Cathedral City

CITY COUNCIL

AGENDA

CITY COUNCIL CHAMBERS	68-700 AVENIDA LALO GUERRERO	CATHEDRAL CITY, CA 92234
Wednesday, September 27, 2017	REGULAR MEETING	6:30 PM

- **CALL TO ORDER**
- **PLEDGE OF ALLEGIANCE**
- **INVOCATION (MOMENT OF REFLECTION)**
- **ROLL CALL**
- **AGENDA FINALIZATION**

At this time, the City Council may announce any items being pulled from the agenda or continued to another date.

- **STATEMENT OF PARTICIPATION BY THE DEPUTY CITY CLERK**

1. PUBLIC COMMENT

Public Comment is limited to 3 minutes per person.

2. COUNCIL REPORTS

This is an opportunity for each member of the City Council to report on any conferences they attend, local events or make any other comments they may have.

3. CONSENT AGENDA

All matters on the Consent Agenda are considered routine in nature and are expected to be enacted upon by the Council at one time without discussion. Any Council Member, Staff Member, or Citizen may request removal of an item from the Consent Agenda for discussion.

3.A. 2017-299 Purchase Agreement First Amendment and Performance Agreement for Downtown Mixed Use Project

Recommendation: Staff recommends the City Council, as the Housing Successor Agency, authorize the City Manager to execute a First Amendment to Purchase and Sale and Escrow Instructions Agreement between the City as the Housing Successor Agency and Cathedral Canyon Development LLC; and authorize the City Manager to execute the Performance Agreement between the City as the Housing Successor Agency, Cathedral Canyon

Development LLC and the City Urban Revitalization Corporation.

3.B. 2017-381 **Safe and Sane Fireworks - Ordinance Amendment**

Recommendation: Staff recommends the City Council approve an amendment to Ordinance 723 removing the preference for three named non-profits to be issued a "Safe and Sane" fireworks permit.

3.C. 2017-376 **Disposition of Certain Housing Parcels**

Recommendation: Staff recommends the City Council, acting as the Housing Successor Agency, consider the sale of one vacant housing parcel in the amount of $15,000.

3.D. 2017-377 **Disposition of Certain Housing Parcels**

Recommendation: Staff recommends the City Council, acting as the Housing Successor Agency, consider the sale of two vacant housing parcels in the amount of $30,000.

3.E. 2017-384 **Disposition of Certain Housing Parcels**

Recommendation: Staff recommends the City Council, acting as the Housing Successor Agency, consider the sale of two vacant housing parcels in the amount of $45,000.

3.F. 2017-387 **Disposition of Certain Housing Parcels**

Recommendation: Staff recommends the City Council, acting as the Housing Successor Agency, consider the sale of two vacant housing parcels in the amount of $100,000.

3.G. 2017-391 **Disposition of Certain Housing Parcels**

Recommendation: Staff recommends the City Council, acting as the Housing Successor Agency, consider the sale of one vacant housing parcel in the amount of $40,000

4. PUBLIC HEARINGS

4.A. 2017-389 **Ordinance Establishing Council Election Districts**

Recommendation: Staff recommends the City Council hold a public hearing and receive comments from the public; and provide second reading and adopt an ordinance establishing City Council Election Districts.

5. LEGISLATIVE ACTIONS

5.A. 2017-390 **Funding Request from Boys and Girls Club of Cathedral City**

Recommendation: Staff recommends the City Council approve a temporary "bridge loan" of $35,000 to the Boys and Girls Club of Cathedral City to be repaid no later than January 31, 2018; authorize the necessary budget amendments; and authorize the execution of a promissory note.

5.B. 2017-383 **Palm Springs Leather Pride Parking Lot Party**

Recommendation: Staff recommends the approval of Special Use Permit #17-022 with conditions that the organizers meet and confer with our fire and police departments to mitigate any safety concerns and any department inspections, if needed, are approved.

5.C. 2017-394 **Integrated Municipal Enterprise Resource Planning (ERP) Solution and Services**

Recommendation: Staff recommends the City Council approve a contract with Tyler Technologies to Implement an Integrated ERP Solution and authorize the City Manager to execute the contract documents.

6. CLOSED SESSION

The following Closed Session Items may have been heard during Study Session, otherwise they will be heard at this time.

6.A. 2017-378 **Successor Agency to the Former Redevelopment Agency- Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8**

Property Location:	68510 E Palm Canyon Dr. with APN 687-475-003
Property Owners:	City Urban Revitalization Corporation
Negotiating Parties:	City of Cathedral City as Successor Agency to the Former Redevelopment Agency & City Urban Revitalization Corporation
Under Negotiation:	Price & Terms on the Sale of Real Property

6.B. 2017-393 **Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8.**

Property Location: Approximately 13.5 acres south of East Palm Canyon Drive at Date Palm Drive
Negotiating Parties: City of Cathedral City as the Successor Agency to the former Redevelopment Agency and the City Urban Revitalization Corporation
Property Owner: City Urban Revitalization Corporation
Under Negotiations: Price and Terms for potential sale of real property

6.C. 2017-395 **Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8.**

Property Location: Approximately 2 acres at the southeast corner of West Buddy Rogers and East Palm Canyon Drive.
Negotiating Parties: City of Cathedral City as the Housing Successor Agency to the former Redevelopment Agency and Cathedral Canyon Development LLC

Property Owner: City of Cathedral City as the Housing Successor Agency to the Former Redevelopment Agency
Under Negotiations: Price and Terms for potential sale of real property.

ADJOURN

The next Regular City Council Meeting will be held on Wednesday, October 11, 2017 at 6:30 p.m.

NOTES TO THE PUBLIC

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office at (760)770-0385. Assisted-listening devices are available at this meeting. Ask the City Clerk if you desire to use this device. Notification at least 48 hours prior to the meeting or the time when services are needed will assist city staff in assuring reasonable arrangements can be made to provide accessibility to the meeting or service.

Cathedral City

Agenda Report

File #: 2017-299 **Item No:** 3.A.

Housing Successor Agency

MEETING DATE: 9/27/2017

TITLE:
Purchase Agreement First Amendment and Performance Agreement for Downtown Mixed Use Project

FROM:
Curt Watts, Economic Development Director

RECOMMENDATION:
Staff recommends the City Council, as the Housing Successor Agency, authorize the City Manager to execute a First Amendment to Purchase and Sale and Escrow Instructions Agreement between the City as the Housing Successor Agency and Cathedral Canyon Development LLC; and authorize the City Manager to execute the Performance Agreement between the City as the Housing Successor Agency, Cathedral Canyon Development LLC and the City Urban Revitalization Corporation.

BACKGROUND:
On April 26, 2017 the Housing Successor Agency of the Former Redevelopment Agency of the City of Cathedral City ("City") approved a Purchase and Sale and Escrow Instructions Agreement ("Purchase Agreement") with Cathedral Canyon Development LLC ("CCD") for the future sale of an approximate two-acre site located at the southeast corner of East Palm Canyon Drive and West Buddy Rogers Avenue. Effective the same date, CCD entered into a separate purchase agreement with the City Urban Revitalization Corporation ("CURC") to purchase approximately three acres of vacant land adjacent to the two-acre site. The two Purchase Agreements contain terms of the property sales related to purchase price, deposits, due diligence period, conditions to close of escrow, deadlines for close of escrow and completion of project construction, brokerage commissions and various representations and warranties by the respective parties. The Purchase Agreements also each require that the parties negotiate and execute a tri-party Performance Agreement, as a pre-condition to the Close of Escrow for the combined 5-acre site, to provide among other things (a) a description of the proposed project to be developed upon the Property (subject to the City's entitlement process), (b) time requirements for processing entitlements and development of the Project, and (c) post-closing obligations with respect to the Project.

DISCUSSION:
First Amendment - The attached First Amendment to Purchase and Sale and Escrow Instructions

Agreement modifies the terms of the April 26, 2017 Purchase Agreement as follows:

1) Clarifies that any Additional Deposit made by the Buyer under the Purchase Agreement is fully refundable if, despite using commercially reasonable good faith efforts, the Buyer is unable to obtain by the Outside Closing Date set forth in the Performance Agreement all City entitlements necessary to develop the Project;

2) Revises the deadline for negotiating and executing the required Performance Agreement from 60 days following expiration of the Due Diligence Period, to 90 days following that expiration. In effect, this modification changes the deadline for executing the Performance Agreement from September 25, 2017 to October 25, 2017 thereby providing sufficient time for final negotiations, approval and execution of the document by all parties. If the Performance Agreement is not negotiated and executed within that revised 90-day period the Purchase Agreement(s) may be terminated by any party to the Agreements per the provisions of those Purchase Agreements. It should be noted that the City Manager acting on behalf of the Housing Successor Agency is already authorized under the current Purchase Agreements to extend various deadlines up to 1 year.

Performance Agreement - The attached Performance Agreement includes the following provisions:

1) A general description of the proposed development project (the "Project") as a mixed-use residential and commercial/retail project further described in the Scope of Development (Exhibit B-1) as consisting of 7,000 to 11,000 square feet of commercial (retail or restaurant) space and 120 to 160 residential units;

2) The Schedule of Performance for development of the Project as outlined in Exhibit C including:

a. The Due Diligence Period which ended July 25, 2017 and the subsequent timeline for completing negotiations and execution of the Performance Agreement ending 90 days ends thereafter, or October 25, 2017).

b. Close of Escrow by March 30, 2018 (extendable by 6 months to September 30, 2018 with increase in CCD's deposit to 50% of the $331,000 Purchase Price (i.e. $165,500). Close of Escrow requires prior completion of the project entitlement process.

c. Commencement of Construction within 9 months after Close of Escrow.

d. Completion of Construction within 24 months after Close of Escrow (i.e. March 30, 30, 2020, or if Close of Escrow is extended by 6 months, September 30, 2020).

3) Language regarding permitted ownership transfers to accommodate project financing and/or equity partners after Close of Escrow.

FISCAL IMPACT:

There are no fiscal impacts to the Housing Successor Agency due to the recommended actions beyond those already anticipated by the existing April 26, 2017 Purchase Agreement. These include the receipt of $331,000 from the Purchase Price and future relief from current obligations to pay remaining sewer district assessments of approximately $148,000 ($13,000 in annual principal and interest payments through 2035). These will become the future responsibility of the Buyer following Close of Escrow.

ATTACHMENTS:

1. First Amendment to Purchase and Sale and Escrow instructions Agreement
2. Performance Agreement

FIRST AMENDMENT TO PURCHASE AND SALE AND ESCROW INSTRUCTIONS AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AND ESCROW INSTRUCTIONS (this **"Amendment"**) is dated as of September ____, 2017 (the **"Effective Date"**), by and between the CITY OF CATHEDRAL CITY, a California charter city and municipal corporation, acting solely in its role as the Successor Housing Agency of the former Redevelopment Agency of the City of Cathedral City (**"Seller"**), and CATHEDRAL CANYON DEVELOPMENT LLC, a California limited liability company (**"Buyer"**), and amends that certain Agreement of Purchase and Sale and Escrow Instructions dated as of April 26, 2016 (the **"Agreement"**). Capitalized terms used herein shall have the meanings given them in the Agreement unless otherwise defined herein. To the extent of any inconsistences between the terms set forth in the Agreement and this Amendment, the terms stated in this Amendment shall control.

RECITALS:

A. Pursuant to Section 5.1 of the Agreement Buyer may, upon written notice, extend the Outside Closing Date for the transaction by six (6) months provided Buyer deposits the amount of $165,500 into Escrow (**"Additional Deposit"**). By this Amendment Buyer and Seller agree that the Additional Deposit, as a portion of the Deposit, is fully refundable to Buyer in the event Buyer, despite using commercially reasonable good faith efforts, is unable to obtain by the Outside Closing Date set forth on Exhibit C (Performance Schedule) attached to the Performance Agreement all City entitlements necessary to develop the Project.

