemetry works shall be paid by La Quinta which includes the following improvements:

(i) Abandon Lateral 120.8-0.3 Rt along Avenue 52 between Adams Street 0.5 (one-half [1/2] mile east of Adams Street) and Jefferson Street.

(ii) Abandon Lateral 120.8-0.3-0.5 Rt along Jefferson Street between Avenue 52 and Avenue 52.5 (one-fourth [1/4] mile south of Avenue 52).

(iii) Abandon Lateral 120.6 along Adams Street 0.75 (three-quarter [3/4] mile east of Adams Street) between Avenue 52.25 (one-fourth [1/4] mile south of Avenue 52) and Avenue 53.

(iv) Abandon Lateral 121.3 along Avenue 53.5 (one-fourth [1/4] mile south of Avenue 53) between Adams Street 0.50 (one-half [1/2] mile east of Adams Street) and Adams Street 0.75 (three-fourth [3/4] mile east of Adams Street).

(v) Abandon Lateral 120.8A (16-inch) along Adams Street 0.50 (one-half [1/2] mile east of Adams Street) between Avenue 52 and Avenue 52.25 (one-fourth [1/4] mile south of Avenue 52).

(vi) Abandon existing vertical 10-inch concrete diameter Delivery Point No. 1602, located at Adams Street 0.75 (three-quarter [3/4] mile east of Adams Street) and Avenue 52.25 (one-fourth [1/4] mile south of Avenue 52).

(vii) Replace existing 54-inch diameter concrete pipe with 30-inch

diameter CL 165 DR 25 C-905 PVC pipe for Lateral 120.8 located along Adams Street 0.50 (one-half [1/2] mile east of Adams Street) between Avenue 52 and Avenue 52.25 (one-fourth [1/4] mile south of Avenue 52) if La Quinta is not able to design around the existing irrigation lateral. If La Quinta is able to design around the existing 54-inch diameter concrete irrigation lateral, then La Quinta shall protect the irrigation lateral in place and shall maintain a minimum of 4 feet of cover over the irrigation lateral and shall maintain the width of the existing easement for the irrigation lateral. La Quinta shall provide an exhibit showing actual elevations of top of pipe every 50 feet for the irrigation lateral and show any other utilities and surface improvements that will be installed within the existing irrigation lateral easement.

(viii) Modify existing vertical 10-inch concrete diameter Delivery Point No. 1601, located at Adams Street 0.50 (one-half [1/2] mile east of Adams Street) and Avenue 53.5 (one-fourth [1/4] mile south of Avenue 53) with a 12-inch diameter line meter, gate valves, and extend an 18-inch C905 CL 165 DR 25 PVC pipe and all related appurtenances per District standard to the new meter.

(ix) Modify existing L-4 Pump Station Wet Well, located at Adams Street 0.50 (one-half [1/2] mile east of Adams Street) and Avenue 52.25 one-fourth [1/4] mile south of Avenue 52) and extending an 18-inch diameter ductile iron pipe and 12-inch line meter, gate valves and all related appurtenances per District standards.

(x) Upgrade existing L-4 electrical panel to accommodate increased loading.

(xi) In addition to modifying the existing meters, La Quinta agrees to pay all costs for District forces to furnish and install telemetry equipment at said delivery point 1601, if needed, for the purpose of conveying canal water to La Quinta. La Quinta shall pay the entire cost of the plans and construction to extend irrigation water service to the property. The estimated cost for District forces to install the telemetry equipment is thirty-five thousand dollars ($35,000) per delivery point. This cost is District's best estimate of the cost including indirect costs and overhead of the proposed work. However, La Quinta will be responsible for payment of the actual cost of the work. If the cost exceeds the deposit, La Quinta will be billed and if it is less than the deposit, the balance will be refunded to La Quinta.

h. Before the release of any construction plans, La Quinta shall, at its sole cost and expense, provide Bureau of Reclamation with a ten (10) foot wide easement for the new delivery point, as outlined in Subparagraph 3.g.viii.

i. Before the release of any construction plans, La Quinta shall at its sole cost and expense vacate the existing easement for the portion of the existing irrigation laterals that will be abandoned as described in Subparagraphs 3.g., i, ii, iii, iv, v and vi. In addition, La Quinta shall provide District with the required documentation for abandoning easements. Said abandoned easements shall be in recordable form and shall be executed by or on behalf of La Quinta.

j. La Quinta agrees that no improvements may be constructed within the Bureau of Reclamation easements without written consent by District. This includes, but is not limited to, street, curb, gutter, sidewalk, landscaping, buildings, walls and other permanent structures.

k. La Quinta hereby acknowledges and agrees that any portion of the delivery system to District's metered delivery points, installed by or on behalf of District on the Project, is the property of District, notwithstanding the funds necessary to construct the delivery system that came from La Quinta. La Quinta shall, upon receipt of a notice, execute any further instruments as may be necessary to indicate District's ownership of the delivery system to District metered delivery points installed by or on behalf of District. This includes, but is not limited to, receipt of declarations by La Quinta or La Quinta's Contractor who furnished materials in the construction of the delivery system, showing payment in full and, prior to the release of the construction plans, La Quinta shall deliver to District a Bill of Sale which conveys title of the delivery system to District's metered delivery points to District.

l. District shall not be liable for the replacement of surface improvements, which District may be required to remove in the future to gain access to the delivery system. La Quinta waives the right to claim, loss, damage or action against District arising out of or resulting from the removal or destruction of surface improvements or any action of District, its rights hereunder and La Quinta hereby agrees to indemnify and hold harmless District against and pay in full all loss, damage or expense that District may sustain, incur, become liable for arising out of or in connection with the rights provided for hereunder.

m. Upon acceptance of the delivery system by District as hereafter described, the Project shall be placed on the water availability roll.

n. La Quinta acknowledges that the Project must be irrigated by a method that does not permit unreasonable use or waste of water. Only sprinkler or drip irrigation will be permitted, except for lake filling purposes.

o. La Quinta shall provide groundwater protection from nitrates and pesticides leaching into the groundwater by employing the use of Best Management Practices (BMPs) as established by the University of California Turf Grass Research, which are attached hereto on Exhibit E and by this reference incorporated herein. District reserves the right to substitute or modify the attached Exhibit "E" within sixty (60) days prior written notice to La Quinta. An evaluation of the Project's BMPs may occur during the water audit. All costs of the evaluation shall be at the expense of the La Quinta.

p. In the event of a shortage of available irrigation water, except as otherwise required by law, regulation or court order, the following irrigation water uses shall have priority to use irrigation water over the Project:

(i) Agricultural uses in existence as of the date of this Agreement.

(ii) Agricultural uses converted to nonagricultural uses prior to the date of this Agreement.

(iii) Nonagricultural uses in existence prior to the date of this Agreement. During such periods of shortage, irrigation water for the Project may be supplied by non-District-owned wells.

q. District shall bill La Quinta monthly for the delivery of Irrigation Water to La Quinta. The irrigation water statement shall include (1) the irrigation water delivery dates, (2) water tolls and charges, (3) the amount of irrigation water consumed in acre-feet and (4) the amount to be paid by La Quinta.

r. Prior to releasing the construction plans to receive irrigation water service, La Quinta shall, at its own cost and expense, apply for and obtain all necessary consents, easements, approvals, permits, authority, licenses or entitlements ("Permits") from all appropriate governmental authorities including, but not limited to the Bureau of

Reclamation, required to allow District to deliver irrigation water to the Project, including, but not limited to, the construction of the delivery system. District shall have no obligation to provide irrigation water service to the Project until District receives the easements and necessary authorizations issued by said governmental authorities. La Quinta shall comply with and conform to all laws and regulations, including, but not limited to, any and all requirements and orders of all federal, state and local boards or authorities, present and future, in any way relating to the use of irrigation water, and La Quinta shall hold District free and harmless from any loss, damage or liability arising therefrom or in connection therewith.

s. La Quinta hereby grants to District, its officers, employees and agents, a nonexclusive easement for vehicular (excluding vehicles with a gross laden weight of more than six thousand [6,000] pounds) and pedestrian ingress and egress to gain access to the District's irrigation facilities, equipment and appurtenances for the purpose of performing the activities set forth in this Agreement over those portions of the Project described within Exhibit "F" and depicted within Exhibit "G" hereto (the "Access Easement Area"). District agrees to use and cause its officers, employees and agents to use the Access Easement Area in such a manner as to not unreasonably disrupt golf play on the Project. In addition, District agrees to indemnify, defend and hold harmless La Quinta from any cost incurred or suffered by La Quinta as a result of damage or injury to persons or property as a result of District, its officers, employees and/or agents exercising its nonexclusive right of ingress and egress described herein, excluding therefrom any Claims incurred by District arising from La Quinta's, its officers', employees' or agents' gross negligence or willful misconduct.

t. Upon receipt of notice of completion of construction of the delivery system, which District shall inspect during construction; any variation from District's standards shall be called to La Quinta's attention and shall be remedied by La Quinta in accordance with District's requirements. When the delivery system meets District standards, District shall accept the delivery system for purposes of ownership, operation and maintenance, provided, however, that charges for the cost of operating, maintaining, repairing and replacing the delivery system may, in the future, be added to charges for water service to the Project, as part of a District-wide policy. The Bill of Sale for the delivery system shall be provided to District prior to the release of the final construction notice for the delivery system.

4. The following shall apply to the design and construction of the domestic water, sanitation and irrigation facilities:

a. For each improvement or facility (including landscaping) La Quinta is required to design the following provisions shall apply:

(i) La Quinta shall employ, at its sole expense, a qualified professional engineering firm ("La Quinta's Engineer") to plan, design and prepare detailed construction plans and specifications for the improvement in full and complete accordance with District's design criteria and standards. La Quinta's Engineer shall complete the design and detailed construction plans and specifications and the same shall be submitted to District as set forth below. All such planning and design work and detailed construction plans and specifications performed and prepared by La Quinta's Engineer shall be subject to review and written approval by District prior to the beginning of any construction of the specific improvement. District shall approve or disapprove the construction plans and specifications

within a reasonable amount of time after submittal to District. In the event District disapproves the plans and specifications, La Quinta shall modify the plans and specifications in accordance with the reasons given for disapproval and shall within thirty (30) days after disapproval by District submit the revised construction plans and specifications to District for approval or disapproval. The foregoing procedure shall be continued until the construction plans and specifications have been approved by District. **LA QUINTA HEREBY ACKNOWLEDGES AND UNDERSTANDS THAT DISTRICT MAY APPROVE OR DISAPPROVE OF DEVELOPER'S PLANNING AND DESIGN WORK AND/OR PLANS AND SPECIFICATIONS, IN ITS SOLE AND ABSOLUTE DISCRETION.** All cost and expense of District's review (including, but not limited to, District's agents, employees and independent contractors) shall be deducted from the Deposit (as defined in Subparagraph b.(ii)(x) below). La Quinta represents that the plans and specifications will conform to all applicable federal, state and local governmental rules, ordinances and regulations and all applicable environmental protection laws. La Quinta's submission of the plans and specifications to District shall evidence La Quinta's representation and warranty to District that the plans and specifications are to the best of La Quinta's knowledge, after due inquiry, complete, accurate, workable and are in compliance with all governmental requirements with respect thereto.

b. For each facility, La Quinta is to construct and/or install, the following provisions apply:

(i) Following receipt of District's approval of the design and

construction plans and specifications for each improvement:

A. La Quinta shall employ, with written concurrence of District, a qualified and properly licensed contractor or contractors (hereinafter referred to collectively as "La Quinta's contractor") to construct and complete the improvement.

B. Once construction and/or installation of the improvement has commenced, La Quinta shall diligently prosecute the same to completion at no cost or expense to District in conformance with the laws, rules and regulations of all governmental bodies and agencies.

C. La Quinta shall directly pay all costs associated with the construction of the improvements, (and any of them), including but not limited to, furnishing of materials, and La Quinta shall keep District free and harmless from such costs.

D. Each improvement shall be installed in strict compliance with the plans and specifications. Any deviations from the approved plans and/or specifications must be approved by District, in writing, prior to being made.

E. La Quinta hereby irrevocably appoints District to inspect the furnishing and installation of the improvement. It is understood and agreed that District's inspection personnel shall have the authority to enforce the construction plans and specifications, which authority shall include requiring that all unacceptable materials, workmanship and/or installation be replaced, repaired or corrected by La Quinta's contractor. All reasonable cost and expense of District's inspection (including, but not

limited to, District's agents, employees and independent contractors) shall be deducted from the Deposit [as defined in Subparagraph C.(x) below]. District's inspection does not include inspection for compliance with safety requirements by La Quinta's contractor. Any inspection completed by District shall be for the sole use and benefit of District, and neither La Quinta nor any third party shall be entitled to rely thereon for any purpose. District does not undertake or assume any responsibility for or owe a duty to, select, review or supervise the creation of the improvement.

F. La Quinta's Engineer shall provide to District all field engineering surveys associated with the construction of the improvement at La Quinta's sole cost and expense. La Quinta shall promptly furnish to District all field notes and grade sheets, together with all location, offset, and attendant data and reports, resulting from La Quinta's Engineer's field engineering surveys and/or proposed facility design changes, all of which have been prepared in accordance with generally accepted engineering practices, and allow District sufficient time to approve or make any required facility design changes resulting therefrom prior to construction. Any inspection or review pursuant to this subparagraph shall be for the sole use and benefit of District, and neither La Quinta nor any third party shall be entitled to rely thereon for any purpose.

(ii) Before the release of any construction plans, La Quinta, at its sole cost and expense, shall furnish to District easement document(s), satisfactory to District as to content, form, location and width, which have been duly executed by the property owner(s) and which assure District's unequivocal right to own,

operate, maintain, replace, repair, enlarge, reconstruct, remove and improve the improvement. La Quinta shall ensure that all deeds of trust and mortgages are subordinated to the easements set forth in this subparagraph (b).

(iii) La Quinta's contractor shall be required to repair the improvement which have been damaged by any party prior to District's final acceptance of the improvement (or any of them) covered hereby. The final acceptance shall follow final inspection and testing of such improvement after completion of the improvement at issue. La Quinta specifically agrees to make, or require La Quinta's contractor to make, corrections and/or repairs prior to final acceptance determined to be necessary by District inspection personnel, without cost to District, and to provide a one-year (following date of final acceptance by District) materials and workmanship guarantee providing that La Quinta or La Quinta's contractor will repair, at its or their expense, all failures of any improvement which was furnished, installed and/or constructed due to faulty materials or installation, within said one-year period. In the event La Quinta or La Quinta 's contractor fails to cause satisfactory repair, as determined by District, within forty-eight (48) hours after written notice or such longer period of time as District may reasonably determine, District may cause such repairs to be completed at La Quinta's cost and expense. Notwithstanding the above-provided-for forty-eight (48) hour or other specified repair period, District shall have the unqualified right to immediately make any emergency repairs necessary to eliminate any threat to the public's health, safety or welfare, at La Quinta's cost and expense. Nothing in this subparagraph shall limit or abrogate any other claims, demands or actions District may have against La Quinta or La Quinta's contractor on account of

damages sustained by reason of such defects, nor shall the provisions of this paragraph limit, abrogate or affect any warranties in favor of District which are implied by law or set forth in any construction agreement.

(iv) La Quinta shall, upon request by District, furnish District with such information as La Quinta possesses or has available to it from any consultants, engineers, contractors or other persons engaged by or under the control of La Quinta relating to the environmental assessment relative to the creation of the improvements covered by this Agreement. In this regard, nothing herein contained shall be construed or interpreted to require District to take or participate in any legal action for the purpose of securing approval for the improvement.

(v) La Quinta shall assume the defense of, indemnify and hold harmless District and its officers, directors, administrators, consultants, engineers, employees and agents, and each and every one of them, from and against all actions, damages, claims, losses and expenses of every type and description to which they may be subjected or put, by reason of, or resulting from, this Agreement and the design, engineering and construction of the improvement. No provision of this Agreement shall in any way limit the extent of the responsibility of La Quinta for payment of damages resulting from its operations or the operations of any of its contractors, engineers, agents or employees. La Quinta further covenants and agrees to pay, or to reimburse, District, its agents, employees, engineers, consultants, officers, directors and administrators, for any and all costs, attorneys' fees, liabilities or expenses in connection with the investigating, defending against or otherwise in connection with any losses, claims, damages, liabilities, expenses or actions, arising out of or in connection

with La Quinta's obligations pursuant to this Agreement, except liability arising through the sole negligence or willful misconduct of District, its agents, employees, engineers, consultants, officers, directors and administrators. District shall have the right, at La Quinta's expense, to commence, to appear in, or to defend any action or proceeding, arising out of and in connection with the Agreement, and in connection therewith, may pay all necessary expenses if La Quinta fails upon reasonable notice to so commence, appear in or defend any action or proceeding with counsel reasonably acceptable to District. La Quinta shall be furnished with copies of bills relating to the foregoing upon request.

(vi) Prior to the release of the construction plans for the domestic water, sanitation and irrigation facilities, La Quinta shall furnish to District an irrevocable letter of credit ("LOC") or a certificate of deposit ("CD") from a bank or savings and loan located and doing business in the state of California and acceptable to District, naming District as sole beneficiary with the exclusive right of withdrawal according to the following: in the amount of two thousand dollars ($2,000.00) or 5 percent (5%) of the amount of each construction contract for the domestic water, sanitation and irrigation facilities, whichever is greater, as security for the purpose of guaranteeing the completion of construction; said security shall provide that District has the absolute right five days after the mailing of a written notification to La Quinta by certified mail at La Quinta's address herein to draw all or a portion of the funds represented by the security as may be necessary to complete construction, including administrative and all other costs for each of the domestic water, sanitation and irrigation facilities; each LOC or CD shall be issued or delivered, on a case by basis, for each contract based on

the construction required as outlined in the applicable Appendix attached hereto; said security, less draws, if any, will be returned to La Quinta, on a case-by-case basis, upon acceptance of each of the domestic water, sanitation and irrigation facilities, meaning that the LOC or CD shall be released for each contract as the facility covered by the contract is accepted by District. A preconstruction conference shall be held with District and the contractor prior to start of construction.

(vii) La Quinta shall carry and maintain, at La Quinta's sole cost and expense, until all of the improvements and/or facilities have been installed or completed, not less than the following coverage and limits of insurance which shall be maintained with insurers and under forms of policies satisfactory to District:

A. Worker's Compensation and Employer's Liability.

(1) State Worker's Compensation - coverage as required by law.

(2) Employer's Liability with limits of at least $1,000,000 per occurrence.

B. Automobile Liability for Bodily Injury and Property Damage - $5,000,000 per person, $10,000,000 per occurrence.

C. General Liability for Bodily Injury and Property Damage - $5,000,000 per person, $10,000,000 per occurrence.

These policies may contain an aggregate limit not less than the occurrence limit. The required limits may be satisfied by a combination of a primary policy and an excess or umbrella policy.

(viii)

A. All insurance required pursuant to the express provisions of this Agreement shall:

(1) Provide that coverage shall not be revised, cancelled or reduced until at least thirty (30) days written notice of such cancellation shall have been given to District.

(2) Be issued by the Joint Powers Insurance Authority which is qualified to do business in the State of California and whose financial stability is evaluated on a yearly basis by an independent actuarial study and satisfactory to the District.

(3) Be reasonably satisfactory to District in all other reasonable respects.

B. The Memoranda of Coverage or Evidence of Coverage letter, required pursuant to this Agreement, together with evidence of payment of premiums, shall be provided to District prior to the commencement of any term of this Agreement.

C. The general liability insurance to be maintained by La Quinta pursuant to this section above shall:

(1) Name District as an additional covered party under the Memorandum of Coverage.

(2) Apply severally to La Quinta and District.

(3) Cover La Quinta and District as protected parties in the same manner as if each are a member of the Joint Powers Insurance Authority.

(4) Contain no provisions affecting the rights which either of them would have as claimants if not so named as protected parties.

(5) At such time as there is a duty to defend or indemnify under this indemnification agreement outlined in this contract, then the liability afforded under the Joint Powers Insurance Authority Memorandum of Coverage would be primary and any other valid and collectible insurance available to the District shall be excess.

(ix) Upon completion of the improvements (or any of them), La Quinta shall notify District of such completion, in writing, and cause contractors and all subcontractors and materialmen to provide lien and material releases.

(x) Concurrently with La Quinta's execution of this Agreement, La Quinta shall deposit with District a minimum sum of two thousand dollars ($2,000.00) ("Deposit"). The Deposit shall be held by District for all costs and expenses of District arising out of or in connection with the review of plans and specifications, engineering, surveys, field notes and grade sheets, inspections of the improvements and any matter related to or arising out of the same. La Quinta hereby authorizes District to use, apply or retain all or any part of the Deposit to offset its costs and expenses related to the foregoing duties. District shall not be required to keep the Deposit separate from its general funds, and La Quinta shall not be entitled

to interest on the Deposit. If there are any funds left in the Deposit after the completion or acceptance of the improvements, such excess shall be returned to La Quinta within thirty (30) days following completion and acceptance of the improvement. If further funds are necessary, La Quinta shall, within thirty (30) days after written demand therefor, deposit cash with District in an amount which District considers sufficient to pay for the costs and expenses to be included hereunder.

(xi) Prior to the release of the construction plans to the improvements (or any of them), La Quinta shall execute a bill of sale ("Bill of Sale") in the form and content acceptable to District. The Bill of Sale shall convey title to each improvement to District at no cost and expense to District. Each improvement shall be transferred to District free and clear of all liens and encumbrances.

5. District shall do the following for domestic water service:

a. Construct two (2) domestic wells and pumping plants with on-site backup generators, complete with necessary appurtenances, on two (2) of the six (6) sites provided by La Quinta described in Subparagraph 1.c in accordance with the schedule on Appendix A. Each well will be operational within one (1) year of the date of La Quinta providing the necessary advance payments; however, District shall not be liable for the failure to meet this schedule and La Quinta hereby waives and releases, indemnifies and holds District and its officers, directors, employees, agents, successors and assigns harmless from all debts, liabilities, obligations, costs, expenses (including, but not limited to, attorneys' fees), damages, claims, actions or causes of action arising out of or in connection with the failure to complete the well improvements within one (1) year of the date of La Quinta providing the necessary advance payments.

b. Provide the fire flow of one thousand five hundred (1,500) gallons per minute (gpm) and four thousand (4,000) gpm for two (2) hours for the two thousand seven hundred (2,700) square foot clubhouse and multi-story hotel, respectively, to said Project subject to La Quinta constructing the reservoir, reservoir pipeline and all pipelines and La Quinta providing payment for the two (2) wells and pumping plants (or completion of the two (2) well pumping plants if construction option described in Subparagraph 1.d. is used) subject to circumstances within the control of District. Said fire flow shall not be available prior to the completion of all pipelines, and payment for the two (2) wells and pumping plants (or completion of the two (2) well pumping plants if construction option described in Subparagraph 1.d. is used) in accordance with the schedule in Appendix A.

c. Consider one hundred percent (100%) of the actual cost, exclusive of engineering, inspection and surveying of the two (2) wells and pumping plants, described in Subparagraphs 1.d., as credit towards the Dwelling Unit Charge of the Water System Backup Facilities Charge less the Supplemental Imported Water Supply Component at the charge in effect on the day each facility is placed into service in District's system for the Project. No refund or transfer of this credit will be made outside the Project. Should the cost of constructing the well and pumping plants be less than the advance payment described in Subparagraph 1.d., excess deposits monies shall be refunded to La Quinta.

d. In the event the construction costs determined above for the wells and pumping plants described in Subparagraph 1.d. exceed the Dwelling Unit Charge of the Water System Backup Facilities Charge, less the Supplemental Imported Water Supply Component for the Project, District will not pay the additional construction costs for the two (2) wells and pumping plants, reservoir, reservoir pipeline and pipelines described in

Subparagraph 1.d.

6. District shall do the following for sanitation service:

a. Convey a grant deed to La Quinta (depending on location of temporary lift station) for the temporary lift station described in Subparagraph 2.e. at such time that the gravity sanitary sewer pipeline described in Subparagraph 2.d. is accepted for operation and maintenance.

b. Remove the reusable items at the lift station at no cost to La Quinta at such time that the gravity sanitary sewer pipeline described in Subparagraph 2.d. is progressed for service. The removal of the remaining surface appurtenances at the lift station will be at La Quinta's sole cost and expense.

c. Consider the difference in pipeline cost exclusive of engineering, inspection and surveying between a ten-inch (10") diameter gravity sewer pipeline and a twenty-seven inch (27") diameter gravity sewer pipeline described in Subparagraph 2.c. as credit toward the Collection System Component of the Sanitation Capacity Charge at the charge in effect on the day the pipeline is placed into service in District's system. No refund or transfer of this credit will be made outside the Project.

d. In the event the actual difference in construction cost between a ten-inch (10") diameter gravity sewer pipeline and a twenty-seven inch (27") diameter gravity sewer pipeline, exclusive of engineering, inspection and surveying, described in Subparagraph 2.e. exceeds the Collection System Component of the Sanitation Capacity Charge, District will not pay the additional construction costs.

e. Determine the cost of the pipeline subject to consideration, based on La Quinta either from the lowest, responsible bid, from a publicly bid contract or by providing three (3) bids to District prior to the start of construction. District will review

and approve the bids as a basis of the lowest costs.

7. The following general provisions shall also apply:

a. La Quinta shall provide written notification to the District of any assignment of its rights or duties hereunder to any person or entity. The District shall acknowledge receipt of the assignment in writing.

b. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the assigns, successors and representatives of the parties.

c. All notices provided for hereunder shall be in writing and mailed (registered or certified, postage prepaid, return receipt requested), or by express carrier (return receipt requested) or hand delivered to the parties at the addresses set forth below or at such other addresses as shall be designated by such party and a written notice to the other party in accordance with the provisions of this section. All such notices shall, if hand delivered, or delivered by express carrier, be deemed received upon delivery and, if mailed, be deemed received three business days after such mailing.

DISTRICT:

Coachella Valley Water District
Attention: Steve Robbins, General Manager-Chief Engineer
Post Office Box 1058
Coachella, California 92236

LA QUINTA:

La Quinta Redevelopment Agency
Attention: Tom Genovese, Executive Director
Post Office Box 1504
La Quinta, California 92247-1504

d. This instrument, together with the exhibits attached hereto and other writings referenced herein, contain the entire agreement between the parties relating to the subject matter hereof and supersede any and all prior agreements between the parties,

oral or written, and any and all amendments thereto. Any oral representations or modifications concerning this instrument shall be of no force and effect excepting a subsequent modification in writing, signed by the parties to be charged.

e. In the event of any litigation or other action between the parties arising out of or relating to this Agreement or the breach thereof, the prevailing party shall be entitled, in addition to such other relief as may be granted, to its reasonable costs and attorneys' fees.

f. The invalidity or illegality of any provisions of this Agreement shall not affect the remainder of this Agreement.

g Each party hereto agrees to execute and deliver such other documents and perform such other acts as may be necessary to effectuate the purposes of this Agreement.

h. The captions contained in this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement or limit or amplify any of its terms or provisions.

i. This Agreement is entered into within the State of California, and all questions concerning the validity, interpretation and performance of any of its terms or provisions or any of the rights or obligations of the parties hereto shall be governed by and resolved in accordance with the laws of the State of California.

j. Should public funds be used in the construction of any particular domestic water, sanitation or irrigation facility at any given time, require that any contractor under its employ for the construction of such facilities shall comply with the provisions of the Labor Code of the State of California regarding prevailing wages, minimum wages; the 8-hour day and 40-hour week, overtime, Saturday, Sunday and holiday work; and nondiscrimination because of race, color, national origins, sex or religion.

k. Subject to the obligations of La Quinta set forth herein, upon accepting title to the domestic water and sanitation systems and facilities described above in this Agreement, District shall assume all rights and obligations of ownership including, without limitation, the operation of the system at no further cost to La Quinta.

l. Whenever in this Agreement the approval or consent of District is required, or some other action is required to be undertaken by District, as a condition to the commencement of work or consummation of some other event, District shall act in a timely manner in taking such action or in its consideration of such approval or consent.