B. Pursuant to Section 5.3.1 of the Agreement, Buyer is required to complete construction of the Project within eighteen (18) months following the close of escrow. Buyer and Seller agree to remove this language in Section 5.3.1 and, on a going forward basis, refer to Exhibit C (Performance Schedule) attached to the Performance Agreement alone for time requirements for Buyer's processing of entitlements and development of the Project, including, completion of construction of the Project.

C. Pursuant to Section 5.3.2 of the Agreement, if the Parties are unable to mutually agree on a form of Performance Agreement within sixty (60) days following the expiration of the Due Diligence Period, then either Party may terminate this Agreement. Buyer and Seller agree to revise the language n Section 5.3.2 to reflect that the Parties have (90) days following the expiration of Due Diligence to mutually agree on a form of Performance Agreement.

NOW, THEREFORE, in consideration of the foregoing, and other valuable consideration, the Parties hereby agree to reinstate and amend the Agreement on the following terms and conditions:

1. Buyer and Seller agree to revise Section 2.2 of the Agreement to include the following language as the fourth sentence of the section: "In addition, the Deposit shall be remitted to Buyer in the event Buyer, despite using commercially reasonable good faith efforts, is unable to obtain all City entitlements necessary to develop the Project by the Outside Closing Date set forth on Exhibit C (Performance Schedule) attached the Performance Agreement."

2. Buyer and Seller agree to revise the first sentence of Section 5.3.1 of the Agreement to read as follows: "As a condition to the Close of Escrow, Buyer, Seller, and City Urban Revitalization Corporation (**"CURC"**), must negotiate and execute a mutually acceptable agreement (**"Performance Agreement"**) that provides, among other things: (a) a description of the proposed project to be developed upon the Property, and agreed to by Buyer, Seller, and CURC (**"Project"**), subject to the City's entitlement process, (b) time requirements for Buyer's processing of entitlements and development of the Project, including, without limitation, completion of construction of the Project, as reflected in Exhibit C (Performance Schedule) attached to the Performance Agreement, and (c) Buyer's continuing post-closing obligations with respect to the Project."

3. Buyer and Seller agree to revise the first sentence of Section 5.3.2 of the Agreement to read as follows: "If the Parties are unable to mutually agree on a form of Performance Agreement within ninety (90) days following the expiration of the Due Diligence Period (**"Performance Agreement Period"**), then either Party may terminate this Agreement and, upon such termination, the Deposit will be returned to Buyer and neither Party will have any further rights or obligations hereunder, except as otherwise provided by Section 13."

4. Except as modified by this Amendment, all of the terms and provisions of the Agreement shall remain in full force and effect. In the event of any inconsistency between the provisions of the Agreement and this Amendment, the provisions of this Amendment shall govern and control. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

WHEREFORE, the Parties, intending to be bound hereby, have affixed their authorized signatures to this Agreement.

SELLER:

CITY OF CATHEDRAL CITY, a California municipal corporation

By: _____
Charles P. McClendon,
City Manager
Date:_____, 2017

APPROVED AS TO LEGAL FORM:

By: _____
Eric S. Vail, City Attorney
Date: _____, 2017

ATTEST:

By: _____
Tracey Martinez, City Clerk
Date:_____, 2017

BUYER:

CATHEDRAL CANYON DEVELOPMENT LLC, a California limited liability company

By: _____
Name: Eric Keillor
Its: Managing Member
Date:_____, 2017

By: _____
Name: Peter Derbonne
Its: Managing Member
Date:_____, 2017

ESCROW AGENT:

The Escrow Agent is executing this Agreement to evidence its agreement to hold the Deposit and act as escrow agent in accordance with the terms and conditions of this Agreement.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Name:
Title:

This Notary Acknowledgement is attached to a document entitled **FIRST AMENDMENT TO PURCHASE AND SALE AND ESCROW INSTRUCTIONS AGREEMENT.**

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

STATE OF CALIFORNIA
COUNTY OF _____)

On _____ before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature_____ **(Seal)**

This Notary Acknowledgement is attached to a document entitled **FIRST AMENDMENT TO PURCHASE AND SALE AND ESCROW INSTRUCTIONS AGREEMENT.**

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

STATE OF CALIFORNIA
COUNTY OF _____)

On _____ before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature_____ **(Seal)**

CATHEDRAL CANYON PERFORMANCE AGREEMENT

This CATHEDRAL CANYON PERFORMANCE AGREEMENT ("**Agreement**") is entered into among (i) the City of Cathedral City, a California charter city and municipal corporation, exercising its responsibilities for affordable housing assumed from the former Redevelopment Agency for the City of Cathedral City ("**City**"); (ii) City Urban Revitalization Corporation, a California nonprofit corporation ("**CURC**"); and (iii) Cathedral Canyon Development LLC, a California limited liability company ("**Developer**"). City and CURC may be collectively referred to in this Agreement as "**Sellers**." The parties may be collectively referred to as the "**Parties**" and individually as a "**Party**."

This Agreement is dated as of September 27, 2017 for reference purposes only. This Agreement will not become binding upon the Parties until the Effective Date (defined in Section 1.1(i)). Regardless of cause or fault, if the Effective Date does not occur on or before 5:00 p.m. PST on the "**Outside Closing Date**" (as defined in Section 5.1 of each of the "**Purchase Agreements**" defined in Recital C, below), then this Agreement may not thereafter become effective and any prior signature or approvals of the Parties will be automatically rescinded and void ab initio. As used herein, the term "**Property**" means, collectively, the real property to be acquired by the Developer under the Purchase Agreements.

The Parties acknowledge that the City will act in roles under this Agreement. The City is a signatory and party to this Agreement and, in that role, will enjoy the same rights and obligations as any other public agency contracting party. The City will also exercise its police power authority with respect to the review, approval and enforcement of federal, state, and local laws applicable to the Project and the Project Entitlements. When exercising its police power authority, the City's rights and obligations will not be controlled by this Agreement or by contract law principles, but rather by that statutory and decisional law applicable to cities acting in a police power capacity. For clarity, this Agreement uses the term "**City of Cathedral City**" when referring to the City acting in its police power capacity.

The City, CURC, and the Developer enter into this Agreement with reference to the following recited facts (each a "**Recital**").

RECITALS

A. The City and the Developer are parties to that certain "Purchase and Sale and Escrow Instructions Agreement" dated April 26, 2017 ("**City Purchase Agreement**") by which the City has agreed to sell, and the Developer has agreed to purchase, an approximately two-acre portion of the Property. Nothing in this Agreement modifies the City Purchase Agreement in any way. If there is an inadvertent conflict or inconsistency between this Agreement and the City Purchase Agreement, the City Purchase Agreement will be controlling.

B. CURC and the Developer are parties to that certain "Purchase and Sale and Escrow Instructions Agreement" dated April 26, 2017 ("**CURC Purchase Agreement**") by which the CURC has agreed to sell, and the Developer has agreed to purchase, an approximately three-acre portion of the Property. Nothing in this Agreement modifies the CURC Purchase Agreement in

any way. If there is an inadvertent conflict or inconsistency between this Agreement and the CURC Purchase Agreement, the CURC Purchase Agreement will be controlling.

C. The City Purchase Agreement and the CURC Purchase Agreement are collectively referred to in this Agreement as the "**Purchase Agreements**." This Agreement is the "**Performance Agreement**" described in Section 5.3 of the Purchase Agreements.

D. Following its acquisition of the Property, the Developer will develop the Property as a mixed-use residential and commercial/retail project ("**Project**"). The Project is more particularly described in the scope of development ("**Scope of Development**") attached as **Exhibit B-1**. The development of the Project will proceed in one or several phases in accord with the schedule of actions and deadlines ("**Schedule of Performance**") attached as **Exhibit C**. Both the Scope of Development and the Schedule of Performance are subject to mutually-agreed revision in accord with the terms set forth in Section 3.6, below.

ARTICLE I

DEFINITIONS AND EXHIBITS LIST

Section 1.1 **Defined Terms.** In addition to the definition of certain initially capitalized words, terms or phrases set out in the initial paragraph or Recitals of this Agreement, the following words, terms and phrases as used in this Agreement have the following meanings:

(a) "**Affiliate**" means any Person, directly or indirectly, Controlling or Controlled by or under common Control with the Developer, whether by direct or indirect ownership of equity interests, by contract or otherwise.

(b) "**CEQA**" means the California Environmental Quality Act, Public Resources Code Sections 21000, et seq.

(c) "**Certificate of Occupancy**" means the final (not temporary) certificate of occupancy (or similar instrument) issued by the City of Cathedral City to permit the occupancy and use of the Project for its intended purposes.

(d) "**City Manager**" means the City Manager of the City of Cathedral City or his or her designee or successor in function.

(e) "**Claims**" means any and all claims, losses, costs, damages, expenses, liabilities, liens, actions, causes of action (whether in tort or contract, at law or in equity, or otherwise), charges, awards, assessments, fines, and penalties of any kind (including consultant and expert expenses, court costs, and reasonable attorneys' fees of counsel retained by the Seller Parties, expert fees, costs of staff time, and investigation costs, of whatever kind or nature), and judgments, including, but not limited to, Claims for: (1) injury to any person (including death at any time resulting from that injury); (2) loss of, injury or damage to, or destruction of property (including all loss of use resulting from that loss, injury, damage, or destruction) regardless of where located, including the property of the Seller Parties; (3) any workers' compensation or prevailing wage determination; and (4) all economic losses and consequential or resulting damage of any kind.

(f) "**Control**" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of equity interests, by contract or otherwise.

(g) "**Controlling**" and "**Controlled**" mean and refer to exercising or having Control.

(h) "**Developer Official Action**" means the official action of the Developer in substantially the form attached to this Agreement as **Exhibit E**, executed by all the members of the Developer.

(i) "**Effective Date**" means the first date on which: (1) the City is in receipt of four (4) counterpart originals of this Agreement executed by the authorized representative(s) of the Developer and a copy of the Developer Official Action; and (2) this Agreement has been approved by the City's and CURC's governing bodies and executed by their authorized representatives.

(j) "**Event of Default**" shall have the meaning ascribed to the term in Section 6.1.

(k) "**Executive Director**" means the Executive Director of CURC or his or her designee or successor in function.

(l) "**Full Completion Date**" means the date on which all the requirements set forth in Section 3.3(b) have been satisfied.

(m) "**Governmental Agency**" means any and all courts, boards, agencies, commissions, offices, or authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city, or otherwise), including the City of Cathedral City, whether now or later in existence with jurisdiction over the Property or the construction or installation of any portion of the Project on the Property.

(n) "**Governmental Requirements**" means all codes, statutes, ordinances, laws, permits, orders, and any rules and regulations promulgated thereunder of any Governmental Agency.

(o) "**Notice of Agreement**" means the notice in substantially the form of **Exhibit D** to this Agreement to be recorded against the Property at the "**Close of Escrow**" under the Purchase Agreements to provide constructive record notice of the existence and application of this Agreement to the Property.

(p) "**Outside Full Completion Date**" means the applicable Completion of Construction date referenced in Exhibit "C" (Schedule of Performance) of this Agreement.

(q) "**Party**" means and refers, individually, to the City, CURC, or the Developer, as applicable.

(r) "**Parties**" means and refers, collectively, to the City, CURC, and the Developer.

(s) "**Permitted Transfer**" means any of the following types of Transfers by the Developer:

(1) Any Transfer of stock or equity of the Developer that does not change management or operational Control of the Property or the Project, where the Person to which such Transfer is made expressly assumes the obligations of the Developer under this Agreement in a written instrument satisfactory to Sellers;

(2) Any Transfer of any interest in the Developer irrespective of the percentage of ownership (i) to any other owner of any interest in the Developer; or (ii) to any Affiliate, or (iii) to any other Person in which any holder of an interest (including any beneficial interest) in the Developer is a manager, officer or partner or in which any of the aforementioned is a shareholder, member or partner (including a beneficial owner), where the Person to which such Transfer is made expressly assumes the obligations of the Developer under this Agreement in a written instrument satisfactory to Sellers.

(3) Any Transfer that does not become effective until after the Full Completion Date.

(t) "**Person**" means any association, corporation, governmental entity, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization, or other entity of any kind.

(u) "**Project**" means those certain private, commercial improvements that the Developer proposes to construct on the Property, including all required or associated on-site and off-site improvements, all hardscape and all landscaping, all as specifically described in the Scope of Development, and all to be developed in accordance with plans and specifications approved by the City of Cathedral City and any conditions imposed by the City of Cathedral City in connection with its police power approval of the Project Entitlements.

(v) "**Project Entitlements**" means all governmental designations, discretionary permits, approvals, and certifications necessary for development of the Project to be issued or approved by the City of Cathedral City and any other Governmental Agency. Project Entitlements may be legislative or adjudicatory. Examples of Project Entitlements include, but are not limited to, general and community plan designations, specific plans, zoning, tentative subdivision maps, tentative parcel maps, final subdivision maps, parcel maps, environmental impact reports, initial studies and/or (mitigated) negative declarations, CEQA exemptions, use permits, variances, or NPDES permits. Project Entitlements do not include the formation or approval of districts, bonds or exactions (including, but not limited to, special assessments and special taxes) necessary to finance, directly or indirectly, the construction of public improvements or the provision of public services necessary for the Project, ministerial permits or approvals, building permits, and permits to occupy or operate after completion of construction of the Project.

(w) "**Property**" means that certain vacant real property specifically described in **Exhibit A** attached to this Agreement and incorporated into this Agreement by this reference. The Property will be conveyed to the Developer in accord with the Purchase Agreements.

(x) "**Property Transfer**" means any "change in ownership," as defined in Revenue and Taxation Code Sections 60, *et seq.*, of all or any portion of the Property.

(y) "**Record**", "**recorded**", "**recording**" **or** "**recordation**" each mean and refer to recordation of the referenced document in the official records of the Recorder of the County of Riverside, California.

(z) "**Schedule of Performance**" means the schedule for the performance of certain actions by the Developer attached as **Exhibit C**.

(aa) "**Scope of Development**" means the detailed description of the primary elements of the Project attached to this Agreement as **Exhibit B-1**.

(bb) "**Seller Parties**" means and refers, collectively, to the City, CURC, and their governing bodies, elected and appointed officials, employees, agents, contractors, representatives, insurers, and attorneys.

(cc) "**Seller Party**" means and refers, individually, to the City, CURC, and their governing bodies, elected and appointed officials, employees, agents, contractors, representatives, insurers, and attorneys.

(dd) "**Sellers**" means the City and CURC, collectively. Any right, remedy, consent, or approval required of or given to "Sellers" under this Agreement means an action, consent or approval by both the City and CURC, jointly. However, all obligations and liabilities of either CURC or the City under this Agreement are the individual and several obligations and liabilities of the Party (either CURC or the City). The City will not be liable for the breach of any obligation, duty, or representation of CURC, and CURC will not be liable for the breach of any obligation, duty, or representation by the City.

(ee) "**Transfer**" means any of the following:

(1) Any total or partial sale, assignment, conveyance, trust, power, or transfer in any other mode or form, by the Developer of more than a 49% interest in the Developer's interest in this Agreement, the Property, or the Project or a series of such sales, assignments and the like that, in the aggregate, result in a disposition of more than a 49% interest in the Developer's interest in this Agreement, the Property or the Project; or

(2) Any total or partial sale, assignment, conveyance, or transfer in any other mode or form, of or with respect to any interest in the Developer or a series of such sales, assignments and the like that, in the aggregate, result in a disposition of more than a 49% interest in any interest in the Developer; or

(3) Any merger, consolidation, sale or lease of all or substantially all of the assets of the Developer or a series of such sales, assignments and the like that, in the aggregate,

result in a disposition of more than a 49% interest of all or substantially all of the assets of the Developer; or

(4) Any Property Transfer; or

(5) The recordation of any deed of trust, mortgage, lien or similar encumbrance against all or any portion of the Property or the Project.

(ff) "**Unavoidable Delay**" means a delay by any Party in performing any obligation under this Agreement arising from or on account of any cause whatsoever beyond the Party's reasonable control, including industry-wide strikes, labor troubles or other union activities (but only to the extent such actions affect similar persons at that time and do not result from an act or omission of the Party), third party litigation, unusually severe weather, casualty, war, acts of terrorism or riots. Unavoidable Delay shall not include delay caused by a Party's financial condition, inability to obtain financing, illiquidity, or insolvency.

(gg) "**Un-Permitted Encumbrance**" means any mortgage, lien, deed of trust, easement or other encumbrance recorded or asserted against the Property, other than any lien(s) created or arising by or under this Agreement.

Section 1.2 **List of Exhibits.** The following is a list of the Exhibits attached to this Agreement. Each of the Exhibits is incorporated by this reference into the text of this Agreement.

Exhibit A	Legal Description of the Property
Exhibit B-1	Scope of Development
Exhibit B-2	Conceptual Site Plan
Exhibit C	Schedule of Performance
Exhibit D	Form of Notice of Agreement
Exhibit E	Form of Official Action of Developer

ARTICLE II

PROJECT APPROVALS

Section 2.1 **Developer to Obtain all Project Approvals.**

(a) The Developer shall obtain all Project Entitlements from each Governmental Agency prior to the applicable date for the "**Close of Escrow**" set forth in the Schedule of Performance, subject to any extensions of time authorized by this Agreement upon the occurrence of an Unavoidable Delay.

(b) The Developer shall prepare and submit a complete application and any other required application, document, fee, charge or other item (including, without limitation, deposit, fund or surety) required for the commencement of construction and completion of the Project within the time period(s) for such actions set forth in the Schedule of Performance. The City of Cathedral City's zoning, building and land use regulations (whether contained in ordinances, the City of Cathedral City's municipal code, conditions of approval or elsewhere), shall be applicable to the construction and installation of the Project on the Property. The

Developer acknowledges that all plans and specifications and any changes to plans and specifications for the Project shall be subject to all Governmental Requirements. No action by the Sellers with reference to this Agreement or any related documents shall be deemed to constitute a waiver of any required City of Cathedral City permit, approval or authorization regarding the Property, the Project, the Developer, any successor-in-interest of the Developer or any successor-in-interest to the Property.

(c) The Developer shall, within the time period for such action(s) set forth in the Schedule of Performance, "commence construction" of the Project. For purposes of this Agreement, the term "**commence construction**" means that the Developer must obtain all necessary permits and authorizations and begin the grading of the Property and the excavation of the footings for the buildings comprising the Project. The Developer must thereafter diligently prosecute the Project to completion in accord with Section 3.3.

(d) The approval of this Agreement by the Sellers shall not be binding on the City Council of Cathedral City or the City of Cathedral City Planning Commission regarding any approvals of the Project required by such bodies. The Developer obtains no right or entitlement to construct or install the Project on the Property or any portion of the Property by virtue of this Agreement. If any revisions of the Project are required by a Governmental Agency, the Developer shall promptly make any such revisions that are generally consistent with the Scope of Development.

(e) Notwithstanding any provision to the contrary in this Agreement, the Developer agrees to accept and comply fully with any and all lawful conditions of approval applicable to the Project Entitlements.

(f) The Developer and Sellers agree that Sellers will not provide any financial assistance to the Developer in connection with the construction or installation of the Project. The Developer is solely responsible for paying for the costs of all design work, construction, labor, materials, fees, permit, application, surety bond and other expenses associated with the Project. The Developer shall pay any and all fees pertaining to the review and approval of the Project by each Governmental Agency and utility service providers, including the costs of preparation of all required construction, planning and other documents reasonably required by each Governmental Agency or utility service provider pertinent to the construction or installation of the Project on the Property, including, but not limited to, specifications, drawings, plans, maps, permit applications, land use applications, zoning applications, environmental review and disclosure documents and design review documents. The Developer shall take reasonable precautions to ensure the safety and stability of surrounding properties during the construction and installation of the Project.

ARTICLE III

PROJECT DEVELOPMENT AND RELATED MATTERS

Section 3.1 **Developer Covenant to Undertake Project.** The Developer covenants to and for the exclusive benefit of Sellers that the Developer shall commence and complete the actions required for the development of the Project on the Property within the time period for such actions set forth in the Schedule of Performance. The Developer covenants and agrees for itself,

its successors and assigns that the Property shall be improved and developed with the Project, in conformity with the terms and conditions of this Agreement, the Scope of Development, the Schedule of Performance, and all Project Entitlements, except for such changes as may be mutually agreed upon in writing by and between the Developer and Sellers, and in conformity with all applicable laws, regulations, orders and conditions of each Governmental Agency.

Section 3.2 **Developer Changes to Project Plans and Specifications During Course of Construction.** The Developer shall have the right, during the course of construction of the Project, to make "minor field changes" without seeking Sellers' approval, if such changes do not affect the type of use to be conducted within all or any portion of a structure. "Minor field changes" shall be defined as those changes from the approved construction drawings, plans and specifications that have no substantial effect on the Project and are made in order to expedite the work of construction in response to field conditions. Nothing contained in this Section 3.2 shall be deemed to constitute a waiver of or change in any Governmental Requirements governing any such "minor field changes" or in any approvals by any Governmental Agency otherwise required for any such "minor field changes."

Section 3.3 **Construction Start and Full Completion Dates.**

(a) The Developer shall commence and prosecute the construction of the Project in accordance with the Schedule of Performance and shall diligently proceed to fully complete the construction of the Project in a good and workmanlike manner, in accordance with the Project Entitlements. At such time as the Developer determines that the Full Completion Date has occurred, the Developer shall send written notice of its determination to Sellers. Within fifteen (15) days after receipt of the Developer's notice, Sellers shall satisfy themselves that the Full Completion Date has occurred or, in the alternative, deliver written notice to the Developer that the Full Completion Date has not occurred, specifying the remaining category or categories of items to be completed by the Developer.

(b) On or before the Outside Full Completion Date, the Developer will cause the Full Completion Date to occur through satisfaction of all of the following requirements:

(1) Record one or more notices of completion (in accordance with California Civil Code Section 8182) covering the entirety of the Project;

(2) Cause all of the Project's final building permit inspections to be completed and approved by the City of Cathedral City's Building Department; and

(3) Obtain Certificates of Occupancy for all portions, components, and phases of the Project from the City of Cathedral City.

(c) After commencement of the work of improvement of the Project, the Developer shall not permit the work of improvement of the Project to cease or be suspended for a time period in excess of thirty (30) calendar days, either consecutively or in the aggregate, for any reason except an Unavoidable Delay.

Section 3.4 **Compliance with Laws.** All work performed in connection with the construction or installation of the Project shall comply with all Governmental Requirements.

Section 3.5 **Schedule of Performance.** All planning, construction, installation and other development obligations and responsibilities of the Developer related to the Project shall be initiated and completed within the times specified in the Schedule of Performance, subject to those extensions of time provided in Section 3.6, below.

Section 3.6 **Modification of the Scope of Development and Schedule of Performance**. The Parties acknowledge that changes to either the Scope of Development or Schedule of Performance, or both, may become necessary or desirable as the Developer processes the Project Entitlements or as specific details of the various Project elements are developed and refined. The Developer may propose modifications to the Scope of Development or Schedule of Performance to Sellers for their review. Sellers will review any proposal and will notify Developer of their approval or disapproval within ten (10) business days following their receipt of Developer's proposed modifications. Sellers' Executive Director and City Manager (as applicable) may, on behalf of CURC and City (as applicable), approve or disapprove modifications to the Scope of Development and Schedule of Performance on any reasonable basis. Without limiting the generality of the foregoing, Developer agrees that it will not be unreasonable for Sellers to disapprove any proposed modification (or series of modifications) that: (i) increases or reduces the amount of the Project's total enclosed commercial square footage by twenty percent (20%) from the amount set forth in the original Scope of Development, (ii) increases or reduces the number of residential units by twenty percent (20%) from the number set forth in the original Scope of Development, or (iii) extends the Outside Full Completion Date by more than three hundred sixty-five (365) days in the aggregate from that currently set forth in Section 1.1(p).