PLEASE ATTACH APPROPRIATE
NOTARIAL CERTIFICATES

COACHELLA VALLEY WATER DISTRICT

By _____
Steve Robbins
General Manager-Chief Engineer

Date 6/11/05

PLEASE ATTACH APPROPRIATE
NOTARIAL CERTIFICATES

LA QUINTA REDEVELOPMENT AGENCY

By _____
Thomas P. Genovese

Date 5/16/05

State of California)
) ss
County of Riverside)

On June 17, 2005, before me, Cynthia R. Parks, Notary Public, personally appeared Steve Robbins, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

(seal)

CYNTHIA R. PARKS
Commission # 1548227
Notary Public - California
Riverside County
My Comm. Expires Feb 26, 2009

Witness my hand and official seal.

Cynthia R Parks
Notary Public in and for said
County and State

Printed name: Cynthia R. Parks
Commission No. 1548227
My commission expires February 26, 2009

Domestic Water and Sanitation System
Installation and Irrigation Service Agreement
La Quinta Redevelopment
Thomas P. Genovese

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LA QUINTA)

On May 16, 2005, before me, **Regenia Hensley, Notary Public**, personally appeared **THOMAS P. GENOVESE** personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal. (Seal)

Regenia Hensley

REGENIA HENSLEY
Notary Public
Commission # 1521423
Expiration: October 23, 2008

REGENIA HENSLEY
Commission # 1521423
Notary Public - California
Riverside County
My Comm. Expires Oct 23, 2008

Type of Document: Domestic Water & Sanitation System Installation and Irrigation Service Agreement w/ Coachella Valley Water District

Was 1 Well/70 Acre
Now 1 Well/80 Acres ∴ 6 new reqd

APPENDIX A

	Facilities Item (a)	Reference Subparagraph	Construction and/or design of the facility described under Item (a) must be completed before water service is initiated to the following Units within the Project*
1.	Design and construct 15-inch diameter gravity sewer pipeline	2.c.	**
2.	Design and construct 24-inch diameter gravity sewer pipeline	2.d.	**
3.	Design and construct 27-inch diameter gravity sewer pipeline	2.e.	**
4.	Dedicate Well Site No. 1 and construct site improvements	1.c.	1***
5.	Well and Pumping Plant No. 1 with on-site backup generator	1.d.	1****
6.	Dedicate Well Site No. 2 and construct site improvements	1.c.	1***
7.	Well and Pumping Plant No. 2 with on-site backup generator	1.d.	300****
8.	18-inch diameter pipeline	1.n.(i)	1
9.	18-inch diameter pipeline	1.n.(ii)	**
10.	18-inch diameter pipeline	1.n.(iii)	**
11.	18-inch diameter pipeline	1.n.(iv)	**
12.	18-inch diameter pipeline	1.n.(v)	**
13.	Dedicate Well Site No. 3 and construct site improvements	1.c.	***
14.	Dedicate Well Site No. 4 and construct site improvements	1.c.	***
15.	Dedicate Well Site No. 5 and construct site improvements	1.c.	***
16.	Dedicate Well Site No. 6 and construct site improvements	1.c.	***
17.	Booster Station/Pressure Reducing Station site	1.c.	***

*Certain items may require design only. Approval of designs will be required by District before service is provided to the specified Units within the Project.

**As development progresses for sewer and water and/or to meet fire flow requirement for the water system.

***Well sites are a function of acreage and not units. Well sites will be dedicated even if ultimate units are not reached. Similarly, if additional units are added within the existing project acreage, no additional well sites will be required.

****These units may be any combination of the hotel, timeshare units, permanent clubhouse, conference center, commercial/retail center and maintenance facility.

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT "A"

Real property located in the City of La Quinta, County of Riverside, State of California, described as follows:

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF SECTION 5, THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, AND THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 6 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6 WITH THE CENTERLINE OF AVENUE 52; THENCE ALONG SAID CENTERLINE, NORTH 89°55'34" EAST, 633.19 FEET; THENCE LEAVING SAID CENTERLINE, SOUTH 0°06'19" WEST, 55.00 FEET; THENCE PARALLEL TO AND 55.00 FEET SOUTHERLY OF SAID CENTERLINE THE FOLLOWING FOUR (4) COURSES:

NORTH 89°55'34" EAST, 1075.47 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1945.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 46°43'49" AND AN ARC DISTANCE OF 1586.34 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 2055.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46°39'23" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 46°47'58" AND AN ARC DISTANCE OF 1678.53 FEET; THENCE PARALLEL TO AND 55.00 FEET SOUTH OF THE NORTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 8, ALSO BEING THE CENTERLINE OF AVENUE 52, NORTH 89°51'25" EAST, 859.04 FEET;

THENCE NORTH 0°08'35" WEST, 3.00 FEET; THENCE PARALLEL TO AND 52.00 FEET SOUTH OF SAID NORTH LINE, NORTH 89°51'25" EAST, 155.06 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 291.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°09'25" AND AN ARC DISTANCE OF 76.98 FEET; THENCE PARALLEL TO AND 60.00 FEET SOUTH OF SAID CENTERLINE THE FOLLOWING FOUR (4) COURSES:

SOUTH 89°51'25" WEST, 1081.86 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 2060.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 46°47'58" AND AN ARC DISTANCE OF 1682.62 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1940.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 46°39'23" WEST; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE

OF 46°43'49" AND AN ARC DISTANCE OF 1582.26 FEET; THENCE SOUTH 89°55'34" WEST, 1708.65 FEET TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6; THENCE ALONG SAID WEST LINE, NORTH 0°04'16" EAST, 60.00 FEET TO THE POINT OF BEGINNING.

PARCEL A CONTAINS 1.506 ACRES, MORE OR LESS.

PARCEL B

THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 6 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 8; THENCE ALONG THE NORTH LINE OF SAID SECTION 8, ALSO BEING THE CENTERLINE OF AVENUE 52, SOUTH 89°51'25" WEST, 60.04 FEET TO THE TRUE POINT OF BEGINNING; THENCE PARALLEL TO AND 60.00 FEET WESTERLY OF THE CENTERLINE OF JEFFERSON STREET, SOUTH 2°12'44" EAST, 235.55 FEET TO A POINT OF CUSP WITH A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 171.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 72°46'26" AND AN ARC DISTANCE OF 217.20 FEET; THENCE NORTH 74°59'10" WEST, 55.07 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 291.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°09'25" AND AN ARC DISTANCE OF 76.98 FEET; THENCE PARALLEL TO AND 52.00 FEET SOUTH OF THE CENTERLINE OF AVENUE 52, SOUTH 89°51'25" WEST, 155.06 FEET; THENCE SOUTH 0°08'35" EAST, 3.00 FEET; THENCE PARALLEL TO AND 55.00 FEET SOUTH OF THE CENTERLINE OF AVENUE 52, SOUTH 89°51'25" WEST, 859.04 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 2055.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°17'09" AND AN ARC DISTANCE OF 476.51 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 8, ALSO BEING THE CENTERLINE OF AVENUE 52; THENCE ALONG SAID NORTH LINE, NORTH 89°51'25" EAST, 1733.26 FEET TO THE POINT OF BEGINNING.

PARCEL B CONTAINS 2.173 ACRES, MORE OR LESS.

PARCEL C

THAT PORTION OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 8, AND THE WEST HALF OF THE WEST HALF OF SECTION 9, TOWNSHIP 6 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 8; THENCE ALONG THE CENTERLINE OF JEFFERSON STREET, SOUTH 2°12'44" EAST, 5267.69 FEET TO THE NORTHEAST CORNER OF SECTION 17, TOWNSHIP 6 SOUTH, RANGE 7 EAST,

SAN BERNARDINO MERIDIAN; THENCE ALONG THE SOUTH LINE OF SAID SECTION 9, ALSO BEING THE CENTERLINE OF AVENUE 54, SOUTH 89°50'56" WEST, 65.04 FEET; THENCE PARALLEL TO AND 65.00 FEET WESTERLY OF THE CENTERLINE OF JEFFERSON STREET, NORTH 2°12'44" WEST, 297.88 FEET; THENCE NORTH 1°23'37" WEST, 350.04 FEET; THENCE PARALLEL TO AND 60.00 FEET WESTERLY OF THE CENTERLINE OF JEFFERSON STREET, NORTH 2°12'44" WEST, 3166.69 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY OF THE ALL AMERICAN CANAL; THENCE ALONG SAID SOUTHERLY RIGHT OF WAY, NORTH 89°53'14" EAST, 30.02 FEET; THENCE PARALLEL TO AND 30.00 FEET WESTERLY OF THE CENTERLINE OF JEFFERSON STREET, NORTH 2°12'44" WEST, 130.09 FEET TO THE NORTHERLY RIGHT OF WAY OF THE ALL AMERICAN CANAL; THENCE ALONG SAID NORTHERLY RIGHT OF WAY, SOUTH 89°53'14" WEST, 30.02 FEET; THENCE PARALLEL TO AND 60.00 FEET WESTERLY OF THE CENTERLINE OF JEFFERSON STREET, NORTH 2°12'44" WEST, 1322.87 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 8, ALSO BEING THE CENTERLINE OF AVENUE 52; THENCE ALONG SAID NORTH LINE, NORTH 89°51'25" EAST, 60.04 FEET TO THE POINT OF BEGINNING.

PARCEL C CONTAINS 7.220 ACRES, MORE OR LESS.

PARCEL D

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF SECTION 8, AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 9, TOWNSHIP 6 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 17, TOWNSHIP 6 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN; THENCE ALONG THE SOUTH LINE OF SAID SECTION 9, SOUTH 89°50'56" WEST, 65.04 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 89°50'56" WEST, 132.94 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 9; THENCE ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8, ALSO BEING THE CENTERLINE OF AVENUE 54, SOUTH 89°59'23" WEST, 2647.64 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER; THENCE ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION, SOUTH 89°33'59" WEST, 48.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 48.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 89°33'59" WEST; THENCE LEAVING SAID SOUTH LINE, AND NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 105°27'16" AND AN ARC DISTANCE OF 88.35 FEET; THENCE SOUTH 74°58'44" EAST, 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 100.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°00'38" AND AN ARC DISTANCE OF 26.20 FEET; THENCE PARALLEL TO AND 30.00 FEET NORTH OF THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8, ALSO BEING THE CENTERLINE OF AVENUE 54, SOUTH 89°59'23" EAST, 2514.64

FEET; THENCE NORTH 83°02'52" EAST, 151.56 FEET; THENCE NORTH 44°58'49" EAST, 36.66 FEET; THENCE PARALLEL TO AND 65.00 FEET WEST OF THE CENTERLINE OF JEFFERSON STREET, SOUTH 2°12'44" EAST, 74.00 FEET TO THE POINT OF BEGINNING.

PARCEL D CONTAINS 2.024 ACRES, MORE OR LESS.

PARCEL 2

THAT PORTION OF THE SOUTH HALF OF THE SOUTH HALF OF SECTION 5, THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, AND SECTION 8, TOWNSHIP 6 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 6 WITH THE CENTERLINE OF AVENUE 52; THENCE ALONG SAID WEST LINE, SOUTH 0°04'16" WEST, 60.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE PARALLEL TO AND 60.00 FEET SOUTH OF THE CENTERLINE OF AVENUE 52 THE FOLLOWING FOUR (4) COURSES:

NORTH 89°55'34" EAST, 1708.65 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1940.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 46°43'49" AND AN ARC DISTANCE OF 1582.26 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 2060.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46°39'23" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 46°47'58" AND AN ARC DISTANCE OF 1682.62 FEET; THENCE NORTH 89°51'25" EAST, 767.06 FEET;

THENCE SOUTH 41°15'00" EAST, 787.18 FEET; THENCE PARALLEL TO AND 60.00 FEET WESTERLY OF THE CENTERLINE OF JEFFERSON STREET, SOUTH 2°12'44" EAST, 669.32 FEET TO THE NORTHERLY RIGHT OF WAY OF THE ALL AMERICAN CANCEL; THENCE ALONG THE NORTHERLY AND WESTERLY RIGHT OF WAY OF THE ALL AMERICAN CANAL THE FOLLOWING SEVEN (7) COURSES:

SOUTH 89°53'14" WEST, 2633.43 FEET; THENCE SOUTH 0°00'06" EAST, 1320.62 FEET; THENCE SOUTH 89°55'03" WEST, 20.00 FEET; THENCE SOUTH 0°00'06" EAST, 420.29 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 796.20 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28°30'00" AND AN ARC DISTANCE OF 396.05 FEET; THENCE SOUTH 28°30'06" EAST, 74.10 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 636.20 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11°02'55" AND AN ARC DISTANCE OF 122.68 FEET;

THENCE LEAVING SAID WESTERLY RIGHT OF WAY, NORTH 60°30'00" WEST, 59.57 FEET; THENCE NORTH 74°00'00" WEST, 188.00 FEET; THENCE NORTH 35°10'00" WEST, 68.00 FEET; THENCE NORTH 40°35'00" WEST, 111.50 FEET; THENCE NORTH 40°50'00" West, 115.50 FEET; THENCE NORTH 75°35'00" WEST, 93.50 FEET; THENCE NORTH 36°40'00" WEST, 162.50 FEET; THENCE NORTH 19°35'00" EAST, 61.50 FEET; THENCE NORTH 36°00'00" WEST, 172.50 FEET; THENCE NORTH 45°15'00" WEST, 214.00 FEET; THENCE NORTH 43°10'00" WEST, 173.00 FEET; THENCE NORTH 45°25'00" WEST, 146.00 FEET; THENCE NORTH 13°55'00" WEST, 198.50 FEET; THENCE SOUTH 82°00'00" WEST, 182.00 FEET; THENCE NORTH 58°15'00" WEST, 187.50 FEET; THENCE NORTH 46°00'00" WEST, 180.50 FEET; THENCE NORTH 31°50'00" WEST, 108.00 FEET; THENCE NORTH 5°55'00" WEST, 209.00 FEET; THENCE NORTH 10°20'00" EAST, 180.50 FEET; THENCE NORTH 4°40'00" EAST, 111.00 FEET; THENCE NORTH 2°40'00" WEST, 88.50 FEET; THENCE NORTH 14°00'00" WEST, 202.00 FEET; THENCE NORTH 64°40'00" WEST, 186.00 FEET; THENCE NORTH 67°50'00" WEST, 187.00 FEET; THENCE SOUTH 76°55'00" WEST, 124.00 FEET; THENCE SOUTH 37°10'00" WEST, 122.00 FEET; THENCE SOUTH 88°20'00" WEST, 75.50 FEET; THENCE NORTH 88°20'00" WEST, 75.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 70.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 72°25'00" AND AN ARC DISTANCE OF 88.47 FEET; THENCE NORTH 63°25'00" WEST, 59.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 135.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 77°30'00" AND AN ARC DISTANCE OF 182.61 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 47.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 75°50'00" WEST; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 105°45'00" AND AN ARC DISTANCE OF 86.75 FEET; THENCE SOUTH 88°20'00" WEST, 75.50 FEET; THENCE NORTH 72°20'00" WEST, 64.00 FEET; THENCE SOUTH 89°50'00" WEST, 88.50 FEET; THENCE NORTH 48°10'00" WEST, 89.50 FEET; THENCE NORTH 38°35'00" WEST, 230.50 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 90.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 97°45'00" AND AN ARC DISTANCE OF 153.55 FEET; THENCE NORTH 8°05'00" EAST, 116.00 FEET; THENCE NORTH 7°05'00" WEST, 293.00 FEET; THENCE NORTH 45°45'00" WEST, 143.00 FEET; THENCE NORTH 53°25'00" WEST, 284.00 FEET TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER SAID SECTION 6; THENCE ALONG SAID WEST LINE, NORTH 0°04'16" EAST, 1068.43 FEET TO THE POINT OF BEGINNING.

PARCEL 2 CONTAINS 292.135 ACRES, MORE OR LESS.

PARCEL 3

THAT PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER, THE SOUTHEAST QUARTER, AND THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER, OF SECTION 8; AND THE WEST HALF OF THE WEST HALF OF SECTION

9; TOWNSHIP 6 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 17, TOWNSHIP 6 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN; THENCE ALONG THE SOUTH LINE OF SAID SECTION 9, SOUTH 89°50'56" WEST, 65.04 FEET; THENCE PARALLEL TO AND 65.00 FEET WESTERLY OF THE CENTERLINE OF JEFFERSON STREET, NORTH 2°12'44" WEST, 74.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 44°58'49" WEST, 36.66 FEET; THENCE SOUTH 83°02'52" WEST, 151.65 FEET; THENCE PARALLEL TO AND 30.00 FEET NORTH OF THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 8, ALSO BEING THE CENTERLINE OF AVENUE 54, SOUTH 89°59'23" WEST, 2514.64 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 100.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15°00'38" AND AN ARC DISTANCE OF 26.20 FEET; THENCE NORTH 74°58'44" WEST, 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 48.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 105°27'16" AND AN ARC DISTANCE OF 88.35 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 8; THENCE ALONG SAID SOUTH LINE, SOUTH 89°33'59" WEST, 414.84 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF THE ALL AMERICAN CANCEL, SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 1372.40 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 56°56'06" WEST; THENCE ALONG THE EASTERLY AND SOUTHERLY RIGHT OF WAY OF THE ALL AMERICAN CANAL, THE FOLLOWING TWELVE (12) COURSES:

NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1°34'00" AND AN ARC DISTANCE OF 37.53 FEET; THENCE NORTH 34°37'54" EAST, 814.10 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1492.40 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6°24'00" AND AN ARC DISTANCE OF 166.70 FEET; THENCE NORTH 28°13'54" EAST, 272.60 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 776.20 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 56°44'00" AND AN ARC DISTANCE OF 768.58 FEET; THENCE NORTH 28°30'06" WEST, 74.10 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 656.20 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 28°30'00" AND AN ARC DISTANCE OF 326.41 FEET; THENCE NORTH 0°00'06" WEST, 420.48 FEET; THENCE SOUTH 89°55'03" WEST, 10.00 FEET; THENCE NORTH 0°00'06" WEST, 954.66 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 236.48 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89°53'20" AND AN ARC DISTANCE OF 371.00 FEET; THENCE NORTH 89°53'14" EAST, 2292.43 FEET;

THENCE PARALLEL TO AND 60.00 FEET WESTERLY OF THE CENTERLINE OF JEFFERSON STREET, SOUTH 2°12'44" EAST, 3166.69 FEET; THENCE SOUTH 1°23'37" EAST, 350.04 FEET; THENCE PARALLEL TO AND 65.00 FEET WEST OF THE CENTERLINE OF JEFFERSON STREET, SOUTH 2°12'44" EAST, 223.88 FEET TO THE POINT OF BEGINNING.

PARCEL 3 CONTAINS 226.610 ACRES, MORE OR LESS.

PARCEL 4

THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 6 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 8; THENCE ALONG THE NORTH LINE OF SAID SECTION 8, ALSO BEING THE CENTERLINE OF AVENUE 52, SOUTH 89°51'25" WEST, 60.04 FEET; THENCE PARALLEL TO AND 60.00 FEET WESTERLY OF THE CENTERLINE OF JEFFERSON STREET, SOUTH 2°12'44" EAST, 235.55 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 2°12'44" EAST, 418.00 FEET; THENCE NORTH 41°15'00" WEST, 787.18 FEET; THENCE PARALLEL TO AND 60.00 FEET SOUTH OF THE CENTERLINE OF AVENUE 52, NORTH 89°51'25" EAST, 314.80 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 291.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 13°19'22" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1°41'28" AND AN ARC DISTANCE OF 8.59 FEET; THENCE SOUTH 74°59'10" EAST, 55.07 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 171.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 72°46'26" AND AN ARC DISTANCE OF 217.20 FEET TO THE POINT OF BEGINNING.

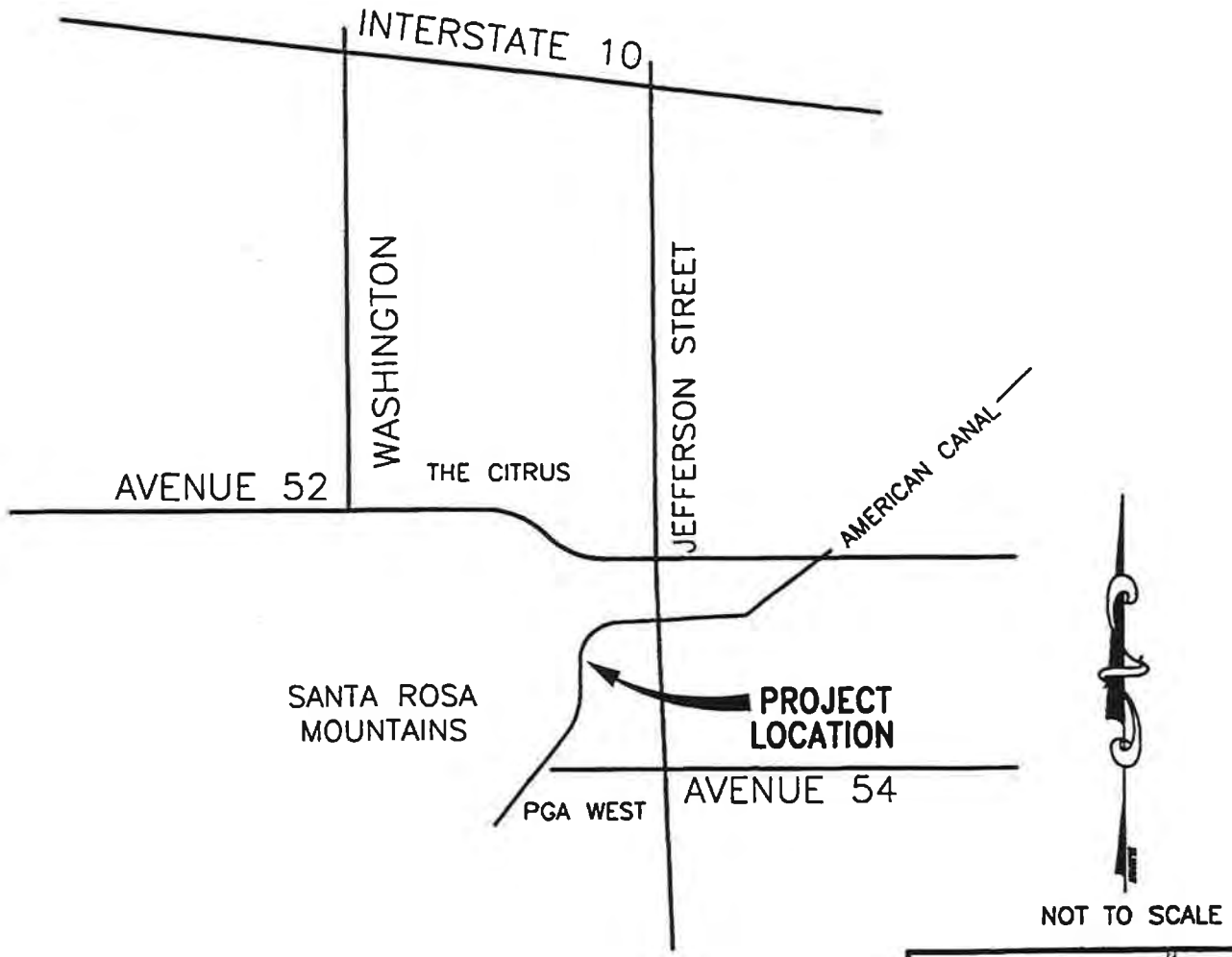
PARCEL 4 CONTAINS 3.207 ACRES, MORE OR LESS.

EXHIBIT B

PROJECT LOCATION MAP

EXHIBIT "B"

PROJECT LOCATION MAP



NOT TO SCALE

The Keith Companies TKC
73-733 Fred Waring Drive, Ste. 100
Palm Desert, CA 92260 (760) 346-8914

EXHIBIT C

STANDARD DOMESTIC WATER AND/OR SANITATION SYSTEM INSTALLATION AGREEMENT

No Recording Fee
Required Per
Government Code
Section 27383

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

COACHELLA VALLEY WATER DISTRICT
Post Office Box 1058
Coachella, California 92236

_____
(Space above this line for Recorder's Use)

DOMESTIC WATER AND/OR SANITATION SYSTEM INSTALLATION AGREEMENT

THIS AGREEMENT is made on this _____ day of _____, _____, by and between the COACHELLA VALLEY WATER DISTRICT, a public agency of the State of California, with its headquarters at Coachella, California, hereinafter designated as "District" and _____ _____, located at _____ _____, hereinafter designated as "Subdivider."

WHEREAS, Subdivider is developing a subdivision of _____ lots located in the _____ quarter of Section _____, Township _____ South, Range _____ East, San Bernardino Meridian, and has filed a Tentative Subdivision Map with the Planning Commission of the County/City of _____, which tentative subdivision has been designated as Tract No. _____, hereinafter designated "Subdivision" and described on Exhibit A and shown on Exhibit B; and

WHEREAS, said Subdivision will require a water distribution system and/or sanitation system and domestic water service and/or sanitation service to each of said _____ lots; and

WHEREAS, Subdivider is desirous of having District provide domestic water and/or sanitation service to said Subdivision and is willing to transfer to District the water distribution system and/or sanitation system necessary therefor after the construction thereof and District is willing to accept such transfer and to provide domestic water service and/or sanitation service to said Subdivision on the terms and conditions set forth herein.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Subdivider will comply with District's "Regulations Governing Domestic Water Service," "Regulations Governing Sanitation Service," and "Instructions for Preparation of Improvement Plans for Domestic Water Systems and/or Sanitary Sewer Systems" as the same may be amended from time to time, the provisions of which are incorporated herein by reference.

2. The domestic water system and/or sanitation system to serve said Subdivision shall be constructed in accordance with District's "Standard Specifications for the Construction of Domestic Water Systems" and/or "Standard Specifications for the Construction of Sanitary Sewer Systems" and such specifications and construction plans prepared by Subdivider and which shall be approved by District prior to the presentation thereof to contractors for bidding purposes. The domestic water system shall include all pipelines, valves, service connections, fire hydrants, and appurtenances, excepting only the water meter to the individual lots. The sanitation system shall include manholes, pipelines, house laterals, pump stations, and appurtenances.

3. The Contractor employed by Subdivider to construct the domestic water system and/or sanitation system shall be licensed by the State of California for these types of construction and in addition shall be approved by District for such purpose.

4. The entire cost of the construction of the domestic water system and/or sanitation system shall be paid by Subdivider. The construction will be inspected by District inspection personnel to the end that the domestic water system and/or sanitation system facilities are constructed and installed pursuant to this agreement in accordance with the approved plans and specifications. This inspection is not for the purpose of determining installed footage of water or sewer pipeline or for compliance by the Contractor with safety requirements.

5. Prior to the release of the improvement plans for the domestic water system and/or sanitary sewer system Subdivider shall furnish to District the following:

a. Bill of Sale for conveyance of the domestic water system and/or sanitation system.

b. Any and all Deed(s) of Easement or Grant Deed(s) to any rights-of-way or other real property interests necessary for the operation of the domestic water system and/or sanitation system or to comply with the requirements of District's Regulations Governing Domestic Water and/or Sanitation Service.

c. Written petitions for the annexation of its lands to be developed to those Improvement Districts of District which are applicable to the public services to be provided.

d. An irrevocable letter of credit or a certificate of deposit from a bank or savings and loan located and doing business in the State of California naming District as sole beneficiary with the exclusive right of withdrawal according to the following; in the amount of $2,000 or five percent of the amount of the construction contract(s), whichever sum is greater, as security for the purpose of guaranteeing the completion of construction as provided in paragraphs 6 and 7 herein. Said security shall provide that District has the absolute right five days after the mailing of a written notification to Subdivider by certified mail at Subdivider's address herein to draw all or a portion of the funds represented by the security as may be necessary to complete construction, including administrative and all other project costs or to secure compliance with the provisions of Paragraphs 6 and 7.

Said security, less draws, if any, will be returned to Subdivider upon acceptance of the domestic water system and/or sanitation system by District.