Section 3.7 **Developer Attendance at Project Meetings.** The Developer agrees to make available to Sellers at no cost one or more of its employees or consultants who are knowledgeable regarding this Agreement and the development of the Project, such that such person(s) can meaningfully respond to Sellers or Sellers' staff questions regarding the progress of the Project, attend meetings with Sellers' staff or meetings of Sellers' governing bodies, when requested to do so.

Section 3.8 **Project Financing**. The Developer will use commercially reasonable good faith efforts to obtain sufficient funds to acquire the Property and prosecute and complete the Project as required by this Agreement. Developer shall retain the right to involve capital partners in order to obtain sufficient funding to acquire the Property and complete the Project, subject to the limitations on unauthorized Transfers set forth in this Agreement. The Developer's inability to obtain the necessary capital and/or borrowed funds will not operate to delay or excuse the timely performance of Developer's obligations under either the Purchase Agreements or this Agreement.

ARTICLE IV

SPECIAL COVENANTS OF THE DEVELOPER

Section 4.1 **Developer Covenant to Undertake Project.** The Developer covenants to and for the exclusive benefit of Sellers that the Developer shall commence and complete the actions required for the development of the Project on the Property within the time period for such actions set forth in the Schedule of Performance. The Developer covenants and agrees for itself, its successors and assigns that the Property shall be improved and developed with the Project, in conformity with the terms and conditions of this Agreement, the Scope of Development, the Schedule of Performance, and all Project Entitlements, except for such changes as may be mutually agreed upon in writing by and between the Developer and Sellers, and in conformity with all applicable laws, regulations, orders and conditions of each Governmental Agency.

The covenants of this Section 4.1 shall run with the land of the Property following the Effective Date until the Full Completion Date.

Section 4.2 **Obligation to Refrain from Discrimination.** Developer acknowledges that the Property is subject to the provisions of California Health and Safety Code Sections 33435 and 33436 ("HSC 33435 and 33436"). The Developer covenants, for itself, its successors and assigns, heirs, executors, administrators, and all persons or entities claiming under or through them, to comply with HSC 33435 and 33436 as a successor in interest to the former owner of the Property, the Redevelopment Agency of the City of Cathedral City, with respect to future deeds, leases, and contracts pertaining to the Property.

The covenants of this Section 4.2 shall run with the land of the Property following the Effective Date in perpetuity.

Section 4.3 **Effect and Duration of Covenants.**

(a) The covenants established by Section 4.1 through Section 4.2, inclusive, shall remain in effect for the full term specified in each such covenant. All of the covenants set forth in this ARTICLE IV, inclusive, shall run with the land of the Property and shall constitute equitable servitudes thereon, and shall, without regard to technical classification and designation, be binding for the benefit and in favor of Sellers, their successors and assigns.

(b) Sellers are deemed the beneficiaries of the terms and provisions of this Agreement and of the covenants running with the land for and in their own rights and for the purposes of protecting the interests of the community. Sellers shall have the right, if such covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or such other proper proceedings to enforce the curing of such breaches to which it or any other beneficiary of such covenants may be entitled, including, without limitation, to specific performance, damages and injunctive relief. CURC shall have the absolute right to assign all of its rights and benefits of this Agreement to the City of Cathedral City.

(c) The covenants of this ARTICLE IV shall run with the land of the Property and bind successive owners of the Property.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE PARTIES

Section 5.1 **Representations and Warranties of City.** City makes each of the representations and warranties set forth in this Section 5.1 based only on City's actual current knowledge as of the date of this Agreement. As used herein, the phrase "**to City's actual current knowledge**" shall mean to the present, personal, subjective knowledge of the officers, employees, representatives and/or agents of City that carry out the terms of this Agreement, with no investigation or inquiry and no duty or obligation to investigate or inquire, and shall exclude any matters disclosed as a result of Developer's investigations under the Purchase Agreements.

(a) The City is statutorily authorized as the "successor housing agency" to the former Redevelopment Agency of the City of Cathedral City in accordance with Health and Safety Code Section 34176. The City has the legal power, right and authority to enter into this Agreement and to execute the instruments and documents referenced herein, and to consummate the transactions contemplated hereby.

(b) The persons executing any instruments for or on behalf of the City have been authorized to act on behalf of the City and this Agreement is valid and enforceable against the City in accordance with its terms and each instrument to be executed by the City pursuant hereto or in connection therewith will, when executed, shall be valid and enforceable against the City in accordance with its terms. No approval, consent, order or authorization of, or designation or declaration of any other party is required in connection with the valid execution and delivery of and compliance with this Agreement by the City.

(c) The City has taken all requisite action and obtained all requisite consents for agreements or matters to which the City is a party in connection with entering into this Agreement and the instruments and documents referenced herein and in connection with the consummation of the transactions contemplated hereby.

(d) The entering into and performance by the City of the transactions contemplated by this Agreement will not violate or breach any agreement, covenant or obligation binding on the City.

(e) There are no suits, administrative proceedings or governmental actions or investigations pending or threatened against or affecting the City or the Property that would prevent the City from meeting any of its obligations under this Agreement.

(f) The City shall notify the Developer within twenty (20) days of becoming aware of any facts or circumstances which are contrary to the representations and warranties contained in this Section 5.1. In the event such facts or circumstances are materially adverse to the Developer's completion of the transaction contemplated by this Agreement, following notice to the City and a reasonable opportunity to cure, in no event less than thirty (30) days, the Developer shall have the right to terminate this Agreement. The City agrees to indemnify, protect, defend (with legal counsel reasonably acceptable to the Developer) and hold the Developer and its employees, partners, directors, officers, affiliates, agents and representatives harmless from and against any and all third party losses, claims, demands, damages, costs and expenses of whatever

nature relating to or arising out of a breach of the City's representations and warranties set forth in this Agreement, including, without limitation, reasonable attorneys' fees and costs incurred in connection therewith or to enforce this indemnity agreement.

Section 5.2 **Representations and Warranties of CURC.** CURC makes each of the representations and warranties set forth in this Section 5.2 based only on CURC's actual current knowledge as of the date of this Agreement. As used herein, the phrase "**to CURC's actual current knowledge**" shall mean to the present, personal, subjective knowledge of the officers, employees, representatives and/or agents of CURC that carry out the terms of this Agreement, with no investigation or inquiry and no duty or obligation to investigate or inquire, and shall exclude any matters disclosed as a result of Developer's investigations under the Purchase Agreements.

(a) CURC is a duly formed California non-profit corporation. CURC has the legal power, right and authority to enter into this Agreement and to execute the instruments and documents referenced herein, and to consummate the transactions contemplated hereby.

(b) The persons executing any instruments for or on behalf of CURC have been authorized to act on behalf of CURC and this Agreement is valid and enforceable against CURC in accordance with its terms and each instrument to be executed by CURC pursuant hereto or in connection therewith will, when executed, shall be valid and enforceable against CURC in accordance with its terms. No approval, consent, order or authorization of, or designation or declaration of any other party is required in connection with the valid execution and delivery of and compliance with this Agreement by CURC.

(c) CURC has taken all requisite action and obtained all requisite consents for agreements or matters to which CURC is a party in connection with entering into this Agreement and the instruments and documents referenced herein and in connection with the consummation of the transactions contemplated hereby.

(d) The entering into and performance by CURC of the transactions contemplated by this Agreement will not violate or breach any agreement, covenant or obligation binding on CURC.

(e) There are no suits, administrative proceedings or governmental actions or investigations pending or threatened against or affecting CURC or the Property that would prevent CURC from meeting any of its obligations under this Agreement.

CURC shall notify the Developer within twenty (20) days of becoming aware of any facts or circumstances which are contrary to the representations and warranties contained in this Section 5.2. In the event such facts or circumstances are materially adverse to the Developer's completion of the transaction contemplated by this Agreement, following notice to CURC and a reasonable opportunity to cure, in no event less than thirty (30) days, the Developer shall have the right to terminate this Agreement. CURC agrees to indemnify, protect, defend (with legal counsel reasonably acceptable to the Developer) and hold the Developer and its employees, partners, directors, officers, affiliates, agents and representatives harmless from and against any and all third party losses, claims, demands, damages, costs and expenses of whatever nature relating to or

arising out of a breach of CURC's representations and warranties set forth in this Agreement, including without limitation reasonable attorneys' fees and costs incurred in connection therewith or to enforce this indemnity agreement.

Section 5.3 **Representations and Warranties of the Developer.** Developer makes each of the representations and warranties set forth in this Section 5.3 based only on Developer's actual current knowledge as of the date of this Agreement. As used herein, the phrase "**to Developer's actual current knowledge**" shall mean to the present, personal, subjective knowledge of the officers, employees, representatives and/or agents of Developer that carry out the terms of this Agreement, with no investigation or inquiry and no duty or obligation to investigate or inquire.

(a) The Developer is a duly formed California limited liability company, lawfully entitled to do business in the State of California and the City. The Developer has the legal right, power and authority to enter into this Agreement and the instruments and documents referenced herein and to consummate the transactions contemplated hereby. The persons executing this Agreement and the instruments referenced herein on behalf of the Developer have the power, right and authority to bind the Developer.

(b) The Developer has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the transactions contemplated hereby.

(c) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument or other obligation to which the Developer is a party or by which the Developer may be bound, or under law, statute, ordinance, rule, governmental regulation or any writ, injunction, order of any court or governmental body applicable to the Developer or to the Property, including, without implied limitation, the contractor licensing requirements of the California Business and Professions Code.

(d) The persons executing any instruments for or on behalf of the Developer have been authorized to act on behalf of the Developer and this Agreement is valid and enforceable against the Developer in accordance with its terms and each instrument to be executed by the Developer pursuant hereto or in connection therewith will, when executed, shall be valid and enforceable against the Developer in accordance with its terms. No approval, consent, order or authorization of, or designation or declaration of any other party is required in connection with the valid execution and delivery of and compliance with this Agreement by the Developer.

(e) The Developer possesses sufficient experience and ability to develop and operate the Project.

(f) The Developer shall notify Sellers within twenty (20) days of becoming aware of any facts or circumstances which are contrary to the representations and warranties contained in this Section 5.3. In the event such facts or circumstances are materially adverse to the transaction contemplated by this Agreement, following notice to the Developer and a reasonable opportunity to cure, in no event less than thirty (30) days, Sellers shall have the right

to terminate this Agreement. The Developer agrees to indemnify, protect, defend (with legal counsel reasonably acceptable to Sellers) and hold the Seller Parties harmless from and against any and all losses, claims, demands, damages, costs and expenses of whatever nature relating to or arising out of a breach of the Developer's representations and warranties set forth in this Agreement, including without limitation reasonable attorneys' fees and costs incurred in connection therewith or to enforce this Agreement.

ARTICLE VI

DEFAULTS, REMEDIES AND TERMINATION

Section 6.1 **Defaults - General.**

(a) Subject to any extensions of time provided for in this Agreement, including for Unavoidable Delays, failure or delay by any Party to perform any term or provision of this Agreement shall constitute a default under this Agreement ("**Event of Default**"); provided, however, that if a Party otherwise in default commences to cure, correct or remedy such default, within thirty (30) calendar days after receipt of written notice from a non-defaulting Party specifying such default, and shall diligently and continuously prosecute such cure, correction or remedy to completion, such Party shall not be deemed to be in default under this Agreement; provided, however, that where any other time limit for the completion of such cure, correction or remedy is specifically set forth in this Agreement, then the cure must be completed solely within such specified time limit, which shall be instead of and not in addition to the time period otherwise provided in this Section 6.1.

(b) The non-defaulting Party shall give written notice of default to the Party in default, specifying the default complained of by the non-defaulting Party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

(c) Any failure or delays by any Party in asserting any of its rights and/or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by any Party in asserting any of its rights and/or remedies shall not deprive that Party of its right to institute and maintain any action or proceeding that such Party may deem necessary to protect, assert or enforce any such rights or remedies.

Section 6.2 **Events of Default.** In addition to other acts or omissions of the Developer that may legally or equitably constitute a default or breach of this Agreement, the occurrence of any of the following specific events prior to the Full Completion Date shall constitute an "**Event of Default**" under this Agreement and shall not be subject to the notice and opportunity to cure provisions of Section 6.1:

(a) Any default by the Developer of any of the non-monetary covenants or conditions of this Agreement that is not cured to Sellers' reasonable satisfaction within thirty (30) days following written notice of the default to the Developer from Sellers or the expiration of another applicable shorter cure period specifically set forth in this Agreement.

(b) Any failure of the Developer to satisfy or comply with any of the Developer's covenants or agreements set forth in ARTICLE V.

(c) Any representation, warranty or disclosure made to Sellers by the Developer regarding this Agreement or the Project is materially false or misleading.

(d) The Developer fails to make any payment or deposit of funds or provide any bond or other security required under this Agreement or to pay any other charge set forth in this Agreement following seven (7) days' written notice of such failure to the Developer from Sellers.

(e) Any material deviation in the work of construction or installation of the Project from the approved Scope of Development or Project Entitlements without the prior written approval of Sellers.

(f) The appearance of substantially defective workmanship or defective materials (i.e., below generally-accepted industry standards or constituting a violation of any law or regulation) if such defects are not substantially corrected within thirty (30) days after the Developer's receipt of written notice of such defective workmanship or materials from Sellers.

(g) The construction or installation of the Project is delayed or suspended for a period in excess of that permitted under Section 3.2; or the development of the Project does not proceed with due diligence, pursuant to the Schedule of Performance, subject to the occurrence of an Unavoidable Delay; or the Full Completion Date does not occur on or before the Outside Full Completion Date.

(h) There occurs any event of dissolution, reorganization or termination of the Developer that adversely and materially affects the operation or value of the Property or the Project, and such event is not corrected within five (5) days following written notice of such event to the Developer from Sellers.

(i) The occurrence of a Transfer (other than a Permitted Transfer), whether voluntarily or involuntarily or by operation of law, in violation of the terms and conditions of this Agreement.

(j) The Developer becomes insolvent or a receiver is appointed to conduct the affairs of the Developer under state or federal law;

(k) The Developer's legal status as a California limited liability company authorized by the Secretary of State of the State of California to transact business in California is suspended or terminated.

Section 6.3 **Legal Actions.**

(a) Any Party may institute a legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy available to that Party under this Agreement or at law or in equity. Such legal actions must be instituted in the Superior Court of the State of California in and for the County of Riverside, California, in any other appropriate court within the County of Riverside, California, or in the United States District Court for the Central District of California.

(b) The procedural and substantive laws of the State of California shall govern the interpretation and enforcement of this Agreement, without regard to such laws' conflicts of laws principles. The Parties acknowledge and agree that this Agreement is entered into, is to be fully performed in and relates to real property located in the City of Cathedral City, County of Riverside, California.

Section 6.4 **Rights and Remedies are Cumulative.** Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties set forth in this Agreement are cumulative and the exercise by any 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 another Party.

Section 6.5 **Developer Indemnification of Sellers.**

(a) Indemnity. In addition to any other specific indemnification or defense obligations of the Developer set forth in this Agreement and to the fullest extent permitted by law, the Developer agrees to indemnify, defend (upon written request by Sellers and with counsel reasonably acceptable to Sellers) and hold harmless each and all of the Seller Parties from and against all Claims that are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part by:

(1) Any act, omission, fault or negligence, whether active or passive, of the Developer or the Developer's officers, agents, employees, independent contractors or subcontractors of any tier, relating in any manner to this Agreement or any work to be performed by any such person related to this Agreement, the Property, or the Project; or

(2) Any authority or obligation exercised or undertaken by the Developer under or pursuant to this Agreement; or

(3) Any breach or default in performance of any obligation of the Developer under this Agreement.

(b) Strict Liability. The indemnification obligation of the Developer shall apply regardless of whether liability without fault or strict liability is imposed or sought to be imposed on one or more of the Seller Parties. The indemnification obligations of the Developer shall not apply to the extent that a final judgment of a court of competent jurisdiction establishes that a Claim against a Seller Party was proximately caused by the negligence or willful misconduct of the Seller Party. In such event, however, the Developer's indemnification obligations to all other Seller Parties shall be unaffected.

(c) Independent of Insurance Obligations. The Developer's indemnification obligations pursuant to this Section 6.5 shall not be construed or interpreted as in any way restricting, limiting, or modifying the Developer's insurance or other obligations under this Agreement and is independent of the Developer's insurance and other obligations under this Agreement. The Developer's compliance with its insurance obligations and other obligations under this Agreement shall not in any way restrict, limit, or modify the Developer's indemnification obligations under this Agreement.

(d) Attorney Fees. The Seller Parties shall be entitled to recover their reasonable attorney fees and actual costs incurred in enforcing the Developer's indemnification obligations pursuant to this Section 6.5.

(e) Survival of Indemnification and Defense Obligations. The Developer's indemnification and defense obligations pursuant to this Section 6.5 shall survive the expiration or earlier termination of this Agreement, until all Claims against any of the Seller Parties involving any of the indemnified matters are fully, finally, and absolutely and completely barred by the applicable statute of limitations.

(f) Independent Duty to Defend. The Developer's duty to defend the Seller Parties is separate and independent of the Developer's duty to indemnify the Seller Parties. The duty to defend includes Claims for which the Seller Parties may be liable without fault or strictly liable. The duty to defend applies regardless of whether the issues of negligence, liability, fault, default, or other obligation on the part of the Developer or the Seller Parties have been determined. The duty to defend applies immediately, regardless of whether the Seller Parties have paid any sums or incurred any detriment arising out of or relating (directly or indirectly) to any Claims. It is the express intention of the Developer and Sellers that the Seller Parties be entitled to obtain summary adjudication or summary judgment regarding the Developer's duty to defend the Seller Parties at any stage of any Claim or suit within the scope of this Section 6.5.

Section 6.6 **Developer Covenant to Defend this Agreement.** The Developer acknowledges that the City is a "public entity" and/or a "public agency" as defined under applicable California law. Therefore, the City must satisfy the requirements of certain California statutes relating to the actions of public entities, including, without limitation, CEQA. Also, as a public body, the City's action in approving this Agreement may be subject to proceedings to invalidate this Agreement or mandamus. The Developer assumes the risk of delays and damages that may result to the Developer from any third-party legal actions related to Sellers' approval of this Agreement or the pursuit of the activities contemplated by this Agreement, even in the event that an error, omission or abuse of discretion by Sellers is determined to have occurred. If a third-party files a legal action regarding Sellers' approval of this Agreement or the pursuit of the activities contemplated by this Agreement, Sellers may terminate this Agreement on thirty (30) days advance written notice to the Developer of Sellers' intent to terminate this Agreement, referencing this Section 6.6, without any further obligation by Sellers to perform the terms of this Agreement and without any liability to the Developer resulting from such termination, unless the Developer unconditionally agrees to indemnify and defend Sellers, with legal counsel acceptable to Sellers, against such third-party legal action, within thirty (30) calendar days following receipt of Sellers' notice of intent to terminate this Agreement, including without limitation paying all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. Any such agreement between Sellers and the Developer must be in a separate writing and reasonably acceptable to Sellers in both form and substance. Nothing contained in this Section 6.6 shall be deemed or construed to be an express or implied admission that Sellers may be liable to the Developer or any other person for damages or other relief alleged from any alleged or established failure of Sellers to comply with any statute, including, without limitation, CEQA.

Section 6.7 **Insurance.** The Developer, to protect the Seller Parties against any and all claims and liability for death, injury, loss and damage resulting from the Developer's actions in connection with this Agreement, the Property and the Project, shall secure and maintain the insurance coverage required by this Section 6.7, without limiting any insurance coverage required to be obtained or maintained by the Developer pursuant to any other document associated with this Agreement. The Developer's obligations under this Section 6.7 will commence on the Close of Escrow under the Purchase Agreements and continue until the Full Completion Date, subject to the provisions of Section 6.7(d).

(a) Commercial General Liability Insurance. Commercial General Liability Insurance coverage, including, but not limited to, premises-operations, contractual liability (specifically covering all indemnity and defense obligations of the Developer pursuant to this Agreement), products-completed operations hazards, personal injury (including bodily injury and death), and broad form property damage for liability arising out of the construction and installation of the Project and/or the Developer's operation of the Property and/or the Project. The commercial general liability insurance coverage shall have minimum limits for bodily injury and property damage liability of TWO MILLION DOLLARS ($2,000,000) each occurrence and/or FOUR MILLION DOLLARS ($4,000,000) aggregate.

(b) Contractors' General Liabilities Insurance. At all times during the construction or the installation of the Project, the Developer shall require that each contractor and sub-contractor performing work on the Project maintain Commercial General Liability Insurance coverage with limits of not less than ONE MILLION DOLLARS ($1,000,000) per occurrence and ONE MILLION DOLLARS ($1,000,000) aggregate to protect the Developer during the construction and installation of the Project from claims involving bodily injury and/or death and damage to the property of others.

(c) Endorsements. The Commercial General Liability Insurance coverages required in Section 6.7(a) and Section 6.7(b) shall include an endorsement naming the Seller Parties as additional insured for liability arising out of or relating to this Agreement or the construction or installation of the Project.

(d) Extended Reporting Period. If any of the insurance coverages required under this Agreement are written on a claims-made basis, such insurance policy shall provide an extended reporting period continuing through the fifth (5th) anniversary of the Full Completion Date. The requirements of this subparagraph (d) shall survive any expiration or termination of this Agreement.

(e) General Requirements. All of the insurance coverage required under this Section 6.7 shall be maintained by the Developer or its contractors and shall not be reduced, modified, or canceled without, at least, thirty (30) calendar days prior written notice to Sellers. Also, phrases such as "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of any certificates of insurance or any coverage for the Seller Parties. The Developer shall immediately obtain replacement coverage for any insurance policy that is terminated, canceled, non-renewed, or whose policy limits are exhausted or upon insolvency of the insurer that issued the policy. All insurance to be obtained and maintained by the Developer and other Persons referenced under this

Section 6.7 shall be issued by a company or companies listed in the then current "Best's Key Rating Guide" publication with a minimum of an "A:VII" rating and be admitted to conduct business in the State of California by the State of California Department of Insurance. The Developer shall cause each of the carriers issuing any insurance policy obtained or maintained in satisfaction of the insurance requirements of this Agreement to waive any right of subrogation that such carrier may have or acquire in the future against any or all of the Seller Parties in a form acceptable to Sellers.

(f) Delivery of Certificate, Policy, and Endorsements. Within five (5) business days following the Close of Escrow under the Purchase Agreements, the Developer shall deliver to Sellers all endorsements required by this Section 6.7 and original certificates of insurance for each insurance policy required to be obtained and maintained by the Developer under this Section 6.7, executed by an authorized agent of the insurer or insurers, evidencing compliance with the liability insurance requirements of this Agreement. All policies of insurance and endorsements required under this Section 6.7 are subject to Sellers' review and reasonable approval. Additionally, if Developer elects or is required to obtain additional policies of insurance by any lender or other party, Developer will cause those policies to be endorsed to name the Seller Parties as additional insureds in accord with this Section 6.7.