6. Prior to the installation of water meters or the acceptance of the domestic water system and/or sanitation system by District, whichever occurs first, Subdivider shall furnish to District and/or comply with the following:

a. Pay all Water System Backup Facilities Charges, Supplemental Imported Water Supply Charges and/or Sanitation Capacity Charges as may be applicable.

b. As to any water well developed by Subdivider for golf course irrigation or other purposes in connection with said Subdivision, execute a separate well-metering agreement with District. Said agreement will be mailed to Subdivider by District.

Section 31638.5 of Chapter 7, Part 6 of Division 12 of the WaterCodes states that: "It shall be unlawful to produce water [in excess of 25 acre feet per year].unless the well or other water producing facility producing such water shall have a water-measuring device [meter] affixed thereto which is capable of measuring and registering the accumulated amount of water produced."

c. Upon execution of a well-drilling contract, for the golf course irrigation well as described in Subparagraph 6.b. above, notify District of intent to drill said well, the required meter size, and upon completion of the well shall install a meter and pump discharge manifold according to District specifications, at Subdivider's expense. In the event that the meter installation and pump discharge manifold is not completed according to District specifications and with District's approval, District shall have the right to direct that the entire discharge manifold assembly be reconstructed at Subdivider's expense. District, for Subdivider's convenience, will make available the meter and meter installation specifications upon request to District by Subdivider and/or well driller's authorized representative.

After completion of the meter installation District will, at District's expense, obtain a hydraulic pump test on the well for determining any meter correction factors.

District employees and agents shall at reasonable times over lands owned by Subdivider on which said well is located, have the right of ingress and egress.

District will own, operate, maintain, and replace said meter at District expense. District will read said meter at periodic intervals and make such readings available to Subdivider if so requested. Subdivider agrees that District may obtain copies of current and past electrical power consumption and well pump test data directly from the electrical utility serving the well or from any individual conducting said tests, without obtaining additional releases.

d. As to any domestic water well site(s) and/or sanitary sewer lift station site(s) provided by Subdivider:

1) Grading plans of the site(s) for District approval. After the grading plans have been approved by District, grade site(s) in accordance with approved plans.

2) Plans for perimeter walls and exterior landscaping for District approval. After the plans have been approved by District, construct the walls and landscaping in accordance with the approved plans. The design of the walls shall include consideration of noise attenuation to maintain exterior noise levels for residential development while the well or lift station is in operation. Said perimeter walls shall be installed prior to District providing service.

3) Provide electrical power of a voltage and wattage necessary for the well or lift station operation to the site(s). Plans for this installation shall be approved by the District prior to construction.

4) Plans for the acceptance of well site drainage and well discharge water from the well site(s) into the on-site drainage facilities for District approval. After the plans have been approved by District, construct and maintain the facilities necessary for the conveyance of these waters from the well site(s) in accordance with approved plans. Subdivider shall include these conditions in the Covenants, Conditions and Restrictions for said Subdivision.

5) Be responsible for the exterior landscaping at the site(s).

e. A certified copy of the Covenants, Conditions and Restrictions for said Subdivision.

7. As to any electrically or electronically operated security gate system installed by Subdivider and designed to be functional without an operator/guard, District shall have the right to install radio controls to operate said gate(s) at Subdivider's expense. Subdivider shall pay District the sum of $2,500 as the cost of said radio controls prior to the installation of water meters or the acceptance of the domestic

water system and/or sanitation system by District, whichever occurs first. District will operate, maintain, and replace said radio controls at District expense.

8. Prior to the acceptance of the domestic water system and/or sanitation system by District, Subdivider shall furnish to District any and all requested documents, including but not limited to the following:

a. A Declaration by Subdivider or its Contractor(s) that the Contractor(s), or any party who furnished material in the construction of the domestic water system and/or sanitation system, have been paid in full;

b. As-Built Drawings of the domestic water system and/or sanitation system. Acceptance by District of the domestic water system and/or sanitation system shall vest title thereto in District without any further action on the part of Subdivider.

c. A surety bond, irrevocable letter of credit or a certificate of deposit from a bank or savings and loan located and doing business in the State of California, naming District as sole beneficiary with the exclusive right of withdrawal according to the following; in the amount of $2,500 or ten percent of the amount of the construction contract(s), whichever sum is greater, to guarantee the performance of the installed domestic water system and/or sanitation system as against failures of any type, the period of said guarantee and said warranty shall be for one year from the date of the acceptance of the domestic water system and/or sanitation system by District. Said security, less any charges by District, shall be returned to Subdivider at end of one year.

9. Upon the request of Subdivider, District will furnish to the appropriate departments of the appropriate City or County, the Department of Real Estate and/or Department of Corporation of the State of California, a letter from District indicating that financial arrangements have been made for the construction of the domestic water system and/or sanitation system for said Subdivision and District is willing to provide domestic water service and/or sanitation service to each and every lot therein, provided Subdivider has done all of the following:

a. Complied with all provisions of this Agreement applicable at the time,

b. Furnished District an irrevocable letter of credit or certificate of deposit from a bank or savings and loan located and doing business in the State of California in a form approved by District in the amount of $2,000 or five percent of the amount of the construction contract(s), whichever sum is greater,

c. Furnished District with a copy of the Bond filed with the appropriate City or County, guaranteeing the construction of required Subdivision improvements, including the domestic water system and/or sanitation system provided for herein, and

d. Paid to District any amount due under the Water System Backup Facilities Charge, Supplemental Imported Water Supply Charges and/or Sanitation Capacity Charge as may be applicable, i.e., those in effect at the time payment is tendered to District.

e. Initiated a Well Metering Agreement with District (if applicable).

10. District shall not be liable for the replacement of decorative concrete and other surface improvements, including but not limited to, alternative paving methods which District may be required to remove in the future to gain access to the domestic water and/or sanitary sewer pipelines and appurtenances. District shall not be responsible for seal coating, overlaying or otherwise resurfacing street improvements outside the immediate area of construction. Subdivider shall include these conditions in the Covenants, Conditions, and Restrictions for said Subdivision.

11. District shall not be liable for the maintenance including but not limited to malicious damage and graffiti of the exterior walls and landscaping around the domestic water well site(s) and/or sanitary sewer lift station site(s) provided by Subdivider. Subdivider and its successors shall be responsible for the maintenance of these improvements. Subdivider shall include this condition in the Covenants, Conditions and Restrictions for said Subdivision.

12. District shall not be subject to the approval of Subdivider or Homeowners Association on any use, restrictions or conditions for any domestic water well site(s) and/or sanitary sewer lift station site(s) provided by Subdivider. Subdivider shall include an acknowledgement of these conditions in the Covenants, Conditions and Restrictions for said Subdivision.

13. Subdivider will provide notice to the purchaser of any homes within 300 feet of any District domestic water well site(s) and/or sanitary sewer lift station site(s) of the fact that District owns the property and its proposed and/or actual use and the activities that are involved during the construction and operation of said domestic water well and/or sanitary sewer lift station, such as heavy equipment operation including drilling and maintenance derricks which may create noise and vibration. Subdivider shall include an acknowledgement of these conditions in the Covenants, Conditions and Restrictions for said Subdivision.

14. In the event that construction of the facilities which are the subject of this Agreement has not begun within 12 months of the date of this Agreement or, having been completed, said facilities have not been accepted by District within 24 months of said date, District shall have the right to declare this Agreement void. In the event District exercises said right, it shall have no further obligations under this Agreement. Any new or revised Agreement and any related domestic water and/or sanitary sewer plans shall reflect any new conditions in effect at that time. Costs, fees and charges due under said new or revised Agreement shall be those which are in effect at the time payment thereof is tendered.

15. In the event that Subdivider fails to perform any obligation under this agreement, Subdivider agrees to pay all costs and expenses incurred by District in securing performance of such obligations, including costs of suit and reasonable attorney's fees.

16. Subdivider hereby binds itself, its executors, administrators and assigns, and agrees to indemnify, defend and hold District harmless from any losses, claims, demands, actions or causes of action of any nature whatsoever, arising out of or in any way connected with the improvements agreed to be constructed and installed under this agreement by Subdivider, including cost of suit and reasonable attorney's fees.

17. Following fulfillment of the terms and conditions herein and acceptance by District of the domestic water system and/or sanitation system, District will provide domestic water service and/or sanitation service to said Subdivision in accordance with District's Regulations cited in Paragraph 1.

18. This Agreement is binding on the assigns of District and on the assigns, successors, and representatives of Subdivider.

PLEASE ATTACH APPROPRIATE
NOTARIAL CERTIFICATES

COACHELLA VALLEY WATER DISTRICT

By:_____

Dated:_____

PLEASE ATTACH APPROPRIATE
NOTARIAL CERTIFICATES

SUBDIVIDER

By:_____

Dated:_____

EXHIBIT D

WELL METERING AGREEMENT

No Recording Fees
Required Per
Government Code
Section 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

COACHELLA VALLEY WATER DISTRICT
Post Office Box 1058
Coachella, California 92236

(Space above this line is for Recorder's use)

File:
State Well No.:

IRRIGATION WELL METERING AGREEMENT

THIS AGREEMENT is made on this _____ day of _____, 2001, by and between the COACHELLA VALLEY WATER DISTRICT, a public agency of the State of California, with its headquarters at Coachella, California, hereinafter designated as "District," and _____, hereinafter designated as " _____."

WHEREAS, real property is located in portions of the _____, San Bernardino Meridian, in the County of Riverside, State of California, more particularly described on Exhibit " A" and shown on Exhibit " B" attached hereto and hereinafter designated " Real Property" ; and

WHEREAS, _____ and District have entered into an agreement to provide irrigation water service to said Real Property for the purpose of _____. Except as otherwise set forth herein, the term "irrigation water" is intended to refer to canal water; and

WHEREAS, this Irrigation Well Metering Agreement provides a means of identifying the source and measuring the quantity of well water used to irrigate Real Property; and

WHEREAS, no groundwater replenishment assessment exists which affects _____. District has embarked upon a long-term water management plan

which encourages the use of alternative sources of water, thus protecting valuable groundwater resources for domestic consumption.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. _____ agrees to verify the source and quantity of well water used to irrigate Real Property by installing a metering device on _____'s well according to District's well metering specifications at _____'s expense so that District may read said metering device at periodic intervals.

2. Upon request, District will make available the specifications for the installation of a well metering device.

3. Upon completion of the installation of the well metering device, District shall conduct an inspection of said facilities.

4. After completion of the meter installation, District will, at District's expense, obtain a hydraulic pump test on the well for determining any meter correction factors.

5. In the event that District determines that the meter installation has been modified, upgraded and/or replaced or has not been completed according to District specifications, District shall notify _____ of its disapproval. District shall then have the right to direct the well metering device be reconstructed at _____'s expense or to direct that other appropriate action be taken.

6. Upon District's acceptance of said metering device, _____ will own, operate, maintain and replace said meter at _____'s expense. District will read said meter at periodic intervals and make such reading available to _____ if so requested. _____ agrees that District may obtain copies of current and past electrical power consumption and well pump test data directly from the electrical utility serving the well or from any individual conducting said tests, without obtaining additional releases. _____ shall grant or obtain any releases that may be required of District in order to obtain said data from the power utility.

7. _____ shall maintain well and meter sites in a safe and accessible condition as required under state and federal regulations. This

shall include, but not be limited to, provision of ventilation in enclosed spaces, providing safe access to vaults and protecting personnel from unsafe conditions which could be caused by electrical and mechanical equipment. In the event that _____ fails to maintain well and meter sites in a safe and accessible condition, _____ hereby agrees that District may take such safety measures as may be necessary at _____'s expense including, but not limited to, performing repairs to equipment or estimating production as provided in Paragraph 6.

8. Upon execution of a well metering agreement, and in regard to all future irrigation wells, _____ shall notify District of its intent to drill or use said wells. Upon completion of each of the wells, _____ shall install a metering device in accordance with District's specifications, at _____'s expense, and execute a separate well metering agreement with District for each of the additional wells developed by _____ in the form provided by District.

9. Upon implementation of a groundwater replenishment assessment, _____ shall, at District's option, convey said metering device to District, for good and valuable consideration, receipt of which is hereby acknowledged. Upon District's acceptance of said metering device, District will own, operate, maintain and replace said meter at District's expense. District will read said meter at periodic intervals and make such readings available to _____ if so requested.

10. District, its officers, employees, and agents, shall have the right of ingress and egress over property owned or controlled by _____ for access to each well and accompanying facilities, equipment and appurtenances for the purpose of performing the activities set forth in this Agreement. In the event the irrigation well serving Real Property exists within lands not owned or controlled by _____, _____ shall secure ingress and egress for District personnel and vehicles to read the metering device. District agrees to indemnify, defend and hold harmless _____ from any cost incurred or

suffered by _____ as a result of damage or injury to persons or property as a result of District exercising its right of ingress and egress.

11. No modification, variance or amendment of this Agreement shall be effective without the written consent of all of the parties to this Agreement.

12. In the event of any controversy, claim or dispute relating to this Agreement or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

13. In the event that any of the terms, conditions or provisions of this Agreement, are held to be illegal, unenforceable or invalid by any court of competent jurisdiction, the legality, validity and enforceability of the remaining terms, conditions or provisions shall not be affected thereby.

14. Each party hereby agrees to perform any further acts to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

PLEASE ATTACH APPROPRIATE
NOTARIAL CERTIFICATES

COACHELLA VALLEY WATER DISTRICT

By_____

Date_____

PLEASE ATTACH APPROPRIATE
NOTARIAL CERTIFICATES

_____

By_____

Date_____

EXHIBIT E

BEST MANAGEMENT PRACTICES

EXHIBIT E

Best Management Practices

1. Apply frequent light rates of N.

2. Use slow-release fertilizers.

3. Avoid fertilizing during periods when turf grass is naturally slow growing, dormant or stressed.

4. Avoid fertilizing when rain is forecasted.

5. Conservatively irrigate greenbelt areas to save water and reduce leaching. Limit irrigation to the amount necessary to replace moisture used by the plant. Irrigate according to ET and soil infiltration rates. Maintain the highest possible irrigation distribution. Try not to have irrigation application rate exceed soil infiltration rate by using multiple, short run times.

6. Use less energy demanding plants where possible and reduce the scope of the "heavily managed" areas.

7. Reduce annual N application rates as much as possible.

8. Minimize the reduction of growth of base turf areas during preparations of overseeding.

9. Reduce the amount of area within greenbelt areas that is overseeded.

10. Install under-drain system to collect the leachate from areas of the greenbelt areas that may be susceptible to leaching. The leachate should be properly disposed of through irrigation via infiltration through a proper soil profile.

11. Develop collection ponds to collect surface runoff and if necessary, install impervious liners to prevent groundwater leaching.

12. Collect runoff from sensitive areas and pass it through grassed swales or vegetated buffer strips.

13. As a condition of service, the recommendations of Best Management Practices must be implemented unless the general manager – chief engineer finds it would be a hardship.

EXHIBIT F

ACCESS EASEMENT AREA

EXHIBIT "F"
LEGAL DESCRIPTION
IRRIGATION LATERAL 121.3 – EASEMENT
"SILVERROCK"

PARCEL "A":

BEING A PORTION OF SECTION 8, TOWNSHIP 6 SOUTH, RANGE 7 EAST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 8, BEING THE CENTERLINE INTERSECTION OF AVENUE 52 AND JEFFERSON STREET;

THENCE SOUTH 02°13'02" EAST 1453.00 FEET ALONG THE CENTERLINE OF JEFFERSON STREET;

THENCE SOUTH 89°52'48" WEST 2352.35 FEET ALONG THE SOUTHERLY RIGHT OF WAY OF THE ALL AMERICAN CANAL TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEAST AND HAVING A RADIUS OF 236.48 FEET;

THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 371.00 FEET THROUGH A CENTRAL ANGLE OF 89°53'13";

THENCE SOUTH 00°00'25" EAST 954.65 FEET ALONG THE EASTERLY RIGHT OF WAY OF THE ALL AMERICAN CANAL;

THENCE NORTH 89°54'39" EAST 10.00 FEET ALONG SAID RIGHT OF WAY;

THENCE SOUTH 00°00'25" EAST 420.46 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 656.20 FEET;

THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 325.75 FEET THROUGH A CENTRAL ANGLE OF 28°26'35";

THENCE SOUTH 28°27'00" EAST 74.54 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 776.20 FEET;

THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 517.29 FEET THROUGH A CENTRAL ANGLE OF 38°11'02" TO THE **TRUE POINT OF BEGINNING**, A LINE RADIAL TO SAID CURVE AT SAID POINT BEARS SOUTH 80°15'58" EAST;

THENCE SOUTH 81°56'31" EAST 10.32 FEET;

THENCE NORTH 08°03'28" EAST 74.82 FEET;

THENCE NORTH 48°02'10" EAST 74.41 FEET;

EXHIBIT "F"
LEGAL DESCRIPTION
IRRIGATION LATERAL 121.3 – EASEMENT
"SILVERROCK"

THENCE NORTH 16°34'30" EAST 127.28 FEET;

THENCE NORTH 32°14'07" EAST 145.58 FEET;

THENCE SOUTH 57°45'53" EAST 111.12 FEET;

THENCE SOUTH 32°14'07" WEST 10.00 FEET;

THENCE NORTH 57°45'53" WEST 101.12 FEET;

THENCE SOUTH 32°14'07" WEST 134.20 FEET;

THENCE SOUTH 16°34'30" WEST 128.72 FEET;

THENCE SOUTH 48°02'10" WEST 73.59 FEET;

THENCE SOUTH 08°03'28" WEST 81.18 FEET;

THENCE NORTH 81°56'31" WEST 20.68 FEET TO THE EASTERLY RIGHT OF WAY OF THE ALL AMERICAN CANAL, ALSO BEING A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 776.20 FEET, A LINE RADIAL TO SAID CURVE AT SAID POINT BEARS NORTH 79°31'39" WEST;

THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 10.01 FEET THROUGH A CENTRAL ANGLE OF 00°44'19" TO THE **TRUE POINT OF BEGINNING.**

SAID DESCRIBED PARCEL "B" CONTAINS 5,415 SQUARE FEET, MORE OR LESS.

FOR GRAPHICAL PURPOSES SEE EXHIBIT "G" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

Prepared under the supervision of:

Angela E. Dorf Date: 10-10-05

Angela E. Dorf, P.L.S. #8010
Expires 12/31/06
THE KEITH COMPANIES, INC.
73-733 Fred Waring Drive, Suite 100
Palm Desert, CA 92260
(760) 346-9844

LICENSED LAND SURVEYOR
ANGELA E. DORF
No. 8010
Exp. 12/31/06
STATE OF CALIFORNIA

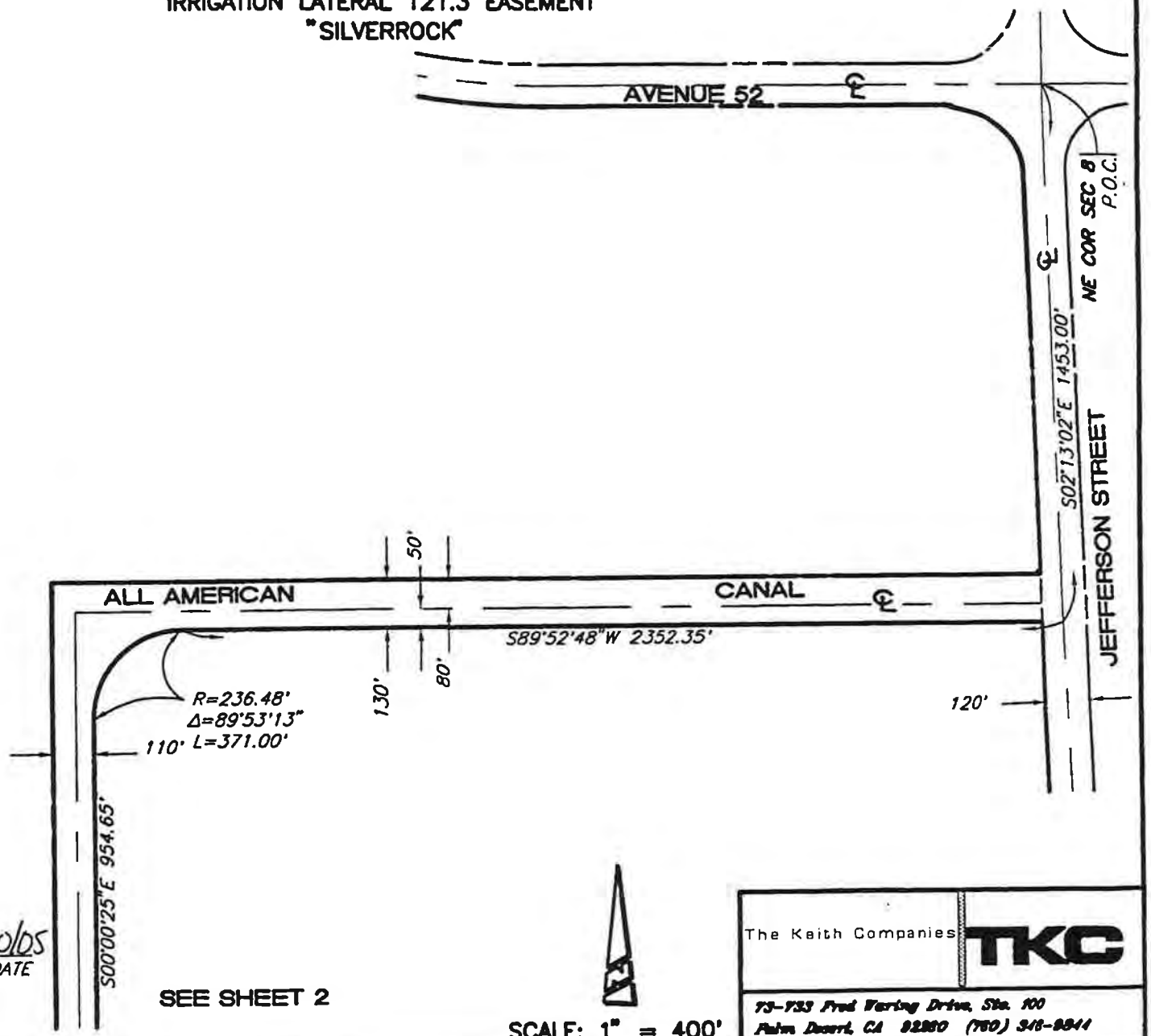
O:\40256\4025601\drawings\survey\25601_Exhibit F_BOR ESMT.doc

EXHIBIT G

DEPICTION OF ACCESS EASEMENT AREA

EXHIBIT "G"

IRRIGATION LATERAL 121.3 EASEMENT
"SILVERROCK"



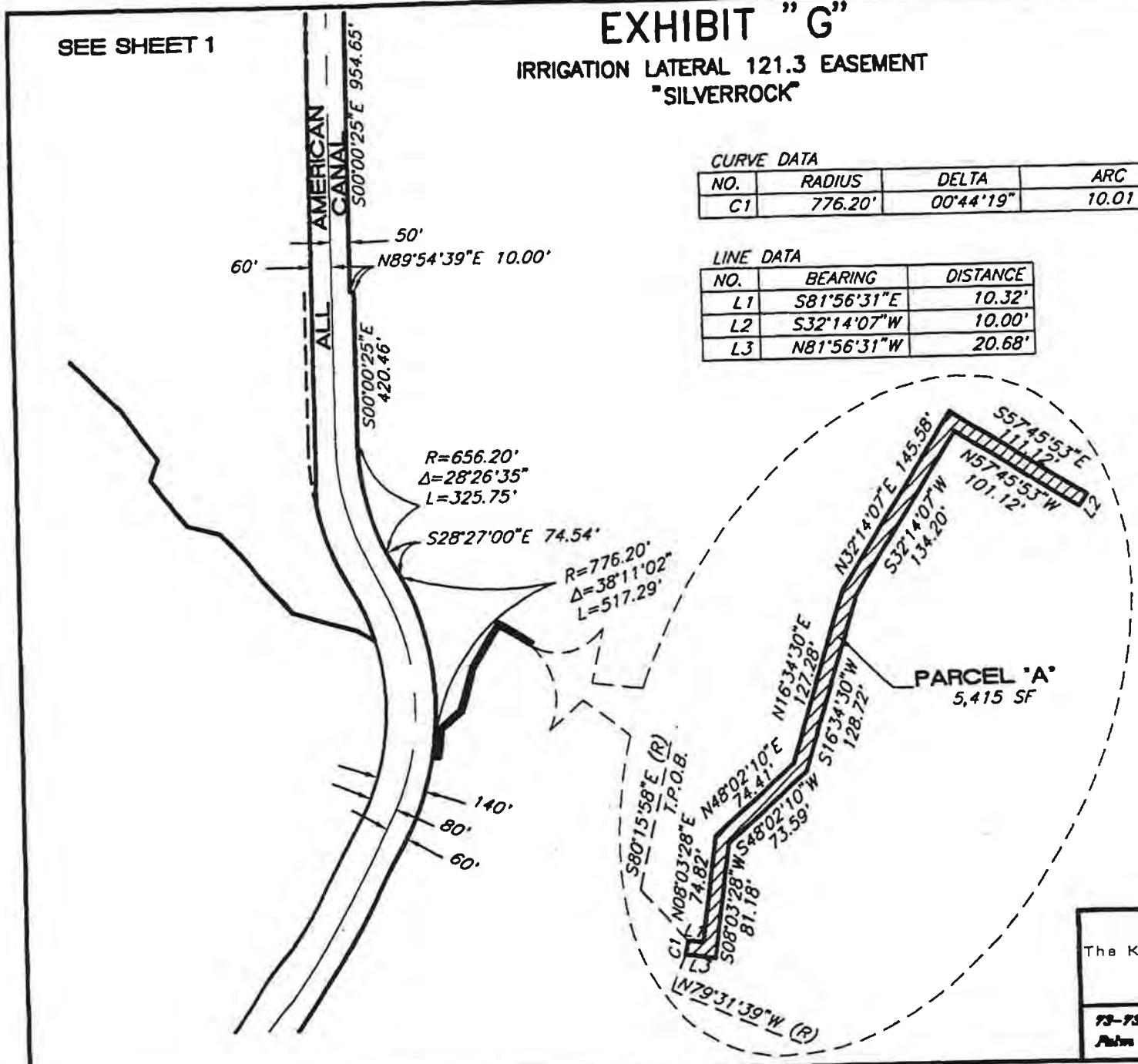
LICENSED LAND SURVEYOR
ANGELA E. DORF
No. 8010
Exp. 12/31/06
STATE OF CALIFORNIA

Angela E Dorf 10/10/05
ANGELA E. DORF, PLS 8010 DATE

The Keith Companies TKC
73-733 Fred Waring Drive, Ste. 100
Palm Desert, CA 92260 (760) 346-8944

EXHIBIT "G"

IRRIGATION LATERAL 121.3 EASEMENT "SILVERROCK"



CURVE DATA

NO.	RADIUS	DELTA	ARC
C1	776.20'	00°44'19"	10.01'

LINE DATA

NO.	BEARING	DISTANCE
L1	S81°56'31"E	10.32'
L2	S32°14'07"W	10.00'
L3	N81°56'31"W	20.68'

SCALE: 1" = 400'

The Keith Companies TKC
73-733 Fred Waring Drive, Ste. 100
Palm Desert, CA 92260 (760) 346-8844

This must be in red to be a
"CERTIFIED COPY"

Each document to which this certificate is attached is certified to be a full, true and correct copy of the original on file and of record in my office.