(g) Insurance Independent of Indemnification. The insurance requirements set forth in this Section 6.7 are independent of the Developer's indemnification and other obligations under this Agreement and shall not be construed or interpreted in any way to satisfy, restrict, limit, or modify the Developer's indemnification or other obligations or to limit the Developer's liability under this Agreement, whether within, outside, or in excess of such coverage, and regardless of solvency or insolvency of the insurer that issues the coverage; nor shall the provision of such insurance preclude Sellers from taking such other actions as are available to it under any other provision of this Agreement or otherwise at law or in equity.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 **Incorporation of Recitals.** The Recitals of fact set forth preceding this Agreement are true and correct and are incorporated into this Agreement in their entirety by this reference.

Section 7.2 **Parties to the Agreement.** The Parties to this Agreement are the City, CURC, and the Developer. The City of Cathedral City in its general police power capacity is not a Party to this Agreement, although it is an intended third party beneficiary of the covenants set forth in ARTICLE IV and of any other covenant or provision which expressly provides that the City of Cathedral City is benefitted thereby.

Section 7.3 **Restrictions on Change in Management or Control of the Developer and Assignment or Transfer.**

(a) The Developer acknowledges that the qualifications and identity of the Developer are of particular importance to Sellers. The Developer further recognizes and acknowledges that Sellers have relied and are relying on the specific qualifications and identity of the Developer in entering into this Agreement with the Developer and, as a consequence, Transfers are permitted only as expressly provided in this Agreement.

(b) The Developer shall promptly notify Sellers in writing of any and all changes whatsoever in the identity of the business entities or individuals either comprising or in Control of the Developer, as well as any and all changes in the interest or the degree of Control of the Developer by any such person, of which information the Developer or any of its partners, members, shareholders or officers are notified or may otherwise have knowledge or information. This Agreement may be terminated by Sellers or Sellers may exercise any other remedy available to Sellers under the terms of this Agreement, if, prior to the Full Completion Date, there is any Transfer, whether voluntary or involuntary (other than such changes occasioned by the death or incapacity of any individual) that has not been approved in writing by Sellers prior to the time of such Transfer; provided, however, that (i) Sellers shall first notify the Developer in writing of its intention to terminate this Agreement or to exercise any other remedy, and (ii) the Developer shall have twenty (20) calendar days following its receipt of such written notice to completely cure such default and submit evidence of the satisfactory completion of such cure to Sellers, in a form and substance reasonably satisfactory to Sellers.

(c) Except as permitted in this Section 7.3, prior to the Full Completion Date, the Developer shall not cause or allow any Transfer other than a Permitted Transfer without the prior written approval of Sellers. The Developer recognizes that the qualifications and identity of the Developer are of particular concern to Sellers and that a Transfer is for all practical purposes a transfer or disposition of the responsibilities of the Developer with respect to this Agreement, the Property and/or the Project and, therefore, Transfers are only allowed in accordance with the provisions of this Section 7.3 or as Permitted Transfers.

(d) Except as expressly permitted in this Agreement, the Developer represents to Sellers that it has not made, and agrees that it will not create or suffer to be made or created, any Transfer other than a Permitted Transfer voluntarily, involuntarily or by operation of law, without the prior written approval of Sellers, until after the Full Completion Date. Any Transfer made in contravention of this Section 7.3 shall be voidable at the election of Sellers and, if voided, shall be deemed to be an Event of Default by the Developer, whether or not the Developer knew of or participated in such Transfer.

(e) Sellers may, in its sole and absolute discretion, approve in writing any other Transfer requested by the Developer, provided the proposed transferee can satisfactorily demonstrate successful experience in the development, ownership, operation, and management of a development of the same type as the Project and expressly assumes in writing all of the obligations of the Developer under this Agreement. All instruments and other legal documents proposed to effect any proposed Transfer (including a Permitted Transfer) shall be submitted to Sellers for review no less than thirty (30) calendar days prior to the Transfer and Sellers' written

approval or disapproval shall be provided to the Developer within thirty (30) calendar days following Sellers' receipt of the Developer's request.

Section 7.4 **Notices, Demands and Communications Between the Parties.**

(a) Any and all notices, demands or communications submitted by any Party to another Party pursuant to or as required by this Agreement shall be proper and effective only if in writing and transmitted to the principal office of the City, CURC, or the Developer (as applicable) as designated in Section 7.4(b) by one or more of the following methods: (i) messenger for immediate personal delivery, (ii) a nationally recognized overnight delivery service or (iii) registered or certified United States Mail, postage prepaid, return receipt requested. Such written notices, demands or communications may be sent in the same manner to such other addresses as any Party may from time to time designate. Any such notice, demand or communication shall be deemed to be received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that it is delivered by personal delivery, on the date of delivery by a nationally recognized overnight courier service or three (3) calendar days after it is placed in the United States Mail, as provided in this Section 7.4. Rejection, other refusal to accept or the inability to deliver a notice, demand or communication because of a changed address of which no notice was given, shall be deemed receipt of the notice, demand or communication.

(b) The following are the authorized addresses for the submission of notices, demands or communications to the Parties:

To the Developer:	Cathedral Canyon Development LLC Attn: Eric Keillor 2429 W. Coast Highway, Suite 210 Newport Beach, CA 92663
With courtesy copy to:	Imhoof Law Attn: Steven B. Imhoof 175 S. Harwood Street Orange, CA 92866
To the City:	City of Cathedral City Attn: City Manager 68-700 Avenida Lalo Guerrero Cathedral City, CA 92234
With courtesy copy to:	Burke, Williams & Sorensen, LLP Attn: Eric S. Vail 1600 Iowa Avenue, Suite 250 Riverside, CA 92507-7426

To CURC:	City Urban Revitalization Corporation Attn: Executive Director 68-700 Avenida Lalo Guerrero Cathedral City, CA 92234
With courtesy copy to:	Gresham Savage Nolan & Tilden, PC Attn: Kevin K. Randolph 550 E. Hospitality Lane, Suite 300 San Bernardino, CA 92408

Section 7.5 **Conflict of Interest.** No member, official or employee of Sellers having any conflict of interest, direct or indirect, related to this Agreement, the Property or the development or operation of the Project shall participate in any decision relating to this Agreement. The Parties represent and warrant that they do not have knowledge of any such conflict of interest.

Section 7.6 **Warranty Against Payment of Consideration for Agreement.** The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement. Third parties, for the purposes of this Section 7.6, shall not include persons to whom fees are paid for professional services, if rendered by attorneys, financial consultants, accountants, engineers, architects and the like when such fees are considered necessary by the Developer.

Section 7.7 **Non-Liability of Sellers' Officials and Employees.** No Seller Party shall be personally liable to the Developer, or any successor in interest of the Developer, in the event of any default or breach by Sellers under this Agreement or for any amount that may become due to the Developer or to its successor, or on any obligations under the terms or conditions of this Agreement, except as may arise from the gross negligence or willful acts of such Seller Party.

Section 7.8 **Calculation of Time Periods.** Unless otherwise specified, all references to time periods in this Agreement measured in days shall be to calendar days, all references to time periods in this Agreement measured in months shall be to consecutive calendar months and all references to time periods in this Agreement measured in years shall be to consecutive calendar years. Any reference to business days in this Agreement shall mean and refer to business days of the City.

Section 7.9 **Sellers Attorneys' Fees and Costs.** For the purposes of this Agreement, all references to reasonable attorneys' fees and costs in reference to the Seller Parties are intended to include, but not be limited to, the salaries, benefits and costs of those outside attorneys and law firms retained by Sellers as City Attorney or as general or special counsel (as applicable).

Section 7.10 **Unavoidable Delay; Extension of Time of Performance.** Performance by any Party under this Agreement shall not be considered to be in default if the default is due to an Unavoidable Delay. Any Party claiming an Unavoidable Delay must notify the other Parties in writing: (a) within ten (10) days after such Party knows of any such Unavoidable Delay; and (b) within five (5) days after such Unavoidable Delay ceases to exist. To be effective, any notice of an Unavoidable Delay must describe the Unavoidable Delay in reasonable detail. The extension of time for an Unavoidable Delay shall commence on the date of receipt of written notice of the

occurrence of the Unavoidable Delay by the Parties not claiming the Unavoidable Delay and shall continue until the end of the condition causing the Unavoidable Delay. The Party claiming an Unavoidable Delay shall exercise its best efforts to cure the condition causing the Unavoidable Delay within a reasonable time. Each Party expressly agrees that adverse changes in any Party's economic conditions or in the general economy, changes in market conditions or demand, a Party's inability to obtain financing, or changes affecting the economic assumptions of any Party that may have provided a basis for entering into this Agreement shall not constitute an Unavoidable Delay or otherwise delay, discharge or excuse a Party's obligations under this Agreement. All Parties expressly assume the risk of adverse financial, economic or market changes, whether or not foreseeable.

Section 7.11 **Real Estate Commissions.** With respect to transactions involving the sale, lease or other disposition of all or any portion of the Project or Property occurring after the Close of Escrow under the Purchase Agreements, Sellers shall not be liable for any real estate commissions, brokerage fees or finder fees that may arise from or be related to the Property, the Project, or this Agreement and the Developer shall pay (or be responsible for ensuring the payment of) all such fees and commissions.

Section 7.12 **Binding on Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors and assigns.

Section 7.13 **Attorneys' Fees.** If any Party hereto files any action or brings any action or proceeding against any other Party arising out of this Agreement, or is made a party to any action or proceeding brought by a third party, then as between the Developer and Sellers, the prevailing Party shall be entitled to recover as an element of its costs of suit, and not as damages, its costs of suit, expert fees, consultant costs, and reasonable attorneys' fees as fixed by the court in such action or proceeding or in a separate action or proceeding brought to recover such fees and costs.

Section 7.14 **Entire Agreement.**

(a) This Agreement shall be executed in four (4) counterpart originals, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Agreement includes twenty-six (26) pages and six (6) exhibits, which constitute the entire understanding and agreement of the Parties regarding the Property, the Project and the other subjects addressed in this Agreement.

(b) This Agreement integrates all of the terms and conditions mentioned in this Agreement or incidental to this Agreement and supersedes all oral or written negotiations or previous agreements between the Parties with respect to the Property, the Project and the other subjects addressed in this Agreement.

(c) None of the terms, covenants, restrictions, agreements or conditions set forth in this Agreement shall be deemed to be merged with any deed conveying title to the Property and this Agreement shall continue in full force and effect before and after any such conveyances.

(d) All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representative(s) of all Parties.

Section 7.15 **Survival of Indemnity Obligations.** All general and specific indemnity and defense obligations of the Parties set forth in this Agreement shall survive the expiration or termination of this Agreement and the issuance and recordation of the Certificate of Completion.

Section 7.16 **No Effect on Eminent Domain Authority.** No term or provision of this Agreement or of any agreement described or referenced in this Agreement shall operate to diminish, preclude, condition or otherwise affect in any manner the City of Cathedral City's power of eminent domain.

[Signatures follow on next pages]

SIGNATURE PAGE
TO
CATHEDRAL CANYON PERFORMANCE AGREEMENT

IN WITNESS WHEREOF, the City, CURC, and the Developer have executed this Cathedral Canyon Performance Agreement by and through the signatures of their duly authorized representative(s) set forth below:

CITY

CITY OF CATHEDRAL CITY, a California charter city and municipal corporation, exercising its responsibilities for affordable housing assumed from the former Redevelopment Agency for the City of Cathedral City

By:_____
Name: Charles P. McClendon
Its: City Manager
Dated:_____

APPROVED AS TO LEGAL FORM:

By:_____
Eric S. Vail, City Attorney
Dated:_____

ATTEST:

By:_____
Tracey Martinez, City Clerk
Dated:_____

[Signatures follow on next page]

SIGNATURE PAGE
TO
CATHEDRAL CANYON PERFORMANCE AGREEMENT (Cont.)

CURC

CITY URBAN REVITALIZATION CORPORATION, a California nonprofit corporation

By:_____
Charles P. McClendon
Executive Director
Dated:_____

APPROVED TO AS TO LEGAL FORM:

GRESHAM SAVAGE NOLAN & TILDEN, a professional corporation

By:_____
Kevin K. Randolph
Dated:_____

DEVELOPER

CATHEDRAL CANYON DEVELOPMENT LLC, a California limited liability company

By:_____
Eric Keillor
Managing Member
Dated:_____

By:_____
Peter Derbonne
Managing Member
Dated:_____

EXHIBIT A
Legal Description of the Property

All that certain real property located in the City of Cathedral City, County of Riverside, State of California, as more particularly described as follows:

Lot 1: 7 Parcels (approximately 53,459 square feet)
APNs: 687-212-001 through 005, 019, 026

Lot 2: 2 Parcels (approximately 34,194 square feet)
APNs: 687-199-001 and 002

Lot 3: 7 Parcels (approximately 47,906 square feet)
APNs: 687-212-009 through 011 and 021 through 024

Lots 127 through 131, inclusive, together with Lots 142 through 147, inclusive of Cathedral City, as per map filed in Book 13, at Pages 24 through 26, inclusive, of Maps, Records of said Riverside County.

Together with any underlying fee interest in that portion of Grove Street, shown as Lot "II" on said map, abutting said lots.

Containing 1.722 acres gross, or 1.998 acres gross including the abutting portion of Grove Street.

(Assessor Parcels 687-196-001 through 006, and 687-198-001 through 006)

End of Legal Description

EXHIBIT B-1
Scope of Development

The Project shall consist of the following minimum elements:

Subject to possible future revisions as described in Section 3.6 of the Performance Agreement, the Project shall consist of a mixed-use development of 7,000 to 11,000 SF of commercial (retail or restaurant) space and 120 to 160 residential units.

EXHIBIT B-2
Conceptual Site Plan

[Attached behind this cover page]

CONCEPTUAL SITE PLAN

CATHEDRAL CITY

CATHEDRAL CITY, CA

IMG CONSTRUCTION MANAGEMENT

JZMK PARTNERS

17027 2017-07-24

EXHIBIT C
Schedule of Performance

COMPLETION DATES	MILESTONE	CROSS-REFERENCE TO PURCHASE & SALE AGREEMENTS
Monday, October 25, 2017	Deadline for Execution of Performance Agreement *[PSA Sections 5.3]*	Within 90 days following the expiration of the Due Diligence Period.
Tuesday, March 20, 2018	Deadline to extend March 30, 2018 Closing Date if desired by Buyer (with additional required deposit). *[PSA Section 5.1]*	Extension Notice to be delivered (with additional deposit) no later than 10 days before Closing Date.
*Friday, March 23, 2018	Delivery of Closing Statement. *[PSA Section 6.4]*	Not less than 5 calendar days prior to Close of Escrow.
*Tuesday, March 27, 2018	Seller delivers Grant Deed & additional documents to Escrow Agent. *[PSA Sections 5.5 & 6.5]*	Not less than 3 days prior to Close of Escrow.
*Tuesday, March 27, 2018	Buyer delivers balance of Purchase Price, additional funds and documents to Escrow Agent. *[PSA Sections 5.6 & 6.5]*	Not less than 3 days prior to Close of Escrow.
*Friday, March 30, 2018	Close of Escrow. *[PSA Section 5.1]*	March 30, 2018 (assuming Developer **does not** extend Close of Escrow 6 months with increased Deposit).
Monday, October 1, 2018	Close of Escrow *[PSA Section 5.1]*	October 1, 2018 (assuming Developer **does** extend Close of Escrow 6 months with increased Deposit).
Wednesday, January 2, 2019	Commencement of Construction	Within nine (9) months following the Close of Escrow, but no later than January 2, 2019 (assuming

	[Performance Agreement Section 2.1(d)]	Developer **does not** extend Close of Escrow 6 months with increased Deposit).
Monday, July 1, 2019	Commencement of Construction *[Performance Agreement Section 2.1(d)]*	Within nine (9) months following the Close of Escrow, but no later than July 1, 2019 (assuming Developer **does** extend Close of Escrow 6 months with increased Deposit).
*Monday, March 30, 2020	Completion of Construction. *[Performance Agreement Section 3.3]*	Within 24 months of Close of Escrow (assuming Developer **does not** extend Close of Escrow 6 months with increased Deposit).
*Wednesday, September 30, 2020	Completion of Construction. *[Performance Agreement Section 3.3]*	Within 24 months of Close of Escrow (assuming (Developer **does** extend Close of Escrow 6 months with increased Deposit).

* Subject to six-month extension if Developer exercises its extension rights under Section 5.1 of the Purchase Agreement.

EXHIBIT D
Form of Notice of Agreement

[Attached behind this cover page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Cathedral City
Attn: City Manager
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234

(Space Above Line For Use By Recorder)

[Recordation of this Document Is Exempt From Fees Payable to the Recorder Under Government Code Section 27383]

NOTICE OF AGREEMENT

CATHEDRAL CANYON PERFORMANCE AGREEMENT

TO ALL INTERESTED PERSONS PLEASE TAKE NOTICE that as of [_____], 2017, (i) the City of Cathedral City, a California charter city and municipal corporation, exercising its responsibilities for affordable housing assumed from the former Redevelopment Agency for the City of Cathedral City ("**City**"); (ii) City Urban Revitalization Corporation, a California nonprofit corporation ("**CURC**"); and (iii) Cathedral Canyon Development LLC, a California limited liability company ("**Developer**"), entered into an agreement entitled "Cathedral Canyon Performance Agreement" ("**Agreement**"). City and CURC may be collectively referred to in this Agreement as "Sellers." A copy of the Agreement is on file with the City Clerk and is available for inspection and copying by interested persons as a public record of at the City of Cathedral City's offices located at 68-700 Avenida Lalo Guerrero, Cathedral City, CA 92234, during the City of Cathedral City's regular business hours.

The Agreement affects the real property described in **Exhibit A** attached to this Notice of Agreement ("**Property**"). The meaning of defined terms, indicated by initial capitalization, used in this Notice of Agreement shall be the same as the meaning ascribed to such terms in the Agreement.

PLEASE TAKE FURTHER NOTICE that the Agreement contains certain covenants running with the land of the Property and other agreements between the Developer and Sellers affecting the Property.

THIS NOTICE OF AGREEMENT is dated as of [_____], 2018, and has been executed on behalf of the Developer and Sellers by and through the signatures of their authorized representative(s) set forth below. This Notice of Agreement may be executed in counterparts and when fully executed each counterpart shall be deemed to be one original instrument.

SIGNATURE PAGE
TO
NOTICE OF AGREEMENT

IN WITNESS WHEREOF, the City, CURC, and the Developer have executed this Cathedral Canyon Performance Agreement by and through the signatures of their duly authorized representative(s) set forth below:

CITY

CITY OF CATHEDRAL CITY, a California charter city and municipal corporation, exercising its responsibilities for affordable housing assumed from the former Redevelopment Agency for the City of Cathedral City

By:_____
Name: Charles P. McClendon
Its: City Manager
Dated:_____

APPROVED AS TO LEGAL FORM:

By:_____
Eric S. Vail, City Attorney
Dated:_____

ATTEST:

By:_____
Tracey Martinez, City Clerk
Dated:_____

[Signatures follow on next page]

SIGNATURE PAGE
TO
NOTICE OF AGREEMENT (Cont.)

CURC

CITY URBAN REVITALIZATION CORPORATION, a California nonprofit corporation

By:_____
Charles P. McClendon
Executive Director
Dated:_____

APPROVED TO AS TO LEGAL FORM:

GRESHAM SAVAGE NOLAN & TILDEN, a professional corporation

By:_____
Kevin K. Randolph
Dated:_____

DEVELOPER

CATHEDRAL CANYON DEVELOPMENT LLC, a California limited liability company

By:_____
Eric Keillor
Managing Member
Dated:_____

By:_____
Peter Derbonne
Managing Member
Dated:_____

[ALL SIGNATURES MUST BE NOTARY ACKNOWLEDGED]

This Notary Acknowledgement is attached to a document entitled **NOTICE OF AGREEMENT**.

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

STATE OF CALIFORNIA
COUNTY OF _____)

On _____ before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature_____ **(Seal)**

This Notary Acknowledgement is attached to a document entitled **NOTICE OF AGREEMENT**.

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

STATE OF CALIFORNIA
COUNTY OF _____)

On _____ before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature_____ **(Seal)**

This Notary Acknowledgement is attached to a document entitled **NOTICE OF AGREEMENT**.

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

STATE OF CALIFORNIA
COUNTY OF _____)

On _____ before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature_____ **(Seal)**

This Notary Acknowledgement is attached to a document entitled **NOTICE OF AGREEMENT**

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

STATE OF CALIFORNIA
COUNTY OF _____)

On _____ before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature_____ **(Seal)**

EXHIBIT "A"
TO
NOTICE OF AGREEMENT

Legal Description of the Property

All that certain real property located in the City of Cathedral City, County of Riverside, State of California, as more particularly described as follows:

[To come]

End of Legal Description

EXHIBIT E
Form of Official Action of Developer

[To be attached behind this cover page]

CERTIFICATION OF AUTHORITY

The undersigned members of **Cathedral Canyon Development LLC**, a California limited liability company ("**Cathedral Canyon**"), do certify that we are all of the members of Cathedral Canyon and that there are no other members.

We further certify that the following named person, individually:

[_____]

is the sole managing member of Cathedral Canyon and is authorized and empowered for and on behalf of and in the name of Cathedral Canyon to execute and deliver that certain "**Cathedral Canyon Performance Agreement**" ("**Agreement**"), reference dated as of _____, 2017, and entered into between (i) the City of Cathedral City, a California charter city and municipal corporation, exercising its responsibilities for affordable housing assumed from the former Redevelopment Agency for the City of Cathedral City ("City"); (ii) City Urban Revitalization Corporation, a California nonprofit corporation ("**CURC**"); and (iii) Cathedral Canyon, and all other documents to be executed by Cathedral Canyon in connection with the transactions contemplated in the Agreement, and to take all actions that may be considered necessary to conclude the transactions contemplated in the Agreement and perform the other obligations of Cathedral Canyon pursuant to the Agreement. City and CURC may be collectively referred to in this Agreement as "Sellers."

The authority conferred shall be considered retroactive, and any and all acts authorized in this document that were performed before the execution of this Certificate are approved and ratified. The authority conferred shall continue in full force and effect until Sellers shall have received notice in writing from Cathedral Canyon of the revocation of this Certificate.

We further certify that the activities covered by the foregoing certifications constitute duly authorized activities of Cathedral Canyon; that these certifications are now in full force and effect; and that there is no provision in any document under which Cathedral Canyon is organized and/or that governs Cathedral Canyon's continued existence, limiting the power of the undersigned to make the certifications set forth in this certificate, and that such certifications are in conformity with the provisions of all such documents.

Cathedral Canyon LLC, Members:

Date: _____, 2017 _____
[Name]

Date: _____, 2017 _____
[Name]

Date: _____, 2017 _____
[Name]

Date: _____, 2017 _____
[Name]

EXHIBIT E

Cathedral City

Agenda Report

File #: 2017-381 **Item No:** 3.B.

City Council

MEETING DATE: 9/27/2017

TITLE:
Safe and Sane Fireworks - Ordinance Amendment

Paul S. Wilson, Fire Chief

RECOMMENDATION:
Staff recommends the City Council approve an amendment to Ordinance 723 removing the preference for three named non-profits to be issued a “Safe and Sane” fireworks permit.

BACKGROUND:
An amended Ordinance 723 was introduced for first reading at the City Council meeting on September 13, 2017.

In 2013, the City of Cathedral City Council passed an ordinance permitting the annual sale and discharge of “Safe and Sane” fireworks in Cathedral City, during the July 4th holiday period.

The ordinance was implemented to accomplish two objectives; First, to provide funding to cover the costs of public education and police enforcement related to fireworks; and Second, to allow non-profits an opportunity to recover youth-oriented funding that was eliminated during prior City budget reductions.