Larry W Ward
Assessor-Clerk-Recorder
COUNTY RECORDER
County of Riverside, State of California

OCT 14 2005

Dated:_____

COUNTY RECORDER, RIVERSIDE COUNTY
CALIFORNIA

Certification must be in red to be a
"CERTIFIED COPY"

SCANNED

Appendix 5: SilverRock Specific Plan (70 pages)

SILVERROCK

SILVERROCK RESORT SPECIFIC PLAN

July 18, 2006

CITY OF LA QUINTA

ACKNOWLEDGEMENTS

LA QUINTA CITY COUNCIL

Mayor - Donald Adolph
Mayor Pro Tem - Stanley Sniff
Council Member - Tom Kirk
Council Member - Terry Henderson
Council Member - Lee Osborne

LA QUINTA PLANNING COMMISSION

Chairperson - Paul Quill
Vice-Chairperson – Richard Daniels
Kay Ladner
Ed Alderson
Katie Barrows

LA QUINTA STAFF

Tom Genovese – City Manager
Douglas R. Evans – Community Development Director
Les Johnson, Planning Manager

CONSULTANT TEAM

Impact Sciences, Inc.
Tony Locacciato - Principal
Ali Mir - Staff Planner
803 Camarillo Springs Road, Suite A
Camarillo, CA 93012

APPROVED BY CITY COUNCIL
ON 7/18/06
BY _____ DATE _____
RESO# 2006-083
CASE NO. SP-06-080

SECTION 1

INTRODUCTION

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1 Introduction

1.1 EXECUTIVE SUMMARY

The SilverRock Resort Specific Plan is organized in four sections, as described below:

Section 1, Introduction: This section provides an overview of the document, project setting and history, the legislative authority for the Specific Plan, and the method of compliance with the California Environmental Quality Act (CEQA).

Section 2, Plans, Programs and Guidelines: This section provides the organization and framework of the Land Use Plan and related plan exhibits. This section of the Specific Plan establishes the land use policy for the SilverRock Resort Specific Plan Area and provides the guidelines for development within each of the Planning Areas established by this Specific Plan.

Section 3, Zoning and Development Regulations: This section establishes the zoning applicable to land within the SilverRock Resort Specific Plan Area. Development regulations are presented for each zoning designation defined in this Specific Plan.

Section 4, General Plan Consistency: This section uses the key land use issues statement of each element of the City of La Quinta General Plan as the basis for evaluation the consistency of the SilverRock Resort Specific Plan with the City of La Quinta General Plan.

1.2 PURPOSE AND INTENT

This Specific Plan is intended to guide future development and use of land within the SilverRock Specific Plan Area. This document establishes development plans, guidelines, and regulations for the Specific Plan Area. The Specific Plan is intended to ensure quality development consistent with the goals, objectives, and policies of the City of La Quinta General Plan.

While this Specific Plan defines the location, type and amount of development allowed within the Specific Plan Area, consistent with the requirements for Specific Plans identified in State Planning and Land Use Law, it is intended to provide a degree of flexibility to allow future development to respond to the opportunities in the marketplace for the unique resort development allowed by this Specific Plan during the time period anticipated for the area to fully develop.

1.3 REGIONAL SETTING

The SilverRock Resort Specific Plan Area is located approximately 105 miles from the City of Los Angeles and the Pacific Coast and approximately 240 miles from the Phoenix/Scottsdale metropolitan region as shown on **Exhibit 1**. The Specific Plan Area is located on the gently sloping floor of the Coachella Valley in the general vicinity of Palm Springs and is located within the corporate limits of the City of La Quinta in Riverside County.

The City of La Quinta, a 35.05-square-mile municipality located in the southeastern portion of the Coachella Valley, was incorporated in 1982. The City is bounded on the west by mountainous land and the City of Indian Wells; on the east, by the City of Indio and unincorporated Riverside County; on the north by Riverside County; and federal and County lands to the south.

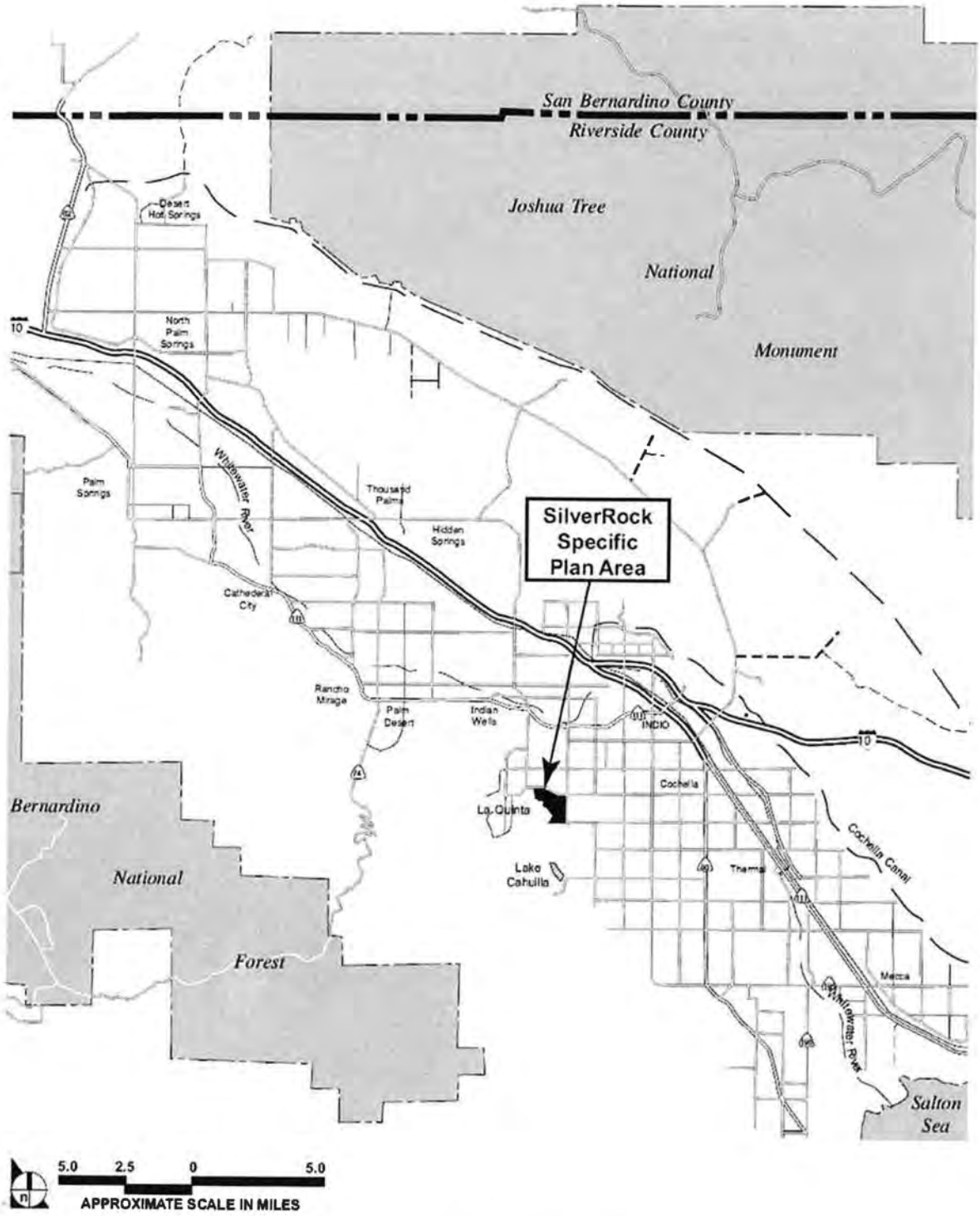


Exhibit 1 – Regional Map

835-001-05/06

1.4 LOCAL SETTING

The SilverRock Resort is accessible from Interstate 10 by way of Jefferson Street. As shown in **Exhibit 2**, the Specific Plan Area is generally bordered by Avenue 52 on the north, Avenue 54 on the south, Jefferson Street on the East, and the Santa Rosa Mountains on the west. The Specific Plan Area is bisected by the Coachella Canal, which flows west from Jefferson Street and then turns south within the project site.

Surrounding uses include The Citrus residential and golf course community to the north of Avenue 52, The Hideaway residential and golf course community to the east of Jefferson Street, and the PGA West residential and golf course community to the south of Avenue 54.

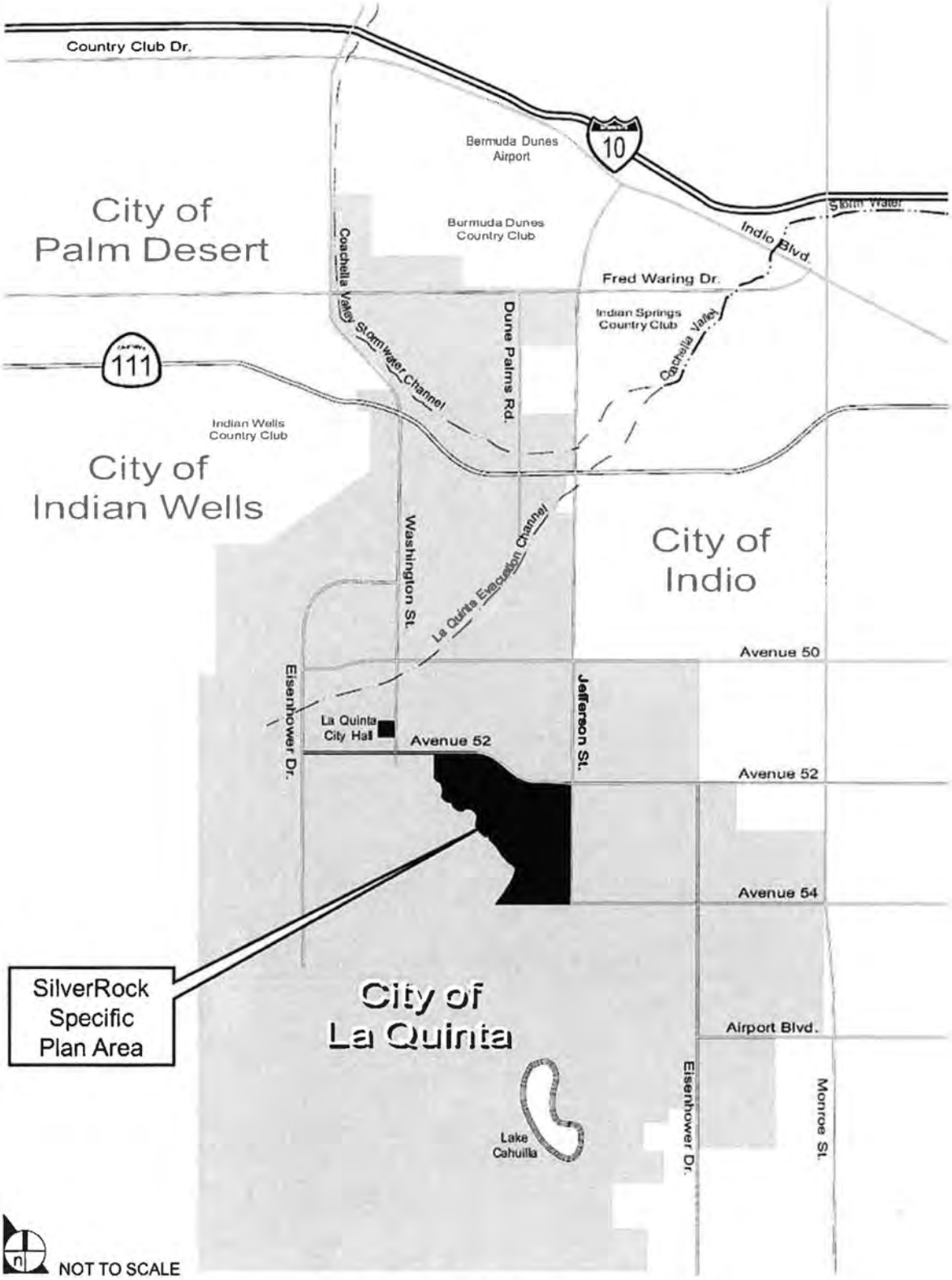


Exhibit 2 – Specific Plan Area

835-001•04/06

1.5 PLANNING BACKGROUND AND PROJECT HISTORY

The SilverRock Specific Plan Area has been planned for development with golf course, hotel, and commercial and related uses for over 20 years. The SilverRock Resort Specific Plan Area was originally part of the larger Oak Tree West Specific Plan, adopted in 1985. The Oak Tree West Specific Plan Area, which also included the area located north of Avenue 52 now developed as 'The Citrus' community, allowed the development of hotel, residential, commercial uses and 45 holes of golf within this larger Specific Plan Area. This Specific Plan will replace the Oak Tree West Specific Plan for the subject property only. The Oak Tree Specific Plan will remain in effect for all other properties within its boundaries.

In 1998, a resort development project was proposed for the property that makes up the SilverRock Resort Specific Plan Area. This project, called The Ranch, included two 18-hole golf courses along with hotel, commercial and residential uses. The applicant for that project did not pursue its approval.

In March 2002, the City adopted an update of the City of La Quinta Comprehensive General Plan. The General Plan designated the majority of the SilverRock Resort Specific Plan Area for Golf Course and Tourist Commercial uses, with the remaining portion designated as Open Space. The Golf Course land use designation allows both public and private golf courses with their associated ancillary uses, while the Tourist Commercial designation allows resort hotels, multi-family resort residential casitas, recreational uses, conference centers and ancillary retail shops.

In May 2002, the City of La Quinta Redevelopment Agency acquired the property included in the SilverRock Resort Specific Plan Area to achieve several objectives, including:

- Implement the City's General Plan;
- Provide public recreation opportunities by developing two public golf courses on the site; and
- Facilitate the development of resort and commercial uses that will generate recurring sources of revenues for the City in the form of transient occupancy taxes, sales taxes, and property taxes.

The City began construction of the SilverRock Resort Arnold Palmer Classic Golf Course in 2004 and the course opened to the public in spring 2005. This 18-hole public golf course, 7,753 yards in length, occupies approximately 200 acres of the Specific Plan Area, as shown on the current aerial photograph of the Specific Plan Area presented in **Exhibit 3**. Access to the Arnold Palmer Classic Golf Course is provided by SilverRock Way, which currently extends from Avenue 52 south into the Specific Plan Area.

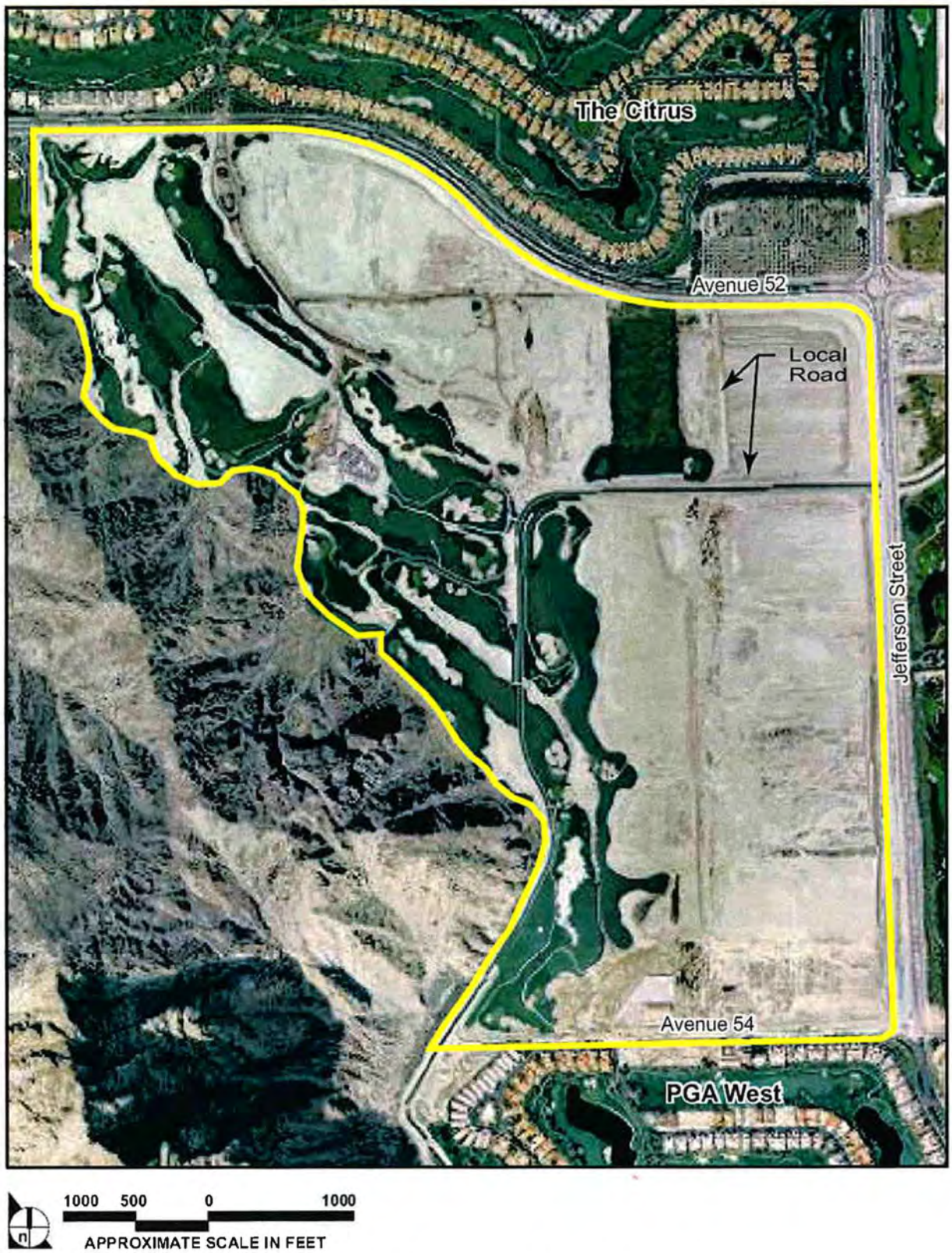


Exhibit 3 – Aerial Photograph of Specific Plan Area

835-001•06/06

1.6 ENABLING LEGISLATION

- The authority to prepare, adopt, and implement the SilverRock Resort Specific Plan is granted to the City of La Quinta by the California Government Code (Title 7, Division 1, Chapter 3, Article 8, Sections 65450 through 65457).
- As with General Plans, the Planning Commission must hold a public hearing before it can recommend to the City Council, the adoption of a specific plan or an amendment thereto. The City Council of La Quinta, after holding a public hearing, may adopt a Specific Plan and/or an amendment to the Specific Plan by either ordinance or resolution.
- The SilverRock Resort Specific Plan is a regulatory document that, once adopted, will serve as the Specific Plan and Development Code for the SilverRock Resort Specific Plan Area. Once the SilverRock Plan is in effect, all future development within the Specific Plan Area must be consistent with the Specific Plan.

1.6.1 Required Findings

According to the La Quinta Zoning Code, Chapter 9.240.010.E, the City Council must make three specific findings in order to approve the project. Each finding is listed below, followed by a discussion of how each is satisfied by this project. The project's success in meeting the required findings is supported by the facts presented throughout the Specific Plan document.

1. Consistency with the General Plan. The plan or amendment is consistent with the goals, objectives, and policies of the general plan.

- The SilverRock Resort Specific Plan is a resort and golf course development which is consistent with the General Plan Land Use designations for the parcels included within the Specific Plan Area. All uses approved for proposed development within the Specific Plan are consistent with the existing General Plan Land Use designations. These uses include:

  G: Golf Course Open Space

  TC: Tourist Commercial

  W: Water Course/Flood Control.

2. Public Welfare. Approval of the plan or amendment will not create conditions materially detrimental to the public health, safety, and general welfare.

- The master concept plan for this Specific Plan is consistent with City development standards, which are established to protect public health and safety.
- In accordance with the General Plan, a golf resort-oriented development is consistent with the "G" and "TC" Land Use designations that currently exist for the Specific Plan Area.

3. Land Use Compatibility. The specific plan is compatible with zoning on adjacent properties.

- The surrounding parcels include a wide variety of uses that include preserved natural open space in the Santa Rosa Mountains, single-family residential units, and other golf and recreational uses.
- The allowed uses in this Specific Plan do not present any issues related to incompatibility with existing adjacent uses to the Specific Plan Area.

1.7 CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE

The City of La Quinta Redevelopment Agency acquired the property that makes up the SilverRock Resort Specific Plan Area in 2002. The Redevelopment Agency prepared an Initial Study in 2002 to evaluate the potential impacts that could result from the acquisition and development of two publicly owned golf courses and resort uses including the same types of uses allowed by this Specific Plan. On the basis of this Initial Study for The Ranch Project, the Redevelopment Agency adopted a Mitigated Negative Declaration (MND) for the acquisition and development of the site in May 2002.

The City has prepared an Addendum to the MND prepared for The Ranch project that was previously proposed for the Specific Plan Area, to assess potential environmental impacts of this SilverRock Resort Specific Plan. The Final MND of The Ranch project was completed and approved in May 2002. As the allowed uses in this Specific Plan are not different than the uses proposed in The Ranch project, a subsequent negative declaration was not necessary. The Ranch project called for similar public golf courses and recreational resort uses as proposed in this Specific Plan. The Specific Plan Area is smaller in size than The Ranch project, but the uses allowed within this Specific Plan are not substantially different or than those included in The Ranch project description. The Addendum includes updated information to reflect changes in the Specific Plan Area, including but not limited to the development of one of the two allowed golf courses since the certification of the Final MND of The Ranch project. Also included in the Addendum are descriptions and analysis based upon an approved Coachella Valley Water District (CVWD) Water Supply Assessment and Water Supply Verification for the uses allowed in this Specific Plan, as well as a Domestic Water and Sanitation System Installation and Irrigation Service Agreement between the City of La Quinta and the CVWD for the Specific Plan Area. Improvements to the roadway network, and service and utility infrastructure within and adjacent to the Specific Plan Area are also incorporated into the Addendum. Finally, the Addendum also analyzes the Specific Plan based upon an updated City of La Quinta General Plan, and conformance of the allowed intensity of uses contained in this Specific Plan with the Traffic Analysis Zones included in the Circulation Element of the City of La Quinta General Plan. The Addendum to the Ranch MND has found that this SilverRock Resort Specific Plan would not result in any new or substantially more significant environmental impacts, as assessed in The Ranch MND.

The City Council, on July 18, 2006, reviewed and considered the Addendum to the MND and ordered the filing of a Notice of Determination (NOD).

1.8 ENTITLEMENT PROCESS

Approval/certification of the following actions will be required to implement the proposed project:

- Specific Plan: This Specific Plan is designed to provide guidance to the public, City staff, and decision makers in realizing the objectives of the proposed project as defined above. This document includes the land use and development standards, design guidelines, infrastructure needs, and implementation strategies to fully implement the allowed uses in this SilverRock Resort Specific Plan. The Specific Plan is adopted by the City of La Quinta City Council by ordinance.
- Site Development Permit: Issuance of a Site Development Permit and Sign Program shall be required by the Planning Commission and shall include:
  - Approval of a Site Plan
  - Approval of Architectural Design
  - Approval of Landscape Design
  - Approval of Sign Program
  - Approval of Subdivision Maps.
- Grading and Building Permits: Grading and building permits, as needed, shall be obtained from the City, for each phase or building, as required by the City.
- Disposition Development Agreement(s) and Development Agreement(s) regarding future development in accordance with the Specific Plan.

SECTION 2

PLANS, PROGRAMS AND GUIDELINES

2.1 RESORT CONCEPT

This Specific Plan allows for the development of public golf courses, hotel resort facilities, and supporting commercial uses. The Specific Plan provides for the development of a second high-quality public golf course with supporting facilities, a public park, a hotel with a conference center, a resort hotel, a boutique hotel, a mixed-use resort retail village, meeting facilities, and resort casitas.

2.1.1 Planning Area Definition

The Specific Plan Area defines eight distinct Planning Areas, each with corresponding development criteria and development standards. The location and extent of each of these Planning Areas is shown in **Exhibit 4.**

2.1.2 Planning Area Characteristics

The size and allowed uses in each Planning Area are identified below. More detailed development criteria and design development guidelines for these Planning Areas are contained in **Section 2.4, Master Plan of Land Uses,** in this Specific Plan.

Planning Area 1: Allowed uses in this Planning Area include two 18-hole golf courses and supporting facilities, including a clubhouse, driving range, instructional facility, and a golf course maintenance facility. One 18-hole golf course currently exists in this Planning Area. Planning Area 1 includes approximately 373 acres.

Planning Area 2: This Planning Area includes the existing Ahmanson House, which will be preserved and maintained for use as a commercial, civic and/or cultural events facility. This Specific Plan allows the use of this existing facility and the development of additional facilities which may include a restaurant with up to 300 seats, up to 10,000 square feet of conference facilities, and/or up to 80 guest units. Planning Area 2 includes approximately 4 acres.

Planning Area 3: The allowed use in this Planning Area is a boutique hotel containing a minimum of 188 units and maximum of 225 units that can be occupied separately with a minimum of 200 keys, and a maximum of 260 keys. Planning Area 3 includes approximately 13 acres.

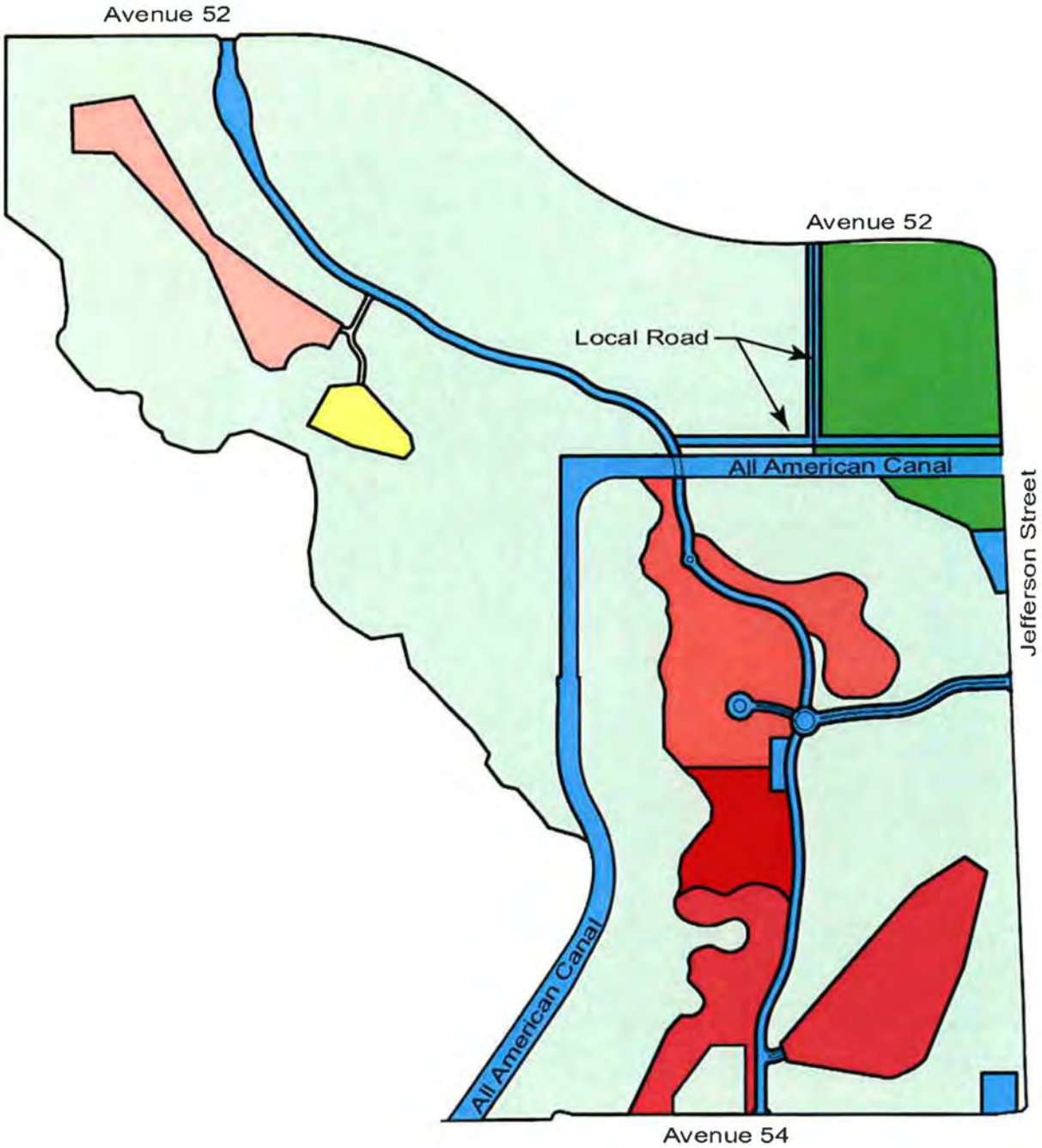
Planning Area 4: Allowed uses in this Planning Area include a resort hotel and appurtenant resort casitas containing a maximum of 405 units that can be occupied separately with a maximum of 520 keys. Planning Area 4 includes approximately 30 acres.

Planning Area 5: Allowed uses in this Planning Area include a mixed-use resort retail village containing up to a maximum of 160,000 square feet. Planning Area 5 includes approximately 9 acres.

Planning Area 6: Allowed uses in this Planning Area include a hotel and resort casitas containing a maximum of 450 units that can be occupied separately with a maximum of 500 keys. Planning Area 6 includes approximately 31 acres.

Planning Area 7: Planning Area 7 includes a total of approximately 35 acres to be used as public park.

Planning Area 8: Planning Area 8 includes a total of approximately 51 acres containing existing and planned public facilities including streets, the existing All American Canal and water well sites.



Legend:

- Planning Area 1: Public Golf Course
- Planning Area 2: Civic and Cultural Events Facilities
- Planning Area 3: Boutique Hotel
- Planning Area 4: Resort Hotel and Resort Casitas
- Planning Area 5: Mixed-Use Resort Retail Village
- Planning Area 6: Traditional Hotel and Resort Casitas
- Planning Area 7: Public Park
- Planning Area 8: Public Facilities

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APPROXIMATE SCALE IN FEET

Exhibit 4 – Planning Area Diagram

835-001•06/06

2.2 LAND USE

2.2.1 General Plan Context

The SilverRock Resort Specific Plan implements the City of La Quinta General Plan by bringing detailed policies and regulations together into a focused development plan for the Specific Plan Area. The SilverRock Resort Specific Plan is a regulatory document which, when adopted by the City Council of La Quinta, will govern all facets of project development including the distribution of land uses, location and sizing of supporting infrastructure, as well as development standards and regulations for the Specific Plan Area.

The location and alignment of the land uses and zones depicted in this Specific Plan are diagrammatic. The precise layout of the second golf course, the hotels, the mixed-use village, and support facilities will determine the actual alignment and adjacency of each land use category.

The SilverRock Resort Specific Plan is prepared as a link between the La Quinta General Plan and subsequent development proposals for the individual Planning Areas defined in this Specific Plan. The Land Use Element of the La Quinta General Plan establishes the City's policy relative to the planned future pattern, intensity, density, and relationships of land uses in the City. The purpose of the Land Use Element within the City's General Plan is to establish official City policy which:

- Identifies the general types, locations and distribution of land uses desired in La Quinta at buildout;
- Identifies standards for land uses relative to population and building density/intensity and the character and compatibility of land uses; and
- Identifies desired courses of action and strategies, which provide the means to implement the community's land use policies.

The SilverRock Resort Specific Plan implements the City's General Plan by:

- Specifying the land uses in the plan area;
- Delineating standards for land use compatibility with the City's goals and policies; and
- Providing the framework for development in an orderly manner.

2.2.2 Existing General Plan Designations

The existing General Plan Land Use Map designations for the Specific Plan Area, illustrated on **Exhibit 5** are:

G: Golf Course Open Space
TC: Tourist Commercial
W: Water Course/Flood Control

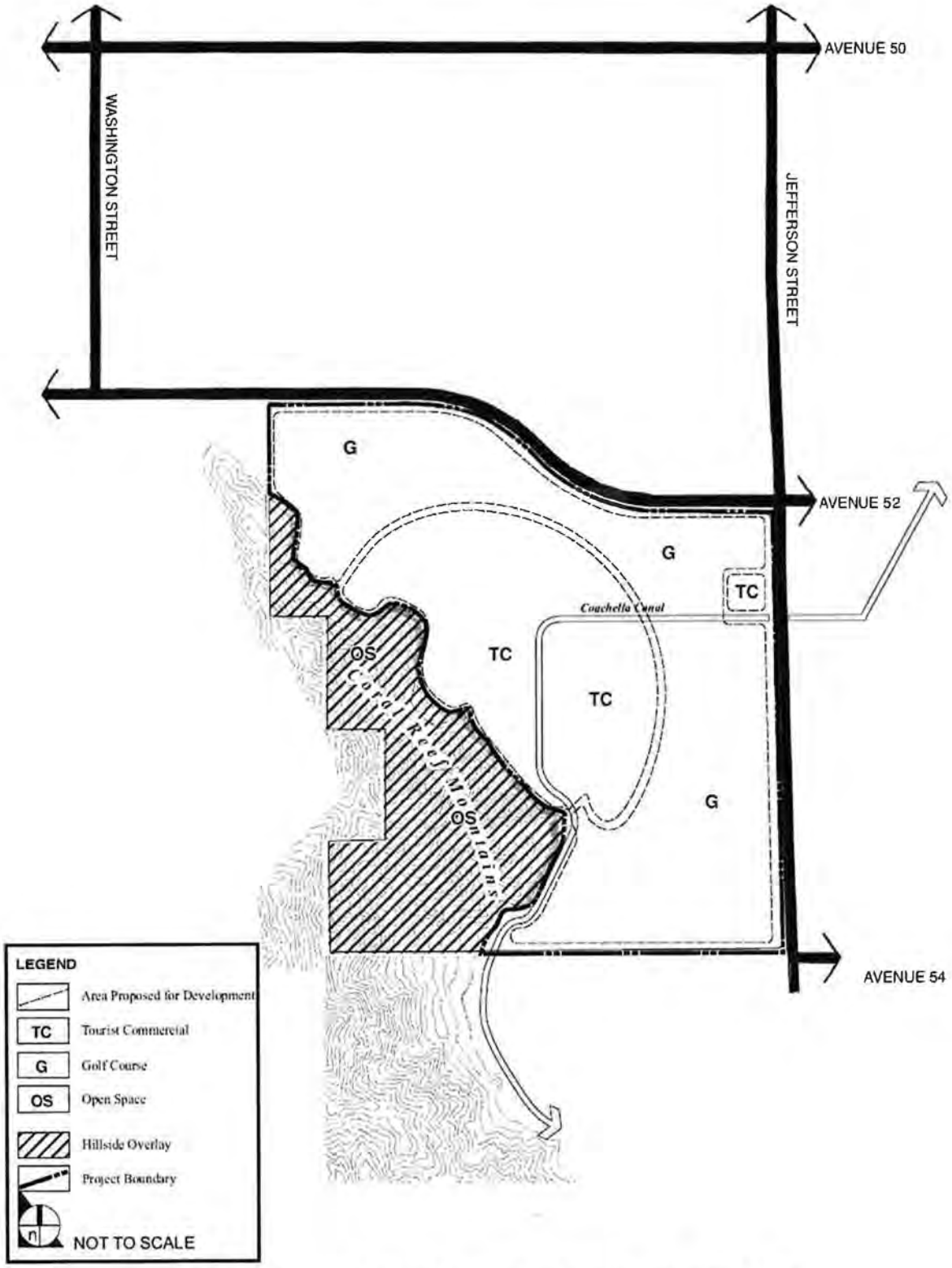

Exhibit 5 – General Plan Designations for Specific Plan Area

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2.3 ZONING

2.3.1 Existing Zoning

The existing zoning for the project area is illustrated in **Exhibit 6** and includes:

GC - Golf Course
CT – Tourist Commercial
FP – Floodplain

2.3.2 Proposed Zoning

The proposed zoning under the Specific Plan for the project area would not change. As a part of the Specific Plan, land uses are designated within the existing General Plan Zones identified in **Exhibit 6**. These land uses are consistent with the General Plan zone uses.

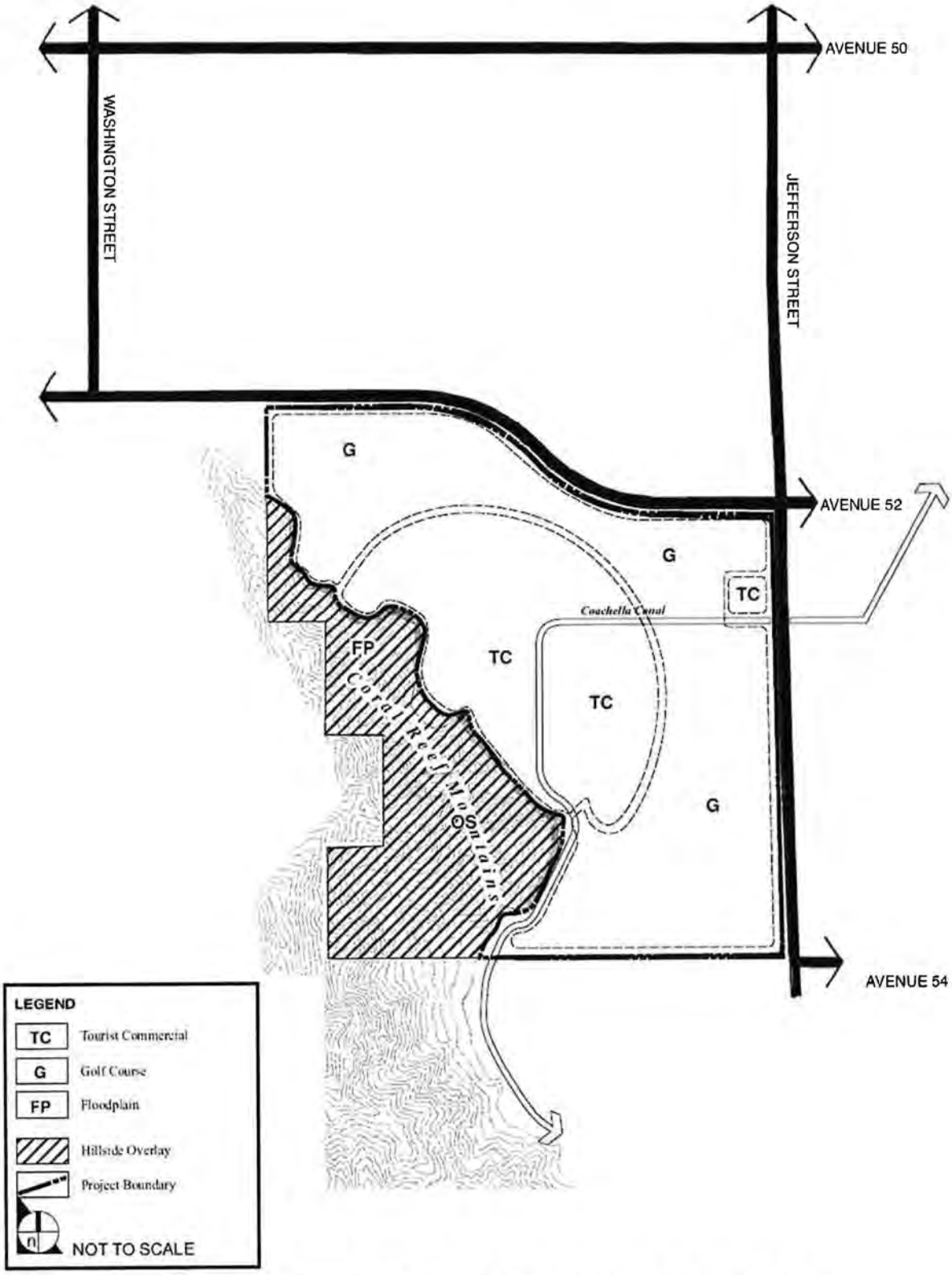

Exhibit 6 – Zoning Plan Designations for Specific Plan Area

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2.4 THE MASTER PLAN OF LAND USE

The Master Plan for the SilverRock Resort Specific Plan Area provides for the development of a resort environment including hotels, boutique hotels, spas, and other resort-rental and resort-oriented uses. **Exhibit 7** presents an illustrative master plan showing the major features of the resort.

A detailed discussion of the land uses allowed and planned for the SilverRock Resort Specific Plan and the development intensity is presented for each of the seven planning areas. The Land Use tables illustrate a complete tabulation of land uses, zoning, acreage, and densities within each planning area.

Table 6 represents a comprehensive tabulation of land use, zoning, acreage, units, and density for the SilverRock Resort Specific Plan area in total.

2.4.1 Land Use By Planning Area

A range of land use categories is provided for within the SilverRock Resort Specific Plan Area. These include Golf Course and Tourist Commercial uses. Eight individual Planning Areas are defined in order to address each unique development environment within the Specific Plan Area.

The description of the land uses allowed within each Planning Area below consists of a narrative and supporting graphics to delineate the uses allowed within each Planning Area.

Development standards for each Planning Area are presented in **Section 3, Zoning and Development Regulations**.

Exhibit 7 – Illustrative Master Plan for Specific Plan Area

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Planning Area 1

Planning Area 1 includes approximately 374 acres planned to accommodate two 18-hole public golf courses and related golf and support facilities.

This Planning Area includes the existing Arnold Palmer Classic Golf Course, which occupies approximately 179 acres on the western edge of the Specific Plan Area and the existing driving range, which occupies approximately 13 acres of this Planning Area.

Approximately 163 acres are provided for the development of a second 18-hole public golf course. A public hiking trail may be provided along the base of the Coral Mountains.

TABLE 1

PLANNING AREA 1 – LAND USE

SilverRock Resort Specific Plan Golf Course Area

GENERAL PLAN/LAND USE		ZONE	ACRES	MAXIMUM UNITS/DENSITY
GC	Golf Course/Open Space	GC	341	-
GC	Clubhouse	GC	7	Pro Shop: 2,250 sq. ft Dining Room: 3,000 sq. ft. Bar/Grill: 1,500 sq. ft. Banquet Space: 3,500 sq. ft. Kitchen: 2,500 sq. ft. Day Locker Rooms: 1,500 sq. ft. Administrative Office: 750 sq. ft. Lobby/Circulation/Storage/Common Space: 4,000 sq. ft. TOTAL: 20,000 sq. ft.
GC	Driving Range	GC	13	-
GC	Golf Training/ Practice/Instruction Facility	GC	9	-
GC	Golf Course Maintenance Facility	GC	3	-
TOTAL			**373**	**20,000 sq. ft. (Clubhouse Only)**[1]

[1] Final clubhouse space allocations subject to adjustment during site development permit process. All space references are approximate.

Planning Area 2

Planning Area 2 consists of approximately 4 acres containing the existing Ahmanson Home, situated in the rocky outcroppings, a former working-ranch hacienda, which has been renovated for use as the temporary clubhouse for the Arnold Palmer Classic Golf Course.

After the new clubhouse is developed, the Ahmanson Home and additional facilities may be developed in this Planning Area with the allowed uses including a restaurant with up to 300 seats, up to 10,000 square feet of conference facilities, and/or up to 80 hotel units.

TABLE 2

PLANNING AREA 2 – LAND USE

SilverRock Specific Plan Civic and Cultural Events Area

GENERAL PLAN/LAND USE		ZONE	ACRES	MAXIMUM UNITS/DENSITY
GC	Civic/Cultural Use Area	GC	4	*Existing* Historic Landmark: Ahmanson House *Proposed Uses* Restaurant: up to 300 seats Conference Facilities: up to 10,000 sq. ft. Hotel: up to 80 units Destination Spa Outdoor Activities
TOTAL			4	-

Planning Area 3

Planning Area 3 consists of approximately 13 acres planned for an intimate, boutique (investor owned) hotel with a high level of service and a unique architectural theme. Boutique hotels differentiate themselves from larger chain or branded hotels by providing an exceptional and personalized level of accommodation, services, and facilities. Facilities would be designed for short-term stay and would include a management program to encourage use of hotel rental pool; with a fee paid for unit owner use.

The units and resort casitas allowed in this Planning Area may be sold as condominium-hotel units, will full access to resort amenities and services.

When not in use by the owners, all units shall be offered for rental as part of the resort. Such rentals may be offered by the unit owner, a third party rental agent or an agent affiliated with the resort operator. All use of the units, including by the owners, shall be through the resort front desk check-in and check-out procedure, using electronic keys controlled by the resort operator. The resort operator shall have the ability to book all unbooked units as demand dictates within 2 weeks of the date being requested, and may charge a booking fee for such booking. The individually sold units may include, but are not limited to, such types of ownership as residence club, condominium-hotel, or timeshare-designed units.

The hotel developed in this Planning Area is required to meet the operational standards and include the specific features identified below:

- **Quality** – 4-star quality level or higher providing a luxury hotel experience with expanded amenities in a distinctive highly finished environment. Public spaces including restrooms, restaurants and meeting spaces are furnished with upgraded materials such as granite, marble, specialty lighting, and custom millwork. Distinctive and authentic architectural details such as clay tile, iron gates, fountains, and pavers are included throughout. Lobby areas feature elegant live plants and floral displays.
- **Services** – Service must be provided at a 4-star level or higher. Services must include, but are not limited to, on-site sales efforts that solicit and/or serve group meetings, turndown service, room service, laundry service, personalized wake up calls, concierge and bell services, secure luggage storage facilities, and covered valet parking.
- **Amenities** – Amenities must include at least one signature dining restaurant with minimum seating for 80 indoor and 40 outdoor, a well appointed lounge/bar with minimum seating for 40, guest registration lobby of at least 1,500 square feet, a first-class spa and fitness facility of at least 8,000 square feet (sf) at least one fully amenitized pool offering food service and cabanas, and at least 10,000 sf of interior meeting space. A highly upgraded Presidential Suite to be included of at least 2,500 sf. Landscaping must include distinctive entry water features, use of fountains throughout, and substantial landscaping material. Hardscape materials to include tumbled pavers and tile in courtyard areas. At least 50 percent of required parking must be provided in covered or trellised parking areas. At least 150 parking spaces shall be in the parking structure.
- **Guest Units** – Guest units are to be finished with upgraded materials such as stone, wood, and tile flooring, upgraded carpet and pad, granite or tile counters, tile and/or marble baths, decorative wood beam ceilings where applicable, flat screen televisions, LodgeNet or equal services, 2 telephones, kitchenette with top-of-the-line or equal appliances, custom fireplaces in some units, luxurious bedding, and top-quality furnishings, uniformity of units/furnishings.

TABLE 3

PLANNING AREA 3 – LAND USE

SilverRock Specific Plan Boutique Hotel Planning Area

GENERAL PLAN/LAND USE	ZONE	ACRES	MAXIMUM UNITS/DENSITY
TC – Boutique Hotel	TC	13	225 Units/260 Keys
TOTAL		**13**	**225 Units/260 Keys**

Planning Area 4

Planning Area 4 consists of approximately 30 acres planned for development of a resort hotel, including appurtenant units in casitas-style buildings adjacent to the hotel.

The resort hotel in this Planning Area is intended to offer a destination for vacation travelers and those planning retreats and meetings, rather than simply being a place to stay while in the area. Resort hotels offer unique features, themes and amenities for vacation travelers over and above those provided by other lodgings. The amenities, surroundings, and services provided in resorts are specifically designed to create a single source location for guests to enjoy their stay.

The resort casitas allowed in this Planning Area are intended to be an investor owner condominium-hotel unit, with full access to all resort amenities and services and one or more rental opportunities. The allowed type of units may include, but are not limited to residence club, condominium-hotel, or timeshare-designed units. A resort pool area(s) shall be provided for resort casitas. No individually owned casitas unit pools are permitted.

The units and resort casitas allowed in this Planning Area may be sold as condominium-hotel units, with full access to all resort amenities and services. No fewer than 90 of the total units at the hotel shall be owned by the owners of the resort. When not in use by the owners, the units shall be offered for rental as a part of the resort. Such rental may be offered by the unit owner, a third party rental agent or an agent affiliated with the resort operator. All use of the units, including by owners, shall be through the resort front desk check-in and check-out procedure, using electronic keys controlled by the resort operator. The resort operator shall have the ability to book all unbooked units as demand dictates within 2 weeks of the date being requested, and may charge a booking fee for such bookings. The individually sold units may include, but are not limited to, such types of ownership as residence club, condominium-hotel, or timeshare-designed units.

When not in use by the owners, all units shall be offered for rental as part of the resort. Such rentals may be offered by the unit owner, a third party rental agent or an agent affiliated with the resort operator. All use of the units, including by the owners, shall be through the resort front desk check-in and check-out procedure, using electronic keys controlled by the resort operator. The resort operator shall have the ability to book all unbooked units as demand dictates within 2 weeks of the date being requested, and may charge a booking fee for such booking. The individually sold units may include, but are not limited to, such types of ownership as residence club, condominium-hotel, or timeshare-designed units.

The hotel and/or casitas units developed in this Planning Area are required to meet the operational standards and include the specific features identified below:

- **Quality** – 4-star quality level or higher providing a luxury experience with expanded resort amenities in a distinctive, usually themed highly finished environment. Public spaces including restrooms, restaurants and meeting spaces are furnished with upgraded materials such as granite, marble, specialty lighting, and custom millwork. Distinctive and authentic architectural details consistent with the resort theme are included throughout. Lobby areas are expansive and feature elegant live plants, floral displays, and outstanding views.
- **Services** – Service must be provided at a 4-star level or higher. Services must include, but are not limited to, on-site sales efforts that solicit and/or serve group meetings, turndown service, room service, laundry service, personalized wake up calls, pool services, activities center, kids clubs, excursions, concierge and bell services, secure luggage storage facilities, and covered valet parking.
- **Amenities** – Amenities must include at least one signature dining restaurant with minimum seating for 80 indoor and 30 outdoor, a well appointed lounge/bar with seating for a minimum of 40, a three-meal dining option seating at least 100 indoor and 60 outdoor, guest registration lobby of at least 3,500 sf, a first-class spa and fitness facility of at least 12,000 sf, a kids club and teen center of at least 2,500 sf, at least two fully amenitized resort pool offering food service, cabanas and swim areas for children, one adult pool, and at least 20,000 sf of interior meeting space. Landscaping must include distinctive entry features, use of themed elements, and mature landscaping material. At least 30 percent of the parking shall be in structured or trellised areas.
- **Guest Units and Casitas** – Guest units and casitas are to be finished with upgraded materials such as stone, wood, and tile flooring, upgraded carpet and pad, granite or tile counters, tile and/or marble baths, decorative wood beam ceilings where applicable, flat screen televisions, LodgeNet or equal services, 2 telephones, kitchenette with top-of-the-line appliances, custom fireplaces in some units, luxurious bedding, and top quality furnishings.
- **Multi-Use Conference-Theater Building** – Up to 1 acre of land in Planning Area 4, adjacent to Planning Area 5, may be developed with a multi-use conference-theater building. The building shall be convertible for use for movies, live theater, and conferences.

TABLE 4

PLANNING AREA 4 – LAND USE

SilverRock Specific Plan Resort Hotel Planning Area

GENERAL PLAN/LAND USE	ZONE	ACRES	MAXIMUM UNITS/DENSITY
TC – Resort Hotel & Casitas	TC	30	405 Units/520 Keys
TOTAL		**30**	**405 Units/520 Keys and Multi-Use Building**

Planning Area 5

Planning Area 5 consists of approximately 9 acres planned for development of a mixed-use Resort Retail Village. This specialty retail development is intended to provide a variety of additional retail, restaurant, and entertainment options to hotel guests and members of the local community. This mixed-use village may also include resort-oriented office, live-work loft units, and multi-family residential units.

The Resort Retail Village developed in this Planning Area is required to meet the operational standards and include the specific features identified below:

- **Quality, Design and Parking** – The Resort Retail Village design shall be complimentary to the resort hotel and casitas in terms of both quality and aesthetics. Pedestrian access shall be designed to encourage a seamless flow between resort accommodations and resort retail village.
- **Tenant Mix** – Allowed tenants include, but are not limited to, themed or signature national presence restaurants, local and national retailers, banks, general store, brokerage, art galleries, gourmet market and resort-oriented offices. Other uses may be approved in writing by the Director of Community Development.

TABLE 5

PLANNING AREA 5 – LAND USE

SilverRock Specific Plan Resort Retail Village Planning Area

GENERAL PLAN/LAND USE	ZONE	ACRES	MAXIMUM UNITS/DENSITY
TC – Resort Retail Village	TC	9	160,000 sq. ft.
TOTAL		**9**	**160,000 sq. ft.**

Planning Area 6

Planning Area 6 consists of approximately 31 acres planned for development of a hotel, including appurtenant resort casitas.

The hotel in this Planning Area is intended to be a resort or boutique hotel.

Individually owned condominium-hotel units shall have full access to all resort amenities and services and one or more rental opportunities. When not in use by the owners, the units shall be offered for rental as part of the resort. Such rental may be offered by unit owner, a third-party rental agent, or an agent affiliated with the resort operator. All use of the units, including by the owners, shall be through the resort front desk check-in and check-out procedures, using electronic keys controlled by the resort operator. The resort operator shall have the ability to book all unbooked units, as demand dictates, within two weeks of the date being requested and may charge a booking fee for such bookings. The individually sold units may include, but are not limited to, such types of ownership as residence club, condominium-hotel, or timeshare-designed units. The hotel and/or casitas developed in this Planning Area are required to meet the operational standards and include the specific features identified below:

- **Quality** – 4-star quality level or higher providing a luxury experience with expanded resort amenities in a distinctive, usually themed highly finished environment. Public spaces including restrooms, restaurants and meeting spaces are furnished with upgraded materials such as granite, marble, specialty lighting, and custom millwork. Distinctive and authentic architectural details consistent with the resort theme are included throughout. Lobby areas are expansive and feature elegant live plants, floral displays, and outstanding views.
- **Services** – Service must be provided at a 4-star level or higher. Services must include, but are not limited to, on-site sales efforts that solicit and/or serve group meetings, turndown service, room service, laundry service, personalized wake up calls, pool services, activities center, kids clubs, excursions, concierge and bell services, secure luggage storage facilities, and covered valet parking.
- **Amenities** – Amenities must include at least one signature dining restaurant, a well appointed lounge/bar, a three-meal dining option, guest registration lobby, at least two fully amenitized resort pools offering food service, cabanas and swim areas for children. At least 50 percent of required parking must be provided in covered or trellised parking areas.
- **Guest Units and Casitas** – Guest units and casitas are finished with upgraded materials such as stone, wood, and tile flooring, upgraded carpet and pad, granite or tile counters, tile and/or marble baths, decorative wood beam ceilings where applicable, flat screen televisions, LodgeNet or equal services, 2 telephones, kitchenette with quality appliances, elegant bedding, and quality furnishings.TABLE 6

PLANNING AREA 6 – LAND USE

SilverRock Specific Plan Hotel and Casitas Planning Area

GENERAL PLAN/LAND USE	ZONE	ACRES	MAXIMUM UNITS/DENSITY
TC – Hotel & Casitas	TC	31	450 Units/500 Keys
TOTAL		**31**	**450 Units/500 Keys**

Planning Area 7

Planning Area 7 consists of approximately 35 acres located at the northeast corner of the Specific Plan Area planned as a community park. Special events such as public parking, automobile displays, art festivals, corporate events in conjunction with on-site hotels, and other similar activities are permitted, subject to a temporary use permit.

TABLE 7

PLANNING AREA 7 – LAND USE

SilverRock Specific Plan Public Park Planning Area

GENERAL PLAN/LAND USE		ZONE	ACRES	MAXIMUM UNITS/DENSITY
GC	Park	GC	35	-
TOTAL			**35**	-

Planning Area 8

Planning Area 8 consists of approximately 51 acres planned to contain existing and planned public facilities including streets, two water well sites, and the existing All American Canal.

TABLE 8

PLANNING AREA 8 – LAND USE

SilverRock Specific Plan Public Facility Planning Area

GENERAL PLAN/LAND USE		ZONE	ACRES	MAXIMUM UNITS/DENSITY
PF	Water Well Sites	PF	2	-
W	All American Canal	W	19	-
PF	Streets/Landscaping	PF	30	-
TOTAL			**51**	-

All acreage figures are approximate and subject to modification during review of subdivision maps and/or site development permits.

2.5 CIRCULATION PLAN

2.5.1 Internal Circulation System

The circulation system for the SilverRock Specific Plan Area Plan consists of two streets:

SilverRock Way – north-south access road extending from Avenue 52 to Avenue 54 with a minimum 61' of ROW containing two 10' parkways and 41' of paved travel area accommodating two-way traffic. The northern portion of SilverRock Way extending from Avenue 52 to Planning Area 2 has been constructed to provide access to the Ahmanson Home, which is being used as the clubhouse for the Arnold Palmer Classic Golf Course. Additionally, golf cart lanes and pedestrian walkways will be incorporated, on or adjacent to existing roadways, for improved circulation and safety.

Jefferson Access Road – east west access road connecting SilverRock Way to Jefferson Street. 74 feet of ROW with 12' parkways, and a two way divided roadway with a 10-foot median and 20 feet of paved travel area in each direction. See **Exhibit 8** for a description of the proposed circulation system within the Specific Plan Area. Additionally, golf cart lanes and pedestrian walkways will be incorporated, on or adjacent to existing roadways, for improved circulation and safety.

Other local roadways and driveways will be provided. Modifications of street sections may be considered and approved during review of site development permits.

2.5.2 Project Entry Conceptual Designs

The center of the SilverRock development is provided public access to the golf amenities by way of Jefferson Street and Avenue 52 from the north. The privacy and serenity of the SilverRock recreational and commercial developments is a signature of the development that is enhanced by way of a series of private, gated residential enclaves accessed from the north, east, and west of the project area. It is envisioned that manned or unmanned project area entry points will provide secured access to all golf and resort development within the plan area. These entry point locations (and potential entry points) are illustrated in **Exhibit 9**.

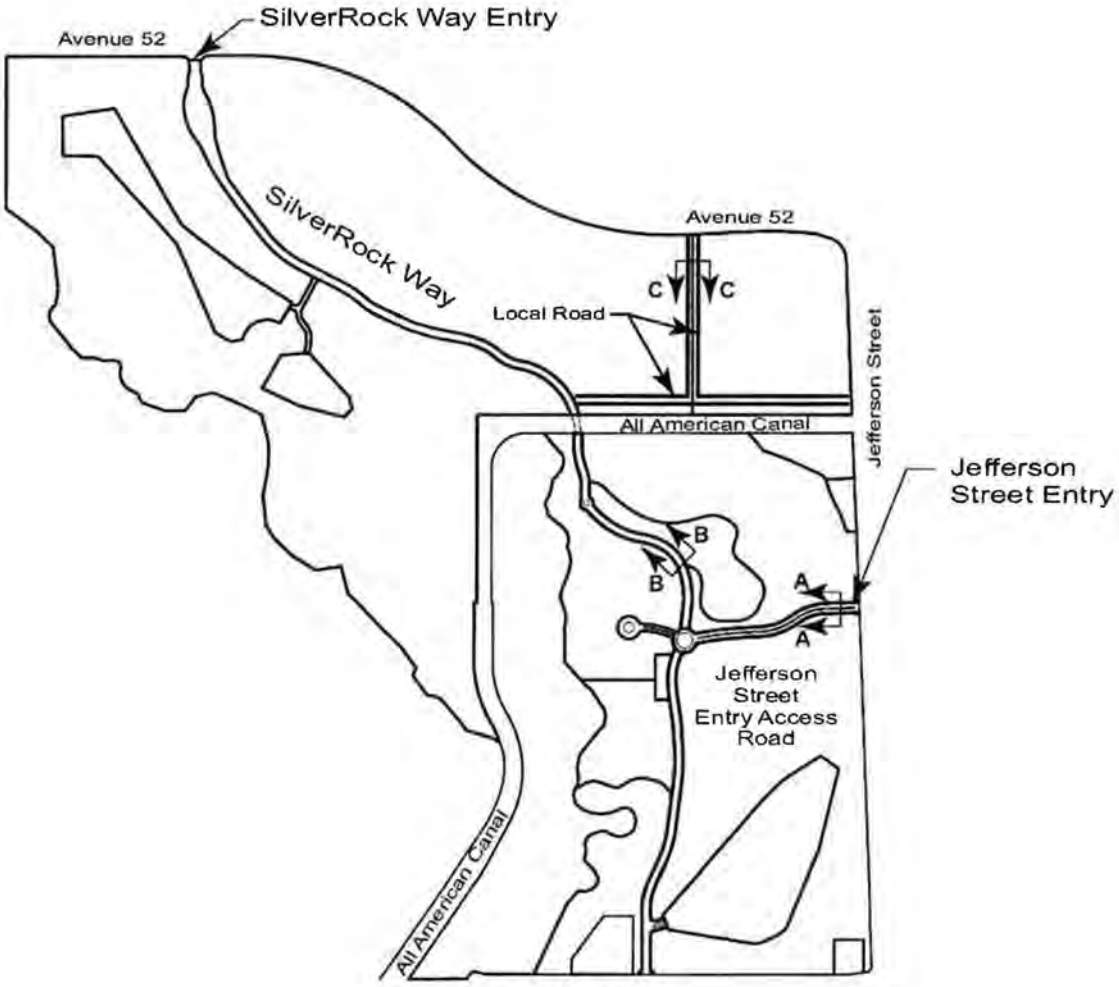
2.5.3 Multi-Use Trail

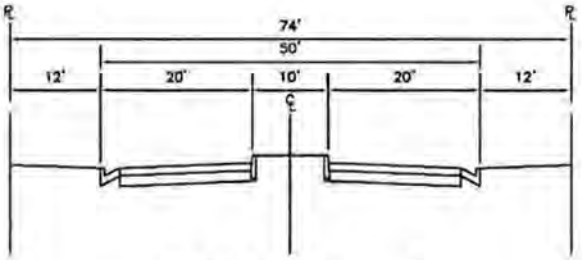
Multi-use trails are planned for the perimeter of and within the Specific Plan Area that will accommodate both non-motorized and golf cart use. The perimeter trail will run along the south side of Avenue 52, the west side of Jefferson Street, and a short distance of the north side of Avenue 54. The multi-use trail will also run adjacent to SilverRock Way and may include the Jefferson Street entry access road as well.

The multi-use, pedestrian, bicycle, and golf cart trails will be a key design feature of the resort encouraging public access to the clubhouse, signature hotel, and resort commercial areas. In addition, the trail design will also include interpretation features that provide cultural, geological, and biological historical information of the area. A detailed analysis of the final interior trail design shall be conducted and incorporated into the project development plans.

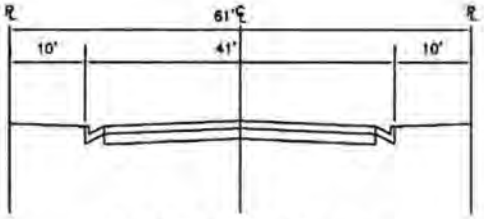
2.5.4 Accessibility

All on-site Planning Areas shall be accessible for pedestrians, bikes, and golf carts. Planning Areas 4, 5, and 6 shall have a walkway adjacent to the lake, which shall include interconnected upgraded benches, viewing areas, and other amenities. Golf cart access to and from the Village of La Quinta will be provided to allow the use of golf carts for on- and off-site trips. All development area roadways shall be open for public use and shall not be gated.





SECTION A-A



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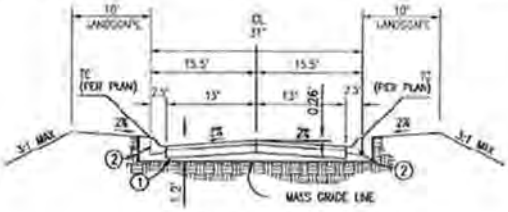

SECTION C-C

Note:
Alternative roadway sections may be required to accommodate vehicles, golf carts, bicycles and pedestrians.

NOT TO SCALE

Exhibit 8 – Circulation within the Specific Plan Area

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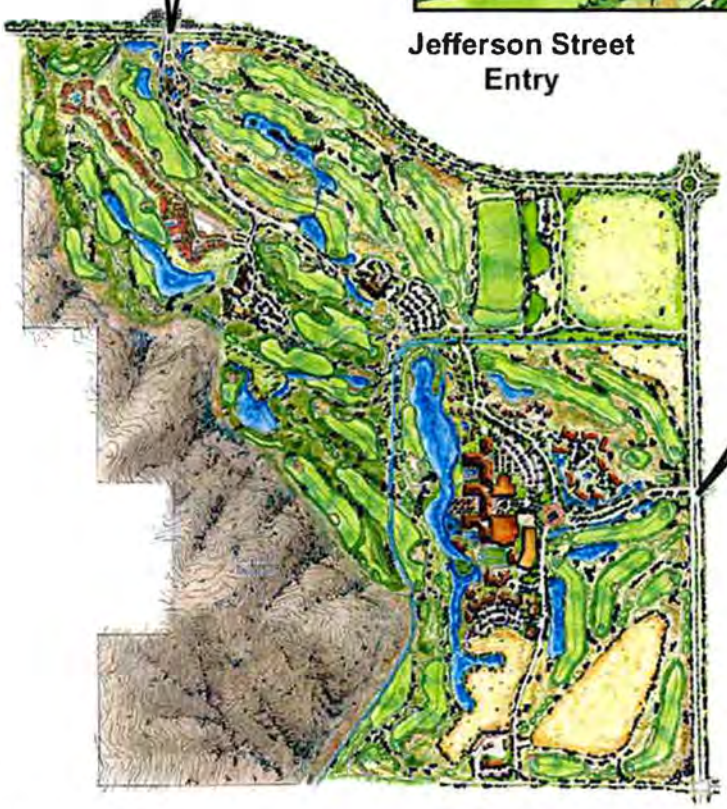
SilverRock Way
Entry

Jefferson Street
Entry



NOT TO SCALE

Exhibit 9 – Conceptual Plans for Specific Plan Area Entries

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2.6 CONSERVATION, OPEN SPACE, AND RECREATION PLAN

The SilverRock Specific Plan Conservation, Open Space, and Recreation Plan identifies and establishes the policies relative to the identification and management of natural resources, open space and recreation amenities within the Specific Plan Area. The purpose of the Conservation, Open Space, and Recreation Plan is to establish development policies and philosophy which identify areas in the SilverRock Specific Plan Area with natural resources which shall be managed to prevent waste, destruction, or neglect. Additionally, the plan identifies policies related to permissible uses and development standards within Conservation, Open Space, and Recreation areas, as well as programs to ensure the conservation of resources and identify desired courses of action/strategies which provide the means to implement the community's conservation policies.

2.6.1 Conservation

The SilverRock Specific Plan project area has been developed with the goal of balancing the conservation and management of natural resources with the implementation of a high quality recreation based community. Policies and programs for the conservation, management, and use of natural resources include:

- Prevention of soil erosion using the appropriate design criteria and careful placement of landscaping.
- Maintenance, protection, and replenishment of ground water by using the golf course areas as drainage areas to absorb local runoff.
- Preservation of existing water resources by storing excess drainage water in the golf course lakes for use in golf course irrigation.
- Elimination of groundwater contamination through the regional prohibition of septic tanks and support of a regional sewage treatment plant.
- Protection and conservation of hillside ecosystems as well as retaining the City's natural topographic features through careful limitation and selection of building sites.
- Water and energy conservation measures shall be implemented with the future development of SilverRock Resort and shall include mitigation measures included in the Addendum to Environmental Assessment 2002-453.

Topography

The development plan for SilverRock has used the characteristics and qualities of the natural landforms to guide the location of golf and recreation sites, roads, building sites, and open space areas. Golf Course amenities, which serve as open space for SilverRock, are generally located in low lying areas of the site while the higher elevations are generally reserved for club facilities, hotel, and tourist commercial building sites.

2.6.2 Open Space

The Open Space Concept

SilverRock is designed in recognition of the fact that as urban and suburban development takes place, creation and open space becomes a limited and valuable resource. In addition, it is recognized that high-quality projects are designed and planned around an open space/recreation program. Two types of open space/recreation uses are planned for SilverRock: golf courses and common open space areas.

The majority of the project area is dedicated to open space in the form of two public championship 18-hole golf courses, public park space, and common open space areas.

To further maximize the effect of open space, common open space areas are strategically located throughout the project. These common open space areas will result when resort units are clustered or higher density hotel and commercial uses are developed along golf course areas. Where appropriate to the adjacent casitas development, common area pools will be provided. Higher hotel and casitas pads make the best use, not only of the golf course frontage, but also of the prevailing breeze and spectacular Coachella Valley mountain views.

2.6.3 Recreation

The SilverRock resort is planned as a resort community and, therefore, contains as a major element and extensive passive and active recreation program of development. Standards for the development of recreation improvements are:

- Promotion of a variety of recreation uses in context with the SilverRock lifestyle;
- Development of high quality, public championship-level golf facilities;

Permitted recreation facilities include:

- Championship Golf Courses and Club Facilities
- Driving Range
- Golf Training Facility
- Swimming Pools and Jacuzzis
- Health Spas
- Trail Systems
- Pro Shops
- Shopping Amenities
- Ancillary Uses Complimentary to Resort Recreation Use
- Community Park Facilities
- Walkways and Trails

2.7 INFRASTRUCTURE

The infrastructure system, which serves the SilverRock project, is described below and is designed to provide a coordinated system of infrastructure and public services to adequately serve the plan area and at full buildout. The Infrastructure and Utilities Plan identifies standards for infrastructure and public services relative to land use intensity for the plan area within the community's infrastructure and public services policies. The infrastructure system planned to serve the SilverRock project is described below:

2.7.1 Water

Potable Water

The potable water system of the City is operated and administered by the Coachella Valley Water District (CVWD), which extends service based upon approved designs and improvements constructed by the private developer. The CVWD assesses new developments a fee per connection to tap into the potable water distribution system. CVWD operates from system wide master plan that provides the City with potable water, which is pumped from an underground aquifer through wells located throughout the City. Wells range from 325 to 1400, plus or minus, feet in depth. Potable water pumped to the surface is

stored in six reservoirs located within the City. These six reservoirs provide high quality water to each pressure zone in the City. SilverRock is within a pressure zone supplied by one well with a capacity of 10 million gallons. The potable water distribution system transports water to hotel/casitas and commercial users via an underground system with lines ranging in size from 4 to 36 inches.

Although the City is blessed with ground water, the CVWD is continuing to take preventative measures to conserve this precious resource for its existing and future customers. These measures include the use of a lush and water efficient plant material approval policy, implemented through a landscape review committee and a water management specialist on CVWD staff entrusted to promote the mutual goals of the agency and the policies of the developer.

The district will furnish domestic water and sanitation service to SilverRock Specific Plan area in accordance with the current regulations of this district. These regulations provide for the payment of certain fees and charges by the developer, RDA, or City and said fees and charges are subject to change.

Irrigation Water

The primary supply of water for golf course and greenbelt irrigation and lakes shall be provided by the CVWD from the Coachella Canal.

2.7.2 Sanitary Sewage

The sanitary sewage collection and treatment system for the City is operated and administered by the CVWD, which extends service based upon approved designs and improvement, constructed by the private developer. The CVWD assesses new development per equivalent dwelling unit (EDU) to provide comprehensive wastewater collection and treatment. The current capacity of the Mid-Valley Water Reclamation Plant is 7.0 million gallons per day (MGD). This facility serves numerous Coachella Valley communities including La Quinta. The CVWD has indicated that the sewage treatment plant is scheduled for expansion of 9.9 MGD in the future to serve additional demand, including the demand of La Quinta encompassing the SilverRock plan area.

The sanitary sewer system shall be installed in accordance with District regulations. The area shall be annexed to Improvement District No. 55 and Improvement District No. 82 for sanitation service.

2.7.3 Storm Water Drainage

The master grading and drainage concept of the development works within the character of the rolling topography and landforms to provide an effective system of drainage and storm water management while conserving and enhancing the open space feel of the SilverRock project. In general, runoff from the developed areas at higher elevations will be directed to lower areas of the site where the fairways of the golf course are routed, maximizing the opportunity for the recharge of groundwater resources while using the natural lay of the land to direct storm flows. Storm water runoff will be held onsite and stored in the system of golf course lakes and low points whose capacity is calculated to hold the necessary storm generated volumes prior to discharge. Storm water drainage from perimeter streets shall be accommodated onsite. **Exhibit 10** illustrates the "wet" utilities infrastructure, existing and proposed, in the project area.

2.7.4 Public Utilities

All overhead public utility transmission lines for cable television, electricity and telephone are routed around the perimeter of SilverRock Specific Plan site and do not traverse the internal project area. All permanent power and telecommunications distribution lines internal to the project are placed underground. **Exhibit 11** illustrated the "dry" utilities infrastructure, existing and proposed, in the project area. All utilities shall be underground—no overhead utilities are permitted.

Electricity

Electrical power is provided to the site as well as surrounding development from Imperial Irrigation District (IID) substations in La Quinta.

Natural Gas

Southern California Gas Company provides service to the site from its service main along Highway 111 north of the property boundary.

Telephone

Land-based telephone services are provided by Verizon to the project area. Lines will be extended to the site as needed. Regionally, cellular service providers are in abundance.

2.7.5 Refuse Collection

Refuse collection within the City limits is provided by an entity contracted by the City of La Quinta for this purpose. Refuse collection occurs in accordance with a schedule established by the contractor and the City. It is envisioned that SilverRock resort areas of the plan will be served by extension of the contract refuse collection services currently in place at SilverRock Prior to regularly scheduled pick-up and removal, refuse will be contained in a maintained surface bin environment ensuring an excellent quality of environment.

2.7.6 Schools

School services for the specific plan area are facilitated by the Desert Sands Unified School District and the Coachella Valley Unified School District.

2.7.7 Law Enforcement

Law enforcement services are provided to the City (and SilverRock) through a contract with the Riverside County Sheriff's Department. The Sheriffs Department extends service to the City from existing facilities located in the City of La Quinta and City of Indio. The existing agreement between the City and Sheriffs Department provided protection on a 24-hour basis, seven days per week. The Department utilizes patrol deputies, which provide five-minute response times to the SilverRock plan area. Additional deputies, which comprise its target team, are also contracted by the City and work 40 hours each. The Sheriffs Department utilizes a standard of 1.5 deputies/1,000 population to adequately serve the City.

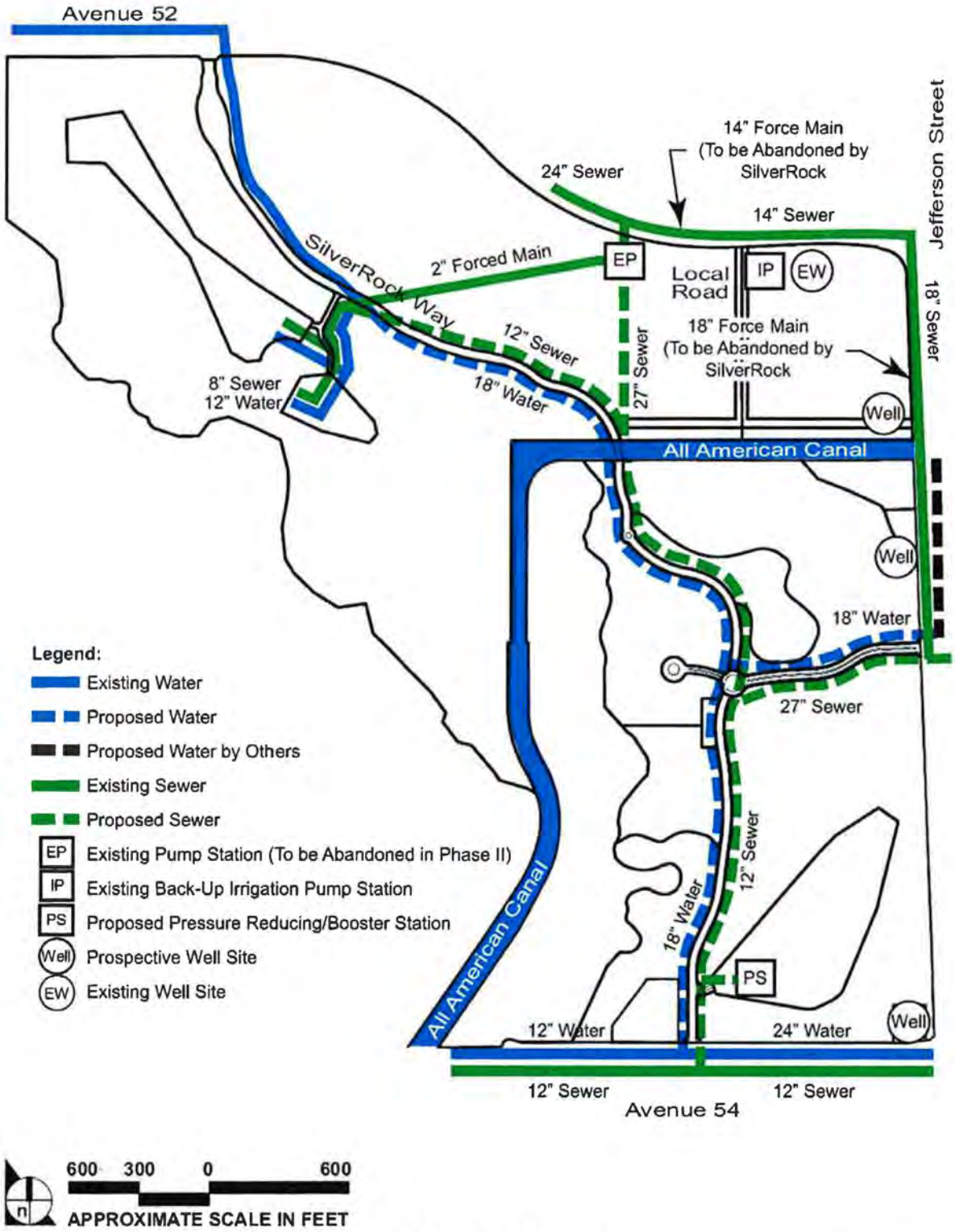


Exhibit 10 – Wet Utilities

835-001•06/06

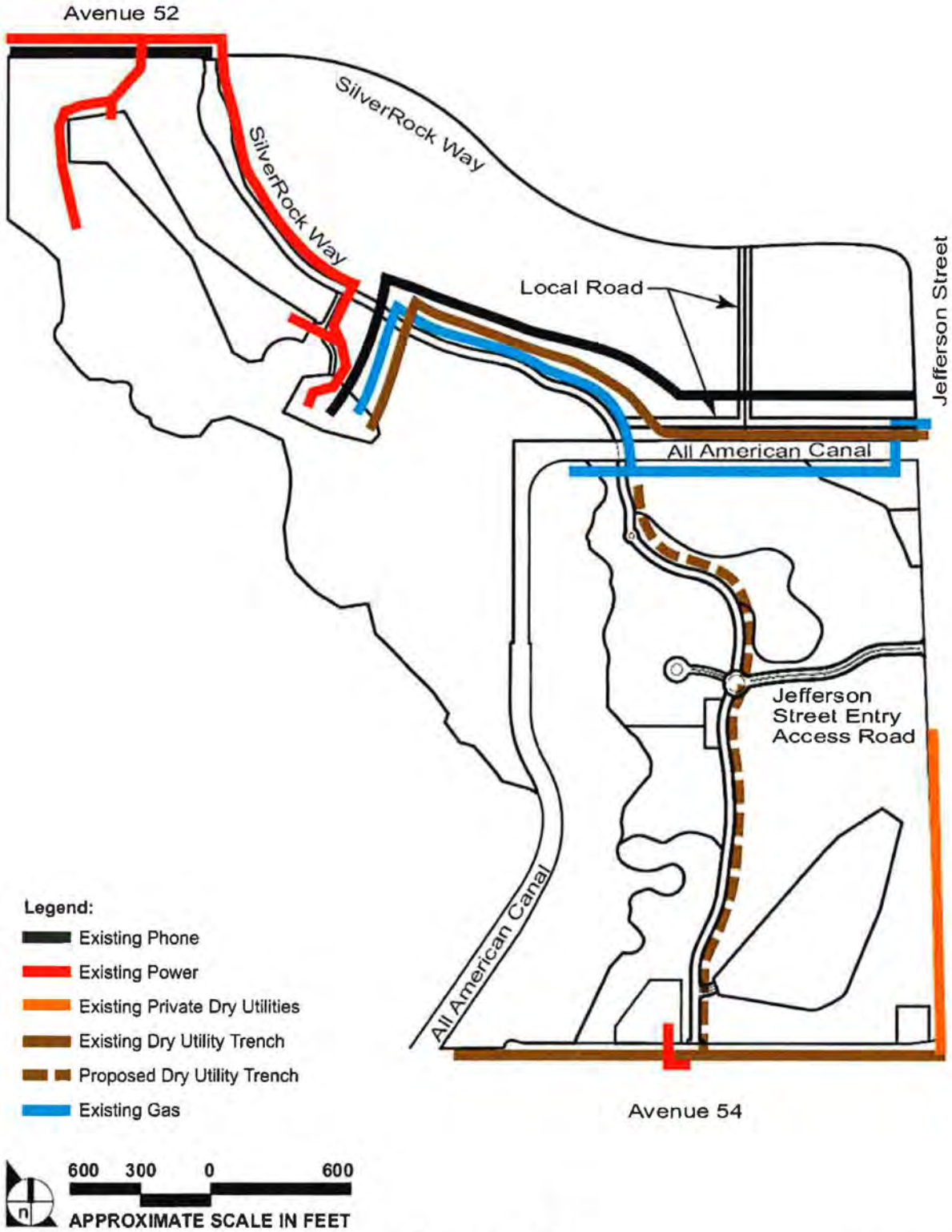


Exhibit 11 – Dry Utilities

835-001•06/06

2.7.8 Fire Protection

Fire protection service is provided to the City by the Riverside County Fire Department. The Fire Department administers three stations in the City. One facility (Station #32) on Avenue 52, west of Washington Street, another facility (Station #93) on Adams Street, and another facility (Station #70) at the intersection of Madison Street and Avenue 54 within the SilverRock project area. The Fire Department also operates additional stations in surrounding communities, which results in overlapping service areas. The Department currently exhibits an Insurance Services Office (ISO) public protection class rating of four, based on a descending scale from one to ten, with first-in-response times ranging form two to six minutes. The ISO established its rating system based on the provision of manpower/staffing, communication facilities, water system for suppression, automatic sprinkler/alarm systems, response times, and building standards.

Paramedic service is provided to the City by Springs Ambulance Service, which is located at Station #70 in La Quinta.

2.7.9 City Administration

City administration facilities in La Quinta currently include offices of approximately 31,000 square feet for City departments (i.e., Mayor and City Council, City Manager, City Clerk, Finance Department, Community Development Department, Public Works Department). These public resource outlets are housed in the municipal complex at the southwest corner of Calle Tampico and Washington Street. The complex provides space for all City administration staff and ancillary facilities. Given the current level of developer-backed participation funding current growth within the City, this new facility provides adequate space for City functions projected to suffice a growing population well into the future.

SECTION 3

PLANS, PROGRAMS AND GUIDELINES

3.1 SPECIFIC PLAN OVERLAY DISTRICTS

A. ***Purpose.*** To provide flexible regulations via the specific plan process allowing the use of land planning and design techniques to create master-planned developments incorporating coordinated building and landscape design, public recreation facilities, emphasizing a separation of pedestrian and vehicular traffic.

The regulations presented herein are pursuant to Article 8 - Authority and Scope of Specific Plans of the state Planning and Zoning Law of the Government Code, Section 65000 et seq. and are in compliance with CEQA and amend Chapter 9 of the City of La Quinta Zoning Code.

B. ***Permitted Uses.*** The SilverRock Specific Plan specifies the permitted uses within the plan area boundaries defined within Planning Area 1 through Planning Area 8. Uses are tailored to the individual site location within the SilverRock Specific Plan Area, existing topography, and other characteristics, and are consistent with the General Plan.

C. ***Zoning Designation.*** The SilverRock Specific Plan specifies overlay zoning adopted in conjunction with approval of the Specific Plan document. The SilverRock Specific Plan is an integral part of the zoning for the property within the plan boundary and becomes the official zoning for the City of La Quinta. Property zoning shall consist of the base district symbol followed by the specific plan symbol in parentheses; for example, TC (BH) for TOURIST COMMERCIAL (BOUTIQUE HOTEL).

Zoning and Development Regulation and Standards by Planning Area

Zoning and Development Regulation and Standards are presented for Planning Areas 1 through Planning Area 8 as delineated in the Planning Area Exhibit and are presented in the following order:

Planning Area 1

PUBLIC GOLF COURSE RECREATION AREA GC - (GC) USES AND STANDARDS
Description of Uses in Planning Area 1
Zoning and Development Regulation and Standards in Planning Area 1

Planning Area 2

CIVIC CULTURAL EVENTS FACILITY AND COMMERCIAL GC - (CC) USES AND STANDARDS
Description of Uses in Planning Area 2
Zoning and Development Regulation and Standards in Planning Area 2

Planning Area 3

BOUTIQUE HOTEL TC - (BH) USES AND STANDARDS
Description of Uses in Planning Area 3
Zoning and Development Regulation and Standards in Planning Area 3

Planning Area 4

RESORT HOTEL AND RESORT CASITAS TC - (RH) USES AND STANDARDS
Description of Uses in Planning Area 4
Zoning and Development Regulation and Standards in Planning Area 4

Planning Area 5

MIXED-USE RESORT RETAIL VILLAGE TC - (RV) USES AND STANDARDS
Description of Uses in Planning Area 5
Zoning and Development Regulation and Standards in Planning Area 5

Planning Area 6

RESORT HOTEL AND RESORT CASITAS TC - (RH) USES AND STANDARDS
Description of Uses in Planning Area 6
Zoning and Development Regulation and Standards in Planning Area 6

Planning Area 7

PUBLIC PARK P - (P) USES AND STANDARDS
Description of Uses in Planning Area 7
Zoning and Development Regulation and Standards in Planning Area 7

Planning Area 8

PUBLIC FACILITIES P - (PF) USES AND STANDARDS
Description of Uses in Planning Area 8
Zoning and Development Regulation and Standards in Planning Area 8

3.1.1 Planning Area 1

PUBLIC GOLF COURSE RECREATION AREA - (GC) USES AND STANDARDS

Description of Uses in Planning Area 1

Planning Area 1 includes the SilverRock Public Golf Courses and Clubhouse facilities as well as ancillary supporting facilities that define the character of the SilverRock Resort.

The Golf Course (GC) overlay for Planning Area 1 addresses land use within Planning Area 1 with the development regulation and criteria presented below.

Golf Course Land Use in Planning Area 1

Golf Course land in Planning Area 1 is defined by the existing Arnold Palmer Classic Golf course and will be further defined by the second public golf course to be developed within the Specific Plan Area. Development criteria related to Golf Course areas are defined below.

Golf Course (GC) Uses and Standards

A. ***Purpose and Intent.*** To provide for the protection and preservation of golf course open space areas within the SilverRock Resort.

B. ***Permitted Uses.*** The following uses shall be permitted in the areas designated as Golf Course Open Space on the Land Use Plan.

1. *Open Space and Recreation Uses*
   - Golf courses and other customary accessory uses including fairways, greens, tees, and golf-cart paths, trails, and clubhouse
2. *Accessory Uses*
   - Signs, subject to this Specific Plan Document and/or Chapter 9.160 of the City of La Quinta Zoning Code

- Fences and walls, subject to this Specific Plan Document and/or Section 9.100.030 of the City of La Quinta Zoning Code

3. *Temporary Uses and Interim Uses*
   - Golf tournaments
   - Temporary outdoor event staging facilities
   - On-site construction and site guard offices
   - Relocatable buildings
   - Other uses as approved by Director of Community Development

C. *Temporary and Interim Uses.* Temporary events that accommodate 500 to 2,500 people shall not be subject to a TUP application, provided the event organizer obtains written approval from the following agencies or departments a minimum of 14 days prior to the event occurring (i.e., Riverside County Fire Department, Riverside County Sheriffs Department, La Quinta Building and Safety Department, La Quinta Code Compliance Department, La Quinta Public Works Department). Temporary events that have 2,501 or more people in attendance shall require a TUP application to be processed and approved by the City's Community Development Department, subject to the requirements of Section 9.100.140 of the Zoning Ordinance. Applications for large temporary events shall be submitted to the City of La Quinta a minimum of 60 days prior to the event taking place.

Temporary office/retail buildings, other than temporary construction offices, shall require a Site Development Permit application, subject to the requirements of Section 9.210.010 of the City Zoning Ordinance. Approval of the temporary buildings by the Planning Commission is required.

Temporary construction offices and their related facilities shall be subject to TUP application as required by Section 9.100.140 of the City's Zoning Ordinance. Approval of the temporary use by the Community Development Department is required.

D. *Development Standards.* The following development standards apply to the construction of ancillary buildings for golf operations on property designated as Golf Course on the Land Use Plan.

TABLE 9

GOLF COURSE ANCILLARY BUILDING DEVELOPMENT STANDARDS

ITEM	QUANTITY
Maximum Structure Height	28 ft.
Maximum Number of Stories[2]	2
Minimum Perimeter Building Setbacks from:	
Perimeter Residentially Zoned Property	20 ft.[1]
Abutting Commercial/Other Non-residentially Zoned Property	10 ft.[1]
Minimum Setback from interior Property Lines within Same Project	0

[1] Minimum perimeter building setback shall be 5 ft. from abutting property with approval of Community Development Director given adequate buffer and screening.

[2] Above-ground stories.

3.1.2 Planning Area 2

CIVIC CULTURAL EVENTS FACILITIES - (CC) USES AND STANDARDS

Description of Uses in Planning Area 2

Planning Area 2 is a 4-acre site that includes the existing Ahmanson House, which will be preserved and maintained for use as a civic and cultural events facility. This Specific Plan allows the use of this existing facility and the development of additional facilities including conference center, restaurants, and resort lodging.

Civic and Cultural Arts Facilities Uses and Standards

The following section establishes the permitted land uses and development standards for Planning Area 3 designated for Civic and Cultural Arts Facilities on the Planning Area Diagram.

A. ***Purpose and Intent.*** To provide for the preservation of the existing Ahmanson House and its use as a public facility while permitting the development of compatible public and supporting commercial facilities.

B. ***Permitted Uses.***

1. *Recreation Uses*
   - Golf course clubhouse
2. *Public and Semi-Public Uses*
   - Conference Center
   - Resort Spa
3. *Dining, Drinking, and Entertainment Uses*
   - Restaurants
4. *Lodging Uses*
   - Hotel and Casitas
5. *Accessory Uses*
   - Signs, subject to this Specific Plan Document and/or Chapter 9.160 of the City of La Quinta Zoning Code
   - Fences and walls, subject to this Specific Plan Document and/or Section 9.100.030 of the City of La Quinta Zoning Code
6. *Temporary Uses and Interim Uses*
   - Temporary outdoor event staging facilities
   - On-site construction and site guard offices
   - Relocatable buildings
   - Outdoor conference/entertainment activities

C. ***Temporary and Interim Uses.*** Temporary outdoor event staging and parking facilities and onsite sales, construction and site guard offices including relocatable buildings.

D. ***Development Standards.*** The following development standards apply to property within Planning Area 2.

TABLE 10

CIVIC AND CULTURAL ARTS FACILITIES BUILDING DEVELOPMENT STANDARDS

ITEM	QUANTITY

Maximum Building Height	40 ft.
Maximum Number of Stories	3
Minimum Building/Landscape Setback from:	
Perimeter Street Rights-of-Way	10 ft.
Minimum Building Setbacks from Interior Property Lines Within Same Property	0 ft.

Refer to City Zoning Ordinance for all other property development standards except parking, which is in Table 16 herein.

3.1.3 Planning Area 3

BOUTIQUE HOTEL TC - (BH) USES AND STANDARDS

Description of Uses in Planning Area 3

Planning Area 3 includes 13 acres of land surrounded by the existing Arnold Palmer Classic Golf Course planned for the development of a boutique hotel, including supporting facilities and amenities.

Boutique Hotel Uses and Standards

The following section establishes the permitted land uses and development standards for Planning Area 3 designated as Boutique Hotel on the Planning Area Diagram.

A. ***Purpose and Intent.*** To provide for the development of a boutique hotel incorporating the unique features and characteristics defined in this Specific Plan.

B. ***Permitted Uses.***

1. *Lodging Uses*
   - Hotel
   - Resort Casitas
2. *Dining, Drinking, and Entertainment Uses*
   - Restaurants with entertainment
   - Pool
   - Spa and Fitness Facility
3. *Accessory Uses*
   - Signs, subject to this Specific Plan Document and/or Chapter 9.160 of the City of La Quinta Zoning Code
   - Fences and walls, subject to this Specific Plan Document and/or Section 9.100.030 of the City of La Quinta Zoning Code
4. *Temporary Uses and Interim Uses*
   - Temporary outdoor event staging facilities
   - On-site construction and site guard offices
   - Relocatable buildings
   - Sales pavilion

C. ***Temporary and Interim Uses.*** Temporary outdoor event staging and parking facilities and onsite sales, construction and site guard offices including relocatable buildings.

D. ***Development Standards.*** The following development standards apply to property within Planning Area 3.

TABLE 11

BOUTIQUE HOTEL BUILDING DEVELOPMENT STANDARDS

ITEM	QUANTITY
Maximum Building Height	40 ft.
Maximum Number of Stories	3
Minimum Building/Landscape Setback from:	
Perimeter Street Rights-of-Way	10 ft.
Garage/Carport Setback- from Street Curb	5 ft.
Minimum Building Setbacks from Interior Property Lines Within Same Property	0 ft.

Refer to City Zoning Ordinance for all other property development standards except parking, which is in Table 16 herein.

3.1.4 Planning Area 4

RESORT HOTEL AND CASITAS TC - (RH) USES AND STANDARDS

Description of Uses in Planning Area 4

Planning Area 4 includes 30 acres of land located between the existing Arnold Palmer Classic Golf Course and the second planned SilverRock Resort public golf course planned for the development of a resort hotel, including supporting facilities and amenities.

Boutique Hotel Uses and Standards

The following section establishes the permitted land uses and development standards for Planning Area 4 designated as Resort Hotel and Resort Casitas on the Planning Area Diagram.

A. ***Purpose and Intent.*** To provide for the development of a resort hotel incorporating the unique features and characteristics defined in this Specific Plan.

B. ***Permitted Uses.***

1. *Lodging Uses*
   - Hotel
   - Resort Casitas
2. *Dining, Drinking, and Entertainment Uses*
   - Restaurants with entertainment
   - Pool
   - Spa and Fitness Facility
   - Nightclubs permitted by conditional use permit
3. *Accessory Uses*
   - Signs, subject to this Specific Plan Document and/or Chapter 9.160 of the City of La Quinta Zoning Code

- Fences and walls, subject to this Specific Plan Document and/or Section 9.100.030 of the City of La Quinta Zoning Code
- Conference facilities

4. *Temporary Uses and Interim Uses*
   - Temporary outdoor event staging facilities
   - On-site construction and site guard offices
   - Relocatable buildings
5. *Multi-Use Theater/Conference Building*
   - Multi-Use building designed for movie theater, live theater and/or conference facility

C. *Temporary and Interim Uses.* Temporary outdoor event staging and parking facilities and onsite sales, construction and site guard offices including relocatable buildings.

D. *Development Standards.* The following development standards apply to property within Planning Area 3.

TABLE 12

RESORT HOTEL AND CASITAS BUILDING DEVELOPMENT STANDARDS

ITEM	QUANTITY
Maximum Building Height	65 ft.
Maximum Number of Stories[1]	5
Minimum Building/Landscape Setback from:	
Perimeter Street Rights-of-Way	10 ft.
Abutting Residential, OS, and GC districts	10/0 ft.
Garage/Carport Setback- from Street Curb	5 ft.
Minimum Building Setbacks from Interior Property Lines Within Same Property	0 ft.

[1] Above-ground stories.

Refer to City Zoning Ordinance for all other property development standards except parking, which is in Table 16 herein.

3.1.5 Planning Area 5

MIXED USE RESORT RETAIL VILLAGE TC - (RV) USES AND STANDARDS

Description of Uses in Planning Area 5

Planning Area 5 includes 9 acres of land planned for the development a specialty mixed-use retail village containing uses complementary to the golf and hotel resort uses.

Mixed Use Resort Retail Village Uses and Standards

The following section establishes the permitted land uses and development standards for Planning Area 5 designated as Mixed Use Resort Retail Village on the Planning Area Diagram.

A. ***Purpose and Intent.*** To provide for the development of a variety of retail commercial and restaurant uses along with resort-oriented office and live/work units.

B. ***Permitted Uses.***

1. *Dining, Drinking, and Entertainment Uses*
   - Restaurants with entertainment
   - Nightclubs permitted by conditional use permit
2. *Retail Commercial Uses*
   - Travel support and specialty retail uses
   - Rental, sales, leasing office for on-site SilverRock Resort properties only
   - Other similar uses as approved by the Community Development Director
3. *Office Uses*
   - Professional office
4. *Residential Uses*
   - Live/work units and studio apartments
5. *Accessory Uses*

- Signs, subject to this Specific Plan Document and/or Chapter 9.160 of the City of La Quinta Zoning Code
- Fences and walls, subject to this Specific Plan Document and/or Section 9.100.030 of the City of La Quinta Zoning Code

6. *Temporary Uses and Interim Uses*
   - Temporary outdoor event staging facilities
   - On-site construction and site guard offices
   - Relocatable buildings

C. ***Temporary and Interim Uses.*** Temporary outdoor event staging and parking facilities and onsite sales, construction and site guard offices including relocatable buildings.

D. ***Development Standards.*** The following development standards apply to property within Planning Area 5.

TABLE 13

MIXED-USE RESORT RETAIL VILLAGE BUILDING DEVELOPMENT STANDARDS

ITEM	QUANTITY
Maximum Building Height	40 ft.
Maximum Number of Stories[1]	3
Minimum Building/Landscape Setback from:	
Perimeter Street Rights-of-Way	10 ft.
Abutting Residential, OS, and GC districts	10/0 ft.
Garage/Carport Setback- from Street Curb	5 ft.
Minimum Building Setbacks from Interior Property Lines Within Same Property	0 ft.

[1] Above-ground stories.

Refer to City Zoning Ordinance for all other property development standards except parking, which is in Table 15 herein.

3.1.6 Planning Area 6

RESORT HOTEL AND CASITAS - (RH) USES AND STANDARDS

Description of Uses in Planning Area 6

Planning Area 6 includes 31 acres of land located between the existing Arnold Palmer Classic Golf Course and the second planned SilverRock Resort public golf course planned for the development of a hotel, including supporting facilities and amenities.

Hotel Uses and Standards

The following section establishes the permitted land uses and development standards for Planning Area 6 designated as Hotel and Resort Casitas on the Planning Area Diagram.

A. ***Purpose and Intent.*** To provide for the development of a hotel incorporating the unique features and characteristics defined in this Specific Plan.

B. ***Permitted Uses.***

1. *Lodging Uses*
   - Hotel
   - Resort Casitas
2. *Dining, Drinking, and Entertainment Uses*
   - Restaurants with entertainment
   - Pool
   - Spa and Fitness Facility
3. *Accessory Uses*
   - Signs, subject to this Specific Plan Document and/or Chapter 9.160 of the City of La Quinta Zoning Code
   - Fences and walls, subject to this Specific Plan Document and/or Section 9.100.030 of the City of La Quinta Zoning Code
4. *Temporary Uses and Interim Uses*
   - Temporary outdoor event staging facilities
   - On-site construction and site guard offices
   - Relocatable buildings
   - Sales pavilion

C. ***Temporary and Interim Uses.*** Temporary outdoor event staging and parking facilities and onsite sales, construction and site guard offices including relocatable buildings.

D. ***Development Standards.*** The following development standards apply to property within Planning Area 6.

TABLE 14

TRADITIONAL HOTEL AND RESORT CASITAS BUILDING DEVELOPMENT STANDARDS

ITEM	QUANTITY
Maximum Building Height	40 ft.
Maximum Number of Stories	3
Minimum Building/Landscape Setback from:	
Perimeter Street Rights-of-Way	10 ft.
Abutting Residential, OS, and GC districts	10/0 ft.
Garage/Carport Setback- from Street Curb	5 ft.
Minimum Building Setbacks from Interior Property Lines Within Same Property	0 ft.

Refer to City Zoning Ordinance for all other property development standards except parking, which is in Table 15 herein.

3.1.7 Planning Area 7

PUBLIC PARK P - (P) USES AND STANDARDS

Description of Uses in Planning Area 7

Planning Area 7 includes 35 acres of land located at the northeast corner of the Specific Plan Area to be used as a passive and active community park.

Open Space Uses and Standards

The following section establishes the permitted land uses and development standards for Planning Area 7 designated as Public Park on the Planning Area Diagram.

A. *Purpose and Intent.*

1. To provide a public park area suitable for passive and active recreation.

B. *Permitted Uses.*

1. *Public Park*
2. *Temporary Uses and Interim Uses*
   - Special events/activities
   - Temporary outdoor event staging facilities
   - On-site construction and site guard offices
   - Relocatable buildings
   - Event parking

C. *Temporary and Interim Uses.* Temporary events shall require a TUP application to be processed and approved by the City's Community Development Department, subject to the requirements of Section 9.100.140 of the Zoning Ordinance. Applications for large temporary events shall be submitted to the City of La Quinta a minimum of 60 days prior to the event taking place.

3.1.8 Planning Area 8

PUBLIC FACILITIES P - (PF) USES AND STANDARDS

Description of Uses in Planning Area 8

Planning Area 8 includes 51 acres of land planned to contain existing public facilities located within the Specific Plan Area and new public facilities planned to support the golf and resort facilities allowed by this Specific Plan.

Public Facilities Uses and Standards

The following section establishes the permitted land uses and development standards for Planning Area 8 designated as Public Facilities on the Planning Area Diagram.

A. *Purpose and Intent.*

1. To accommodate existing public facilities within the Specific Plan Area and provide sites for new public facilities.

B. *Permitted Uses.*

1. *Public Facilities*

- Public flood control and water transmission facilities
- Water Wells and pumping stations
- Public streets
- Public parking facilities
- Golf cart paths
- Trails/walkways

3.2 DEVELOPMENT REVIEW PERMITS AND PROCESS

The permits, approval process and required findings for development of SilverRock are set forth in the City of La Quinta Zoning Code. In addition, the following shall apply:

3.2.1 Prior to the issuance of a building permit for construction of any use contemplated by this specific plan, the applicant shall first obtain approval of subdivision maps, conditional use permits, site development permits, and/or tentative maps in accordance with the requirements of the Municipal Land Use and Land Division Ordinances of the City of La Quinta.

3.2.2 The applicant shall comply with the latest Uniform Building Code, as adopted by the City of La Quinta. The appropriate seismic design criteria will be adhered to and will depend upon the type and use of the proposed structure and the underlying geologic conditions.

3.2.3 Permit applications shall comply with the requirements and standards of Title 9 of the City of La Quinta Municipal Code, unless otherwise modified by these conditions.

3.2.4 Prior to issuance of a building permit for any of the casitas units as either models or production units, the final working drawings for the structures shall be submitted to the Community Development Department for review and approval.

3.2.5 Prior to the issuance of a grading or building permit for construction of any building or use contemplated by this Specific Plan, the applicant shall obtain permits and/or clearance if required from the following bureaus or departments:

- Fire Marshal
- Public Works Department (Grading Permit, Improvement Permit)
- Community Development Department
- Riverside County Environmental Health Department
- Desert Sands Unified and Coachella Valley Unified School Districts
- Coachella Valley Water District Imperial Irrigation District
- California Regional Water Quality Control Board (NPDES Permit)
- General Telephone
- Sunline Transit
- Time Warner
- Bureau of Reclamation (BOR)
- Air Quality Control District

The applicant is responsible for any requirements of the permits or clearances from those jurisdictions. If the requirements include approval of improvement plans, applicant shall furnish proof of said approvals prior to obtaining City approval of the plans.

The applicant shall comply with applicable provisions of the City's NPDES storm water discharge permit. For projects requiring project-specific NPDES construction permits, the applicant shall include a copy of the application for the Notice of Intent with grading plans submitted for plan checking. Prior to issuance of a grading or site construction permit, the applicant shall submit a copy of the proposed Storm Water Pollution Protection Plan for review by the Public Works Department.

3.2.6 Fire Department access roads shall be provided to within 150-feet of each building. Dead-end roads in excess of 150-feet shall be equipped with a turnaround or other fire access acceptable to the Fire Marshal. All fire apparatus access roads shall have an unobstructed width of not less than 20 feet.

3.2.7 The applicant shall comply with the City's Flood Protection Ordinance.

3.2.8 A grading plan shall be prepared by a registered civil engineer and must meet the approval of the City Engineer prior to issuance of a grading permit.

3.2.9 The grading plan shall conform with the recommendations of the soils report and shall be certified as adequate by a soils engineer or an engineering geologist. A statement shall appear on the final map(s), if any are required of this development, that a soils report has been prepared pursuant to Section 17953 of the Health and Safety Code.

3.2.10 The development shall be graded to conform with the approved hydrology report for SilverRock, unless otherwise approved by the City engineer by separate study.

3.2.11 In areas where hardscape surface improvements are planned, underground utilities shall be installed prior to construction of the surface improvements. The applicant shall provide certified reports of utility trench compaction tests for approval of the City Engineer.

3.2.12 Improvement plans for parking lots, driveways, and access gates shall be prepared a registered civil engineer. Improvements shall be designed and constructed in accordance with the La Quinta Municipal Code, adopted Standard and Supplemental Drawings and Specifications, and as approved by the City Engineer.

Pavement sections shall be based on a California Department of Transportation (CalTrans) design procedure for a 20-year life and shall consider soil strength and anticipated traffic loading, including site and building construction traffic. The minimum pavement sections shall be as follows:

Residential and Parking Areas	3.0"a.c./4.50" C.A.B.
Collector	4.0"15.00"
Secondary Arterial	4.0"/6.00"
Primary Arterial	4.5"/6,00"
Major Arterial	5.5" /6.50"

The listed structural sections are minimums, not defaults. Street pavement sections shall be designed using CalTrans design procedures with site-specific data for soil strength and traffic volumes.

The applicant shall submit current (no more than two years old) mix designs for base materials, Portland cement concrete and asphalt concrete, including complete mix design lab results, for review and approval by the City. For mix designs over six months old, the submittal shall include recent (no more than six months old at the time proposed for construction) aggregate gradation test results to confirm that the mix design gradations can be reproduced in production of the base or paving material. Construction operations shall not be scheduled until mix designs are approved.

3.2.13 The applicant shall endeavor to minimize differences in elevation at the interface of this development with abutting properties and of separate tracts and lots within this development. Building pad elevations on contiguous lots shall not differ by more than three feet except for lots within a tract, but not sharing common street frontage, where the differential shall not exceed five feet. If compliance with this requirement is impractical, the City will consider and may approve alternatives, which minimize safety concerns, maintenance difficulties, and neighboring-owner dissatisfaction with the grade differential.

3.2.14 In areas where hardscape surface improvements are planned, underground utilities shall be installed prior to construction of surface improvements. The applicant shall provide certified reports of utility trench compaction tests for approval of the City Engineer.

3.2.15 This development shall comply with Chapter 8.11 of the LQMC (Flood Hazard Regulations). If any portion of any proposed building lot in the development is located within or immediately adjacent to a flood hazard area as identified on the City's Flood Insurance Rate Maps, the development shall be graded to ensure that all floors and exterior fill (at the foundation) are above the level of the project (100 year) flood and building pads are compacted to 95 percent Proctor Density as required in Title 44 of the

Code of Federal Regulations, Section 65.5(a) (6). Prior to issuance of building permits for lots that are so located, the applicant shall receive Conditional Letters of Map Revision based on Fill (CLO:MR/F) from FEMA. Prior to final acceptance by the City of subdivision improvements, the applicant shall have received final LQMR/Fs for all such lots.

3.2.16 SP 2006-080 shall comply with all applicable conditions and/or mitigation measures for Environmental Assessment 2002-453, Addendum 1. In the event of any conflict(s) between approval conditions and/or provisions of these approvals, the Community Development Director shall determine precedence.

3.2.17 Site Development and/or other Permits for the Specific Plan area will be subject to review and approval by the City Council. Said City Council review will be conducted as a business item, unless an appeal is filed by a third party, in which case the review would be completed in accordance with the procedures as set forth in the La Quinta Municipal Code.

3.2.18 At the discretion of the Community Development Director, site development permit applications for the Specific Plan area may be required to include site cross sections of proposed buildings.

3.2.19 The multi-use trail along Avenue 52, Jefferson Street and Avenue 54 may incorporate a standard split-rail fence design, an alternative fence design, and/or remain open.

3.2.20 In accordance with Senate Bill 18, the opportunity for tribal consultation is scheduled to conclude August 17, 2006. The opportunity to consult with any and all tribes wishing to do so shall be conducted and completed according to the State Tribal Consultation Guidelines.

3.2.21 The applicant shall prepare a detailed parking management program as part of any Site Development Permit that complies with the following standards (NOTE: These provisions may be modified and updated as part of site development permit or subdivision map approval process):

TABLE 15

SILVERROCK RESORT PARKING PROGRAM

	TYPE OF USE	SPACE USES	UNITS
HOTEL/CASITAS			
Hotel Casitas	Hotel Units	1.00 space per guest unit (spgr)	1st 50 units
	Hotel Units	.75 spgr	Over 50 units
Casitas/Condo Hotel	Studio	1.00 space	Per Unit
	1 Bedroom	1.25 spaces	Per Unit
	2 Bedroom	1.50 spaces	Per Unit
	3 Bedroom	2.0 spaces	Per Unit
	4 Bedroom	2.5 space	Per Unit
Dining/Bar/Dancing		1 space	Per 5 seats or Per 60 square feet (sq. ft.), plus 20% employee
Commercial Within Hotel Building	Commercial	1 space	Per Employee
	TYPE OF USE	**SPACE USES**	**UNITS**
Meeting/Conference (largest single room only)	Meeting/Conference	Credit 30 sq. ft. per guest unit. Thereafter 1 space per 30 sq. ft. of meeting area parking.	Sq. Ft.*

Hotel Employees (all functions other than retail/spa use)	Hotel Employees	0.5 space	Per Employee (for maximum daily shift)
RESORT RETAIL AREAS			
Office		1 space	Per 250 sq. ft.
Retail		1 space	Per 300 sq. ft.
Restaurant		1 space	Per 5 seats or Per 60 sq. ft. plus 20% for employees
Residential		1.5 spaces	Per Unit
Black Box Theater		1 space 1 space	Per 30 sq. ft. or Per 3 seats (if seat count is available)

* Base upon largest single meeting space.

** Modifications to the parking management program pursuant to Section 9.150.050 and 9.150.060 LQZO may be considered and approved.

3.3 SPECIFIC PLAN AMENDMENTS

3.3.1 Specific Plan Amendment Procedures

Minor modifications to the approved SilverRock Specific Plan are allowed at the discretion of the Community Development Director or designee. Modifications to the Specific Plan must be consistent with the purpose and intent of the (then) current approved SilverRock Specific Plan.

A. ***Changes That Do Not Require a Specific Plan Amendment.*** As development within the SilverRock progresses, it may be demonstrated that certain detail changes are appropriate in refinement of the Specific Plan, therefore it is intended that the Specific Plan Document provide flexibility with respect to the interpretation of the details of project development as well as those items discussed in general terms in the Specific Plan. If and when it is determined that changes or adjustments are necessary or appropriate, these changes or adjustments shall be made as an administrative procedure approved by the Community Development Director or designee. After such administrative change has been approved, it shall be attached to the Specific Plan as an addendum and may be further changed and amended from time to time as necessary. Any such administrative changes do not require a Specific Plan Amendment.

The following changes to the Specific Plan may be made without amending the SilverRock Specific Plan:

- The addition of new information to the Specific Plan maps or text that do not change the effect of any regulation. The new information may include more detailed, site-specific information. If this information demonstrates that Planning Area boundaries are inaccurately designated, based upon the Goals of the Specific Plan, said boundaries may be adjusted or redesignated to reflect a more accurate depiction of onsite conditions, without requiring a Specific Plan Amendment. Adjustments to the golf corridors may be made resulting in a corresponding change to the adjacent development parcel without the requirement of a specific plan amendment.
- Changes to the community infrastructure such as drainage systems, roads, water and sewer systems, etc., which do not have the effect of increasing or decreasing capacity in the project area beyond the specified density range nor increase the backbone infrastructure construction or maintenance costs.

B. ***Changes That Require A Specific Plan Amendment.*** If it has been determined that the proposed change is not in conformance with the intent of the current Specific Plan approval, the Specific Plan may be amended in accordance with the procedures set forth in Chapter 9.240 of the City of La Quinta Zoning Code.

C. Where there is a potential conflict between the Specific Plan and Zoning Code, the Director of Community Development shall review pertinent information and make a determination as to which code or standard applies. All determinations shall be in writing and shall be attached to the Specific Plan as noted in 3.3.1.A above.

D. ***Appeals.*** Appeals of Director of Community Development decisions and determinations shall be to the Planning Commission and shall be handled in accordance with Section 9.200.120 LQMC.

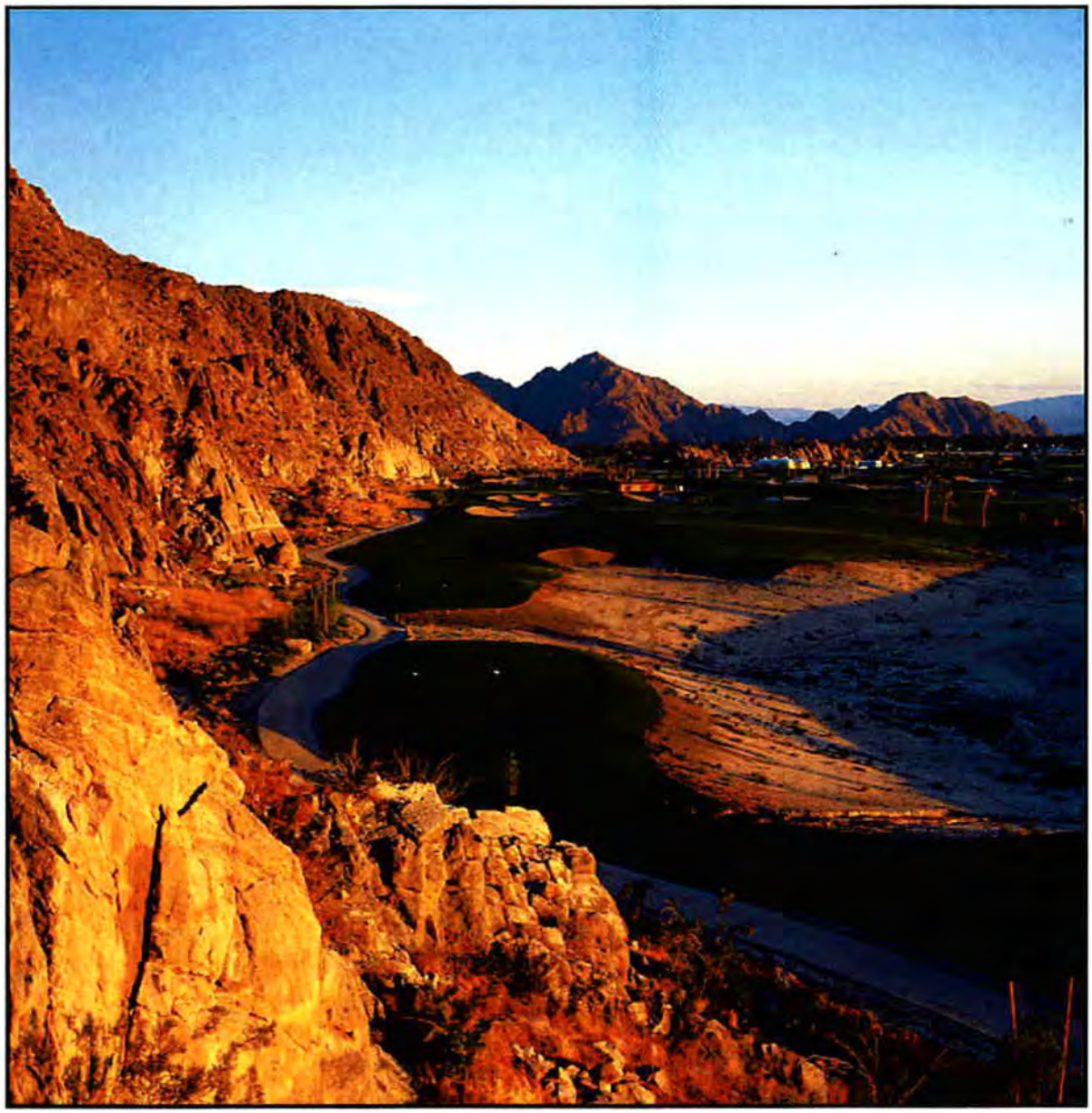
3.3.2 Specific Plan Enforcement

The enforcement of the provisions of this Specific Plan shall be by the following:

- The City of La Quinta Community Development Department shall enforce the site development standards and design guidelines set forth herein.
- The Planning Commission may review the appeal of any administrative interpretation of this Specific Plan. Likewise, any decision by the Planning Commission is subject to appeal to the City Council per 9.200.120 LQMC provisions.
- The City of La Quinta shall administer the provisions of the SilverRock Resort Specific Plan in accordance with the State of California Government Code, Subdivision Map Act, the City of La Quinta General Plan, and the City of La Quinta Municipal Code.
- The Specific Plan development procedures, regulations, standards, and specifications shall supersede the relevant provisions of the City's Municipal Code, as they currently exist or may be amended in the future.
- All regulations, conditions, and programs contained herein shall be deemed separate distinct, and independent provisions of this Specific Plan. In the event that any such provision is held invalid or unconstitutional, the validity of all the remaining provisions of this Specific Plan shall not be affected.
- Any development regulation and building requirement not addressed in the Specific Plan shall be subject to all relevant City of La Quinta ordinances, codes, and regulations.

SECTION 4

GENERAL PLAN CONSISTENCY



California Government Code (Title 7, Division 1, Chapter 3, Article 8, Section 65450 - 65457) permits the adoption and administration of specific plans as an implementation tool for elements contained in the local general plan. Specific plans must demonstrate consistency in regulations, guidelines, and programs with the goals and policies set forth in the general plan.

The latest City of La Quinta General Plan update was adopted on March 20, 2002. The General Plan contains the following elements: Land Use, Traffic and Circulation, Open Space, Parks and Recreation, Natural Resources, Infrastructure and Public Services, Environmental Hazards, and Cultural Resources. Each element of the General Plan contains a summary of key issues, which direct and guide that element's goals and policies.

The summary of key goals and aims identified in the General Plan are used in this Specific Plan Amendment for SilverRock as the basis for evaluating the Specific Plan's consistency with the City's General Plan. Applicable General Plan goals are stated below followed by a statement of how the SilverRock Specific Plan implements each.

4.1 LAND USE ELEMENT

- "High quality development that promotes the City's image as "The Gem of the Desert."

  The SilverRock Resort Specific Plan allows for the development of two premium public 18-hole golf courses, a golf clubhouse, a golf driving range, a golf instructional facility, a resort hotel, a traditional hotel, a boutique hotel, resort casitas and a mixed use resort retail village. The Specific Plan will allow the development of a unique resort consistent with this goal.

- "Protection of our natural environment."

- "A balanced and varied economic base which provides a broad range of goods and services to the City's residents and the region."

  The SilverRock Resort Specific Plan allows for land uses that include two premium 18-hole golf courses, a golf clubhouse, a golf driving range, a golf instructional facility, a resort hotel, a traditional hotel, a boutique hotel, resort casitas, and a mixed use resort retail village. Commercial uses would also be included in a golf clubhouse, the Ahmanson House site, and in each of the hotels proposed. The Specific Plan will allow the development of unique commercial uses not found in other areas of the City, consistent with this goal.

- "The continued growth of tourism and resort industries in the City."

  The SilverRock Resort project is a golf-oriented resort development that will add to the existing strong base of resorts in the City.

- "Major community facilities which efficiently serve the community and are compatible with surrounding land uses."

  The SilverRock Resort Specific Plan promotes the development of two public golf courses and provides 35 acres of park space available for public event use. In addition the Specific Plan provides for the existing Ahmanson House, to be preserved and maintained for use as a civic and cultural events facility. "The preservation of open space and recreational resources as a means of preserving and enhancing the quality of life and economic base of the City."

4.2 TRAFFIC AND CIRCULATION ELEMENT

- "A transportation and circulation network that efficiently, safely, and economically moves people, vehicles, and goods using facilities that meet the current demands and projected needs of the City, while maintaining and protecting its residential resort character."

  Existing and proposed roadway improvements in and around the Specific Plan Area are consistent with the goals and policies established in the Circulation Element of the General Plan.

- "Traffic impacts resulting from development should be identified through a mandatory traffic impact analysis process."

  Traffic analysis has been conducted as part of the Addendum to the Mitigated Negative Declaration prepared on the Specific Plan.

- "Pedestrian and bicycle networks should be developed which link activity centers in order to facilitate recreational walking and biking and to establish non-automotive transportation as a viable alternative to driving."

  Alternatives to vehicular access are incorporated in the circulation plan for SilverRock and accommodated on the roadway and pedestrian systems.

- "The circulation system should be designed and maintained to encourage walking, bicycling and transit utilization as alternatives to automobile travel. Improvements to existing transit service should be considered, including provision of additional transit stops on major roadways and covered bus shelters at all existing and future stops."

  The development along the perimeter of SilverRock designates locations for transit stops and shelters. The internal circulation system promotes the use of golf carts, pedestrian paths, and shuttles as a means of minimizing vehicular traffic. As individual developments are reviewed, specific transit requirements will be developed and required.

4.3 OPEN SPACE ELEMENT

- "Preservation, conservation and management of the City's open space lands and scenic resources for enhanced recreational, environmental and economic purposes."

4.4 PARKS AND RECREATION ELEMENT

- "A comprehensive system of parks and recreation facilities that integrates cultural resources into parks and open space."

- "Sufficient parkland and recreational facilities to meet the active and passive recreational needs of all residents and visitors."

- "The utilization of existing natural and manmade features to link park facilities, open space areas and significant cultural resources."

  The SilverRock Specific Plan has, as a primary focus, active and passive recreation amenities. These amenities include two premium public 18-hole golf courses, a golf driving range, a golf practice facility, golf clubhouse, 195 acres of preserved natural open space in the Santa Rosa Mountains, and an additional 35 acres of public park space.

- Sewage effluent should be utilized for large turf (i.e., golf course, active recreation) areas and drought tolerant plant species should be used to reduce the impact on the potable water supply of the City.

  When economically feasible, recycled water sources are envisioned as a source of irrigation water for the uses allowed by the Specific Plan. Drought resistant plant material is a staple of the palette within the plan area.

4.5 NATURAL RESOURCES ELEMENT

- "Land use and development patterns which contribute to the improvement of local and regional air quality."

- "A reduction in pollution emissions generated within the City."

- "Participation in regional efforts to improve air quality in the Coachella Valley."

- The Redevelopment Agency has implemented a variety of measures to control dust emissions in the currently undeveloped portions of the Specific Plan Area, including planting barley.

- The developer of any of the resort facilities allowed by this Specific Plan shall utilize dust control measures in accordance with the Municipal Code, Uniform Building Code, and applicable South Coast Air Quality Management District regulations subject to the approval of the City Engineer. Particular care shall be exercised during periods of extreme wind activity.

- At the time of submittal of tentative tract maps or plans for any individual development project, the Applicant shall demonstrate that adequate provision has been made for non-automotive means of transportation within the project site as a means of reducing dependence on private automobiles. This may include golf cart path systems, bicycle and pedestrian systems, and other similar systems consistent with the specific plan.

- Specific project designs shall encourage the use of public transit by providing for bus shelters as required by the Community Development Director and consistent with the requirements of local transit districts and the specific plan circulation.

- The operators of resort facilities within the Specific Plan Area shall encourage and support the use of van/bus service and Dial-A-Ride between the project site, local airports, (e.g., Palm Springs, Thermal) and other regional land uses.

- "The protection and preservation of unique and/or valuable biological resources, including sensitive, rare, threatened or endangered species and their habitat."

- CEQA documentation in the form of an Addendum to the Mitigated Negative Declaration for the Specific Plan identifies potential impacts to biological resources and recommends necessary mitigation measures to maintain potential impacts by the Specific Plan to less than significant levels. Preservation of the portion of the Santa Rosa Mountains within the Specific Plan Area and buffer measures to mitigate potential impacts to sensitive species in the mountainous terrain has been identified.

- "The identification and preservation of significant paleontologic resources which occur in the City."

- CEQA documentation in the form of an Addendum to the Mitigated Negative Declaration for the Specific Plan identifies potential impacts to paleontologic resources and recommends necessary mitigation measures to maintain potential impacts by the Specific Plan to less than significant levels.

- "The careful management and conservation of the City's water resources."

- The City of La Quinta has signed a Domestic Water and Sanitation System Installation and Irrigation Service Agreement with the Coachella Valley Water District (CVWD) for the SilverRock Resort project. In addition, the City of La Quinta has prepared a Water Supply Assessment and Water Supply Verification for the SilverRock Resort project, which was approved by the Board of the CVWD.

- "Utility resources should be conserved utilizing a variety of feasible strategies."

  Recycled wastewater will be utilized at SilverRock to supplement irrigation demands to minimize water consumption.

- "The City should be protected from the adverse impacts of storm water runoff, including property damage as well as water quality."

  The golf courses are designed to accommodate storm water retention to avoid storm water impacts.

- "Permitted land uses and standards for development in open space and watercourse areas should be identified."

  The SilverRock Specific Plan provides uses and standards for the open space and watercourse areas within the Specific Plan Area.

- "The quality and quantity of groundwater should be protected and maintained. Water conservation efforts should be maintained, expanded, and implemented."

  Lakes within golf course boundaries provide for storage of runoff.

4.6 INFRASTRUCTURE AND PUBLIC SERVICES ELEMENT

- "A high level of public safety services provided to City residents, businesses and public and private property."

- The Riverside County Sheriffs Department provides police services for the City of La Quinta and has adequate staff and equipment to serve the SilverRock Resort project. The Riverside County Fire Department provides fire protection services to the City of La Quinta and has adequate staff and equipment to serve the SilverRock Resort project.

- "Adequate defense against the potential hazards associated with stormwater and surface water flooding."

  Approximately 19 acres of the All American Canal is located within the Specific Plan Area. This canal would not only be used as a source of irrigation water for the SilverRock Resort project, but also for stormwater drainage purposes. Currently under construction are major improvements to the storm drainage system at Avenue 52, along the northern boundary of the Specific Plan Area. The proposed improvements include installing approximately 2,200 feet of reinforced concrete storm drain pipe within Avenue 52 along the SilverRock northerly property frontage in order to extend the Calle Rondo storm drain from the northwesterly corner of the site to a point just past the Avenue 52/SilverRock Way entrance and then back onto the resort property in to the second golf course envelope. There the runoff water will be incorporated into the water features of the second golf course.

- "Reduction of the amount of solid waste generated by City residents and businesses."

- The uses allowed within the SilverRock project would participate in the City's existing solid waste diversion and recycling programs.

- "Domestic water facilities and services that adequately serve the existing and long-term needs of the City."

- The City of La Quinta has signed a Domestic Water and Sanitation System Installation and Irrigation Service Agreement with the Coachella Valley Water District (CVWD) for the SilverRock Resort project. In addition, the City of La Quinta has prepared a Water Supply Assessment and Water Supply Verification for the SilverRock Resort project, which was approved by the Board of the CVWD.

- "A broad range of public utilities that provide for the existing and long-term needs of the community."

- "Sanitary sewer facilities and services that adequately serve the existing and long-term needs of the City."

- The SilverRock Resort Specific Plan provides utility master plans to support the uses allowed by the Specific Plan.

- "Utility resources should be conserved utilizing a variety of feasible strategies."

  All structures are built to City Zoning and Development Code and the uniform building code standards, which implement a strategy of conservation of energy and resources.

- "The City should support the recycling, reduction, and reuse of waste generated in the City."

- The uses allowed within the SilverRock project would participate in the City's existing solid waste diversion and recycling programs.

4.7 ENVIRONMENTAL HAZARDS ELEMENT

- "The standards for development should be carefully regulated to minimize structural damage and loss of life (from earthquakes), even though the City is located in a low intensity ground-shaking zone."

  All structures will be built to City Zoning and Development Code and the Uniform Building Code standards to mitigate this hazard.

- "The development of areas located within 100-year floodplain boundaries and not protected by existing storm water facilities should be addressed."

  All structures are built to City Zoning and Development Code and the Uniform Building Code standards, which implement a strategy of conservation of energy, and resources and none are located in a 100-year flood zone.

- "The factors that contribute to the increased risk of fire hazard should be reduced to protect La Quinta citizens and structures from fire damage."

  All structures are built to City Zoning and Development Code and the Uniform Building Code standards to mitigate this hazard.

4.8 CULTURAL RESOURCES ELEMENT

- "The identification and inventory maintenance of all cultural resources within the City."

- "The preservation, maintenance, rehabilitation and/or restoration of cultural resources and prevention of unnecessary destruction of or adverse effects to such resources through City-sponsored or assisted projects and programs."

- CEQA documentation in the form of an Addendum to the Mitigated Negative Declaration for the Specific Plan identifies potential impacts to cultural resources and recommends necessary mitigation measures to reduce potential impacts by the Specific Plan to less than significant levels. Furthermore, the City of La Quinta complied with SB 18, which calls for the applicants of development projects to seek Tribal consultation from any effected or interested tribes in order to avoid the destruction of any Native American cultural resources.

- "Increased public awareness of the City's heritage."

  The Specific Plan Area includes the existing, historic, Ahmanson House, which will be preserved and maintained for use as a civic and cultural events facility.

ATTACHMENT 1

Successor Agency: City of La Quinta Successor Agency
County: Riverside
Column Added by La Quinta
Column/Change Added by La Quinta
Lot Size (Added words Sq Ft to box)
LONG RANGE PROPERTY MANAGEMENT PLAN: PROPERTY INVENTORY DAT.

		HSC 34191.5 (c)(2)			HSC 34191.5 (c)(1)(A)							SALE OF PROPERTY		HSC 34191.5 (c)(1)(B)	HSC 34191.5 (c)(1)(C)						HSC 34191.5 (c)(1)(D)		HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)		HSC 34191.5 (c)(1)(H)
No.	Property Type	Permissable Use	Permissable Use Detail	Compensation Agreement	Acquisition Date	Value at Time of Purchase	Estimated Current Value	Value Notes	Encumbered Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	Address	LOT #	APN#	Lot Size (Sq Ft)	Lot Acres	Current Zoning	Estimate of Current Parcel Value	Value Notes	Estimate of Income/Revenue	Contractual requirements for use of income/revenue	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	Description of property's potential for transit oriented development	Advancement of planning objectives of the successor agency	History of previous development proposals and activity
1	Roadway/Walkway	Governmental Use	Public Right of Way	N/A	4/4/2005	849	849	N/A	N/A	Book	Dec-13	0	2014	To provide public right of way infrastructure	East of Washington Street between Miles Avenue and Seeley Drive	F	604-630-018	871	0.02	Public Right of Way	849	N/A	0	NA	None	None	Public Right of Way	Developed in 2007 as public right of way roadway/walkway
2	Roadway/Walkway	Governmental Use	Public Right of Way	N/A	4/4/2005	2,122	2,122	N/A	N/A	Book	Dec-13	0	2014	To provide public right of way infrastructure	East of Washington Street between Seeley Drive and Highway 111	E	604-630-023	2,178	0.05	Public Right of Way	2,122	N/A	0	NA	None	None	Public Right of Way	Developed in 2007 as public right of way roadway/walkway
3	Roadway/Walkway	Governmental Use	Public Right of Way	N/A	4/4/2005	1,697	1,697	N/A	N/A	Book	Dec-13	0	2014	To provide public right of way infrastructure	P	E	604-630-024	1,742	0.04	Public Right of Way	1,697	N/A	0	NA	None	None	Public Right of Way	Developed in 2007 as public right of way roadway/walkway
4	Parking Lot/Structure	Governmental Use	Major Community Facilities	N/A	12/27/1989 & 7/12/1990	545,670	120,878	N/A	N/A	Appraised	Dec-13	0	2014	The property was purchased in 1989 to provide free public parking to the La Quinta Community Park and La Quinta Museum	Northeast corner of Avenida Navarro and Avenida Montezuma	NA	773-078-034	48,351	1.11	MC - Major Community Facilities	120,878	N/A	0	NA	None	Sunline Transit Agency Route 70 Bus Stop is on the East side of the site.	The Village Specific Plan, adopted by the La Quinta City Council on October 3, 1989 (SP 87-009) allows public parking lots as a permitted use within the Village Commercial Core subzone	The 2006 Village District Parking Study indicates that future development in the area may result in parking deficits and recommends development of a $7.6 million parking structure on this site.
5	Vacant Lot/Land	Future Development	Public Golf Course	City intends to enter into a compensation agreement	6/27/2002	369,349	22,750	Unecumbered market value (assumes no bond restrictions)	(89,190)	Appraised	Jul-14	0	2014	To construct a public golf course and associated public uses	Southwest corner of Avenue 52 and Jefferson Street	Lot A	776-150-024 and 770-200-027	198,197	4.55	GC - Golf Course	22,750	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Golf Course	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
6	Vacant Lot/Land	Future Development	Public Golf Course	City intends to enter into a compensation agreement	6/27/2002	239,469	14,750	Unecumbered market value (assumes no bond restrictions)	(57,827)	Appraised	Jul-14	0	2014	To construct a public golf course and associated public uses	Southwest corner of Avenue 52 and Jefferson Street	Lot B	776-150-025	128,502	2.95	GC - Golf Course	14,750	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Golf Course	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
7	Vacant Lot/Land	Future Development	Public Golf Course	City intends to enter into a compensation agreement	6/27/2002	69,000	4,250	Unecumbered market value (assumes no bond restrictions)	(16,662)	Appraised	Jul-14	0	2014	To construct a public golf course and associated public uses	Southwest corner of Avenue 52 and Jefferson Street	Lot C	777-490-015	37,026	0.85	GC - Golf Course	4,250	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Golf Course	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
8	Vacant Lot/Land	Future Development	Public Golf Course	City intends to enter into a compensation agreement	6/27/2002	143,681	8,850	Unecumbered market value (assumes no bond restrictions)	(34,696)	Appraised	Jul-14	0	2014	To construct a public golf course and associated public uses	Southwest corner of Avenue 52 and Jefferson Street	Lot D	777-490-016	77,101	1.77	GC - Golf Course	8,850	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Golf Course	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
9	Vacant Lot/Land	Governmental Use	Public Park	N/A	6/27/2002	301,974	18,600	Unecumbered market value (assumes no bond restrictions)	(89,382)	Appraised	Jul-14	0	2014	To construct a public golf course and associated public uses	Southwest corner of Avenue 52 and Jefferson Street	Lot E	777-490-017	162,043	3.72	GC - Golf Course	18,600	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Park	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
10	Vacant Lot/Land	Governmental Use	Public Facilities (CVWD Well Site)	N/A	6/27/2002	54,337	3,350	Unecumbered market value (assumes no bond restrictions)	0	Appraised	Jul-14	0	2014	To construct a public golf course and associated uses	Southwest corner of Avenue 52 and Jefferson Street	Lot 9	777-060-062	29,158	0.67	GC - Golf Course	3,350	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan , and SilverRock Specfic Plan stipulate that area be designated for the development of public facilities, such as roads, the All American Canal and Coachella Valley Water District well site	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
11	Vacant Lot/Land	Future Development	Public Golf Course	City intends to enter into a compensation agreement	6/27/2002	4,451,687	274,200	Unecumbered market value (assumes no bond restrictions)	(1,074,986)	Appraised	Jul-14	0	2014	To construct a public golf course and associated uses	Southwest corner of Avenue 52 and Jefferson Street	Lot 10	777-060-063, 777-060-066, 777-060-067 and 777-060-069	2,388,828	54.84	GC - Golf Course	274,200	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Golf Course	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
12	Vacant Lot/Land	Future Development	Public Golf Course	City intends to enter into a compensation agreement	6/27/2002	2,625,231	161,700	Unecumbered market value (assumes no bond restrictions)	(633,937)	Appraised	Jul-14	0	2014	To construct a public golf course and associated public uses	Southwest corner of Avenue 52 and Jefferson Street	Lot 12	777-490-005	1,408,730	32.34	GC - Golf Course	161,700	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Golf Course	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
13	Vacant Lot/Land	Governmental Use	Public Park	N/A	6/27/2002	2,243,704	138,200	Unecumbered market value (assumes no bond restrictions)	(664,119)	Appraised	Jul-14	0	2014	To construct a public golf course and associated uses	Southwest corner of Avenue 52 and Jefferson Street	Lot 15	777-490-008	1,203,998	27.64	GC - Golf Course	138,200	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Golf Course	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
14	Vacant Lot/Land	Future Development	Public Golf Course	City intends to enter into a compensation agreement	6/27/2002	724,900	44,650	Unecumbered market value (assumes no bond restrictions)	(175,048)	Appraised	Jul-14	0	2014	To construct a public golf course and associated uses	Southwest corner of Avenue 52 and Jefferson Street	Lot 16	777-490-009	388,990	8.93	GC - Golf Course	44,650	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Golf Course	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
15	Vacant Lot/Land	Future Development	Public Golf Course	City intends to enter into a compensation agreement	6/27/2002	5,633,614	347,000	Unecumbered market value (assumes no bond restrictions)	(1,360,396)	Appraised	Jul-14	0	2014	To construct a public golf course and associated public uses	Southwest corner of Avenue 52 and Jefferson Street	Lot 18	776-150-022 and 777-490-011	3,023,064	69.40	GC - Golf Course	347,000	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Golf Course	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
16	Other	Future Development	Civic and Cultural Events Facilities	City intends to enter into a compensation agreement	6/27/2002	197,256	12,150	Unecumbered market value (assumes no bond restrictions)	0	Appraised	Jul-14	0	2014	To construct a public golf course and associated uses	Southwest corner of Avenue 52 and Jefferson Street	Lot 20	777-490-012	105,850	2.43	GC - Golf Course	12,150	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be preserved as the Ahmanson House, a building designated as a civic and cultural events facility, and related uses	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
17	Vacant Lot/Land	Future Development	Public Golf Course	City intends to enter into a compensation agreement	6/27/2002	830,429	51,150	Unecumbered market value (assumes no bond restrictions)	(200,531)	Appraised	Jul-14	0	2014	To construct a public golf course and associated uses	Southwest corner of Avenue 52 and Jefferson Street	Lot 21	777-490-013	445,618	10.23	GC - Golf Course	51,150	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be used for a Public Golf Course	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement
18	Public Building	Future Development	Civic and Cultural Events Facilities	City intends to enter into a compensation agreement	6/27/2002	118,516	150,000	Unecumbered market value (assumes no bond restrictions)	0	Appraised	Jul-14	0	2014	To construct a public golf course and associated public uses	Southwest corner of Avenue 52 and Jefferson Street	Lot 22	777-490-014	63,597	1.46	GC - Golf Course	150,000	Unecumbered market value (assumes no bond restrictions)	0	Because the property was purchased with Tax Exempt bond proceeds, the property cannot be converted to "private use" or used for "private activity."	Phase 1 Environmental Study indicates no environmental contamination	None	The City's General Plan, and SilverRock Specfic Plan stipulate that this site be preserved as the Ahmanson House, a building designated as a civic and cultural events facility, and related uses	SilverRock Dust and PM-10 Control Contract Services and Revocable License Agreement