DISCUSSION:
The “Safe and Sane” fireworks program was open to six non-profit groups, three of which were named in the prior ordinance to receive preference; The Cathedral City Boxing Club [no longer active]; The Calvary Christian School; and St. Louis Catholic Church.

The Staff recommendation is to remove the preference cited in the prior ordinance and permit all non -profit groups, qualified as “Safe and Sane” fireworks applicants, to be eligible for one of six non-profit fireworks permits.

The amended ordinance would allow “Safe and Sane” fireworks applicants, if more than six apply, to be drawn from a lottery. This would provide a more equal opportunity for the non-profits to participate in the “Safe and Sane” fireworks program.

FISCAL IMPACT:

The $3,191. “Safe and Sane” fireworks program fees, received from each qualified non-profit, provides funding for the administrative tasks, public education advertising, inspections and additional police officers for enforcement of fireworks.

ATTACHMENTS:
Amendment to Ordinance #723, First Reading September 13, 2017

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY AMENDING CATHEDRAL CITY MUNICIPAL CODE CHAPTER 5.80 "SALE AND DISCHARGE OF SAFE AND SANE FIREWORKS" OF TITLE V "BUSINESS REGULATIONS" TO PERMIT THE SALE AND DISCHARGE OF SAFE AND SANE FIREWORKS FOR THE JULY 4TH HOLIDAY

WHEREAS, the City Council of the City of Cathedral City (the "City") desires to permit the sale and discharge of safe and sane fireworks for the July 4th holiday; and

WHEREAS, Section 12643 of the California Health and Safety Code, Title 19 of the California Code of Regulations, and the California Fire Code regulate the firework permit application process and the storage and the sale of safe and sane fireworks; and

WHEREAS, in 2003, 2005, 2007, 2009, 2010 and 2013, the City Council adopted Ordinance Nos. 575, 601, 638, 669, 694, and 723 respectively, which allowed for the lawful sale and discharge of safe and sane fireworks for the subsequent July 4th holidays within the jurisdictional boundaries of the City; and

WHEREAS, Chapter 5.80.030(D)(8) of the Municipal Code authorizes up to six permits to sell safe and sane fireworks to be approved, and provides preference to three entities in the permitting process; and

WHEREAS, the City Council desires to eliminate preference in permitting for safe and sane fireworks, and to make other non-substantive clean up revisiosn to Chapter 5.80.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY DOES ORDAIN AS FOLLOWS:

<u>Section 1.</u> AMENDING CHAPTER 5.80 "SALE AND DISCHARGE OF SAFE AND SANE FIREWORKS" OF TITLE V "BUSINESS REGULATIONS" OF THE CATHEDRAL CITY MUNICIPAL CODE

Chapter 5.80 "Sale and Discharge of Safe and Sane Fireworks" of Title V "Business Regulations" of the Cathedral City Municipal Code shall be amended in its entirety to read as follows, with additions underlined and deletions struck-through:

Chapter 5.80

SALE AND DISCHARGE OF SAFE AND SANE FIREWORKS

Section 5.80.010. **Sale and Discharge of Safe and Sane Fireworks Permitted Exclusively.**

A. "Safe and Sane" fireworks as defined by Section 12529 of the California Health and Safety Code may be sold and discharged within the City pursuant to the provisions of this Chapter.

B. It shall be unlawful to offer for sale or to sell, or to discharge or cause to be discharged, within City limits any fireworks not designated by the State as "Safe and Sane" fireworks.

C. It shall be unlawful to offer for sale or to sell within City limits any "Safe and Sane" fireworks without first obtaining a validly issued permit as required by this Chapter.

D. It shall be unlawful to offer for sale or to sell within City limits any "Safe and Sane" fireworks in violation of any provision of this Chapter.

E. It shall be unlawful to discharge or cause to be discharged within City limits any "Safe and Sane" fireworks in violation of any provision of this Chapter.

Section 5.80.020. **Definitions**

For the purpose of this Chapter, unless otherwise apparent from the context, certain words and phrases used in this Chapter are defined as follows:

"Based in Cathedral City" means based and primarily operating within the jurisdictional limits or boundaries of the City of Cathedral City and comprised of and for the benefit of the residents of the City.

"Church" means a state-certified, tax-exempt religious organization which has a permanent meeting place within the City limits.

"Civic/services organization" means a state-certified nonprofit organization organized primarily for charitable purposes that has as its principal and permanent meeting place within the City limits, maintains a bona fide membership of at least twenty (20) members, and has been organized, and meeting within the City limits for a minimum of five (5)

years continuously preceding the filing of the application for the permits issued pursuant to this Chapter.

"Fire Chief" means to include the authorized representative of the City's Fire Chief.

"Lottery" means random drawing from a pool of qualified youth groups, churches or civic/service organizations for selection by the City Council for Firework Permits issued pursuant to this Chapter.

"Person" means any natural person and/or any organization or joint venture, or a member thereof.

"Safe and sane fireworks" means those fireworks defined as "Safe and Sane" by Section 12529 of the California Health and Safety Code and any other applicable State law.

"School-based youth group" means a youth group comprised exclusively of individual members whose maximum age does not exceed eighteen (18) years of age and who regularly attend a private or public school located within the City limits.

"Tax exempt" means a group with a Federal Tax Identification Number which can be verified as a 501(c), 501(c)(4), or 501(c)(6) classification, in good standing.

"Youth group" means a private organization based in Cathedral City and organized for the purpose of participating in organized sports or civic activities consisting of at least twenty (20) individual members whose maximum age does not exceed eighteen (18) years of age.

Section 5.80.030. <u>Permits Required to Sell Safe and Sane Fireworks</u>

No person shall offer for sale or sell at retail any safe and sane fireworks in the City without having first applied for and received the following permits:

A. Permits Required.

1. Fireworks Program Permit. No person shall offer for sale or sell at retail any safe and sane fireworks in the City without having first applied for and received a Fireworks Program Permit issued by the City's Fire Department~~, Fire Safety Division~~.

2. Fireworks Safety Permit. No person shall offer for sale or sell at retail any safe any safe and sane fireworks in the City without having first applied for and received a Fireworks Safety Permit issued by the City's Fire Department~~, Fire Safety Division~~.

3. No permit shall be issued to any organization not qualified under the provisions of this ordinance.

B. Permit Fees.

1. The cost of the Fireworks Program Permit fee shall be established by resolution of the City Council and shall be no less than Two Thousand Seven Hundred Forty Nine Dollars ($2,749.00) per permit. Proceeds of said fee shall be used to defray the City's inspection, enforcement, public education and clean up costs for the fireworks program.

2. The cost of the Fireworks Safety Permit fee shall be Three Hundred Forty Two Dollars ($342.00). Proceeds of said fee shall be used to defray the City's costs for compliance with applicable laws and regulations pertaining to the sale and storage of fireworks.

3. In the case of a joint venture, as permitted under Section 5.80.040.E, only one (1) Fireworks Program Permit and /or one (1) Fireworks Safety Permit fee shall be required to be paid.

C. Zoning Restrictions.

Each fireworks stand must be on private property located in a commercial or industrial zone and may include vacant lots or otherwise unimproved real property.

D. Permit Application Process.

1. An application for a Fireworks Program Permit and an application for a Fireworks Safety Permit (collectively, "Fireworks Permits") shall be submitted together, on forms provided by the City's Fire Department~~, Fire Prevention Division~~.

2. Applications for Fireworks Permits shall include a detailed and specific description of the operation of and the location of the proposed site for a fireworks stand and shall identify

whether the proposed site is to be located on improved or unimproved private property. The Fire ~~Marshal~~ Chief or his/her designee shall have the sole discretion to approve the proposed site for a fireworks stand in accordance with applicable safety requirements and the requirements for a fireworks stand set forth in this Chapter. The Fire ~~Marshal~~ Chief or his/her designee shall have the sole discretion to impose mitigation measures on an applicant based on site access, dust control, or any other fire or life safety considerations.

3. Applicants for Fireworks Permits that propose a site for a fireworks stand on unimproved private property shall comply with Cathedral City Municipal Code Chapter 6.16 titled "Fugitive Dust Emissions" and any other applicable City regulations, by submitting to the City a PM-10 plan for fugitive dust mitigation measures and by submitting to the City the applicable administrative review fees for said plan. Applicants for Fireworks Permits shall submit a City approved PM-10 plan for fugitive dust mitigation measures to the City's Fire Department, ~~Fire Safety Division,~~ upon selection as set forth herein, prior to the issuance of any Fireworks Permits.

4. Applications for Fireworks Permits shall be accompanied by the following:

   (a) A nonrefundable application fee of One Hundred Dollars ($100.00) which shall be used to defray the administrative costs of processing the permit application;

   (b) Bylaws and other written evidence of the organization's tax exempt status; and

5. Fireworks Permits shall be issued to the selected groups only upon receipt of the following:

   (a) A City approved PM-10 plan for fugitive dust mitigation measures if the proposed site for a fireworks stand is to be located on unimproved private property;

   (b) Payment, in full, of the Fireworks Program Permit fee and the Fireworks Safety Permit fee;

(c) Written permission of the owner of record and lessee, if applicable, where the stand is to be located which provides the owner's and lessee's consent to the construction and operation of a fireworks stand at said location;

(d) Written assurance that, if the Fireworks Permits are issued to applicant, applicant shall, at the time of receipt of the permits, deliver to the City's Fire Department, One Million Dollar ($1,000,000.00) public liability and One Million Dollar ($1,000,000.00) property damage insurance certificates designating the City as an additional insured thereunder, and a certified copy of the requisite license from the State Fire Marshal;

(e) A cash deposit, certificate of deposit in the amount of One Hundred Fifty Dollars ($150.00) to assure compliance with the provisions of this Chapter. Such deposit shall be refundable immediately to those applicants who are denied issuance of Fireworks Permits. Deposits shall be refunded to applicants who are issued Fireworks Permits upon compliance with the provisions and requirements of this Chapter, including but not limited to the removal of the stand and the cleaning up of the site. In the event the permitted applicant/organization does not so comply or remove the sand or clean up the site to the Fire ~~Marshal~~Chief's or his/her designee's reasonable satisfaction, the City may remove the stand and/or clean the site, or cause the same to be done by other persons, and the reasonable cost thereof shall be a charge against the permitted applicant/organization and its surety and the deposit.

6. The City's Fire Department will publicly announce the availability of permit applications, via its website and other places that the City normally posts announcements. The announcement will indicate the deadline to submit permit applications.

7. Applications for Fireworks Permits shall be reviewed for compliance with this Chapter by a committee consisting of one (1) representative from the Fire Department, one (1) representative from the City's Finance Department and one (1) representative from the City Manager's Office ("Fireworks

Committee"). All applications for the Fireworks Permits approved by the Fireworks Committee shall be forwarded to the City Council for consideration and approval by resolution, together with the Fireworks Committee's report of its findings and recommendations.

8. Each calendar year, the City Council may issue up to six (6) Fireworks Permits. ~~Preference shall be given to the following organizations, in the order specified below:~~

~~(a) The Cathedral City Boys and Girls Club~~
~~(b) The Cathedral City Chamber of Commerce~~
~~(c) The Cathedral City Senior Center~~
~~(d) The Cathedral City Boxing Club~~
~~(e) The Cathedral City High School Athletics Booster Club~~
~~(f) The Calvary Christian School~~

~~Any other~~ All permits shall be issued by lottery from among those ~~other~~ qualified Churches, Civic/services organizations, School-based youth groups, and/or Youth groups that have submitted timely and completed applications.

9. Notice of Grant or Denial. Applicants for Fireworks Permits shall be notified of the acceptance or rejection of the applications for said permits by the City's Fire Department within ten (10) days of the City Council's decision on the applications, but no later than the second regular City Council meeting scheduled in the month of May.

10. Unclaimed Permits. In the event that any Fireworks Permits issued by the City Council go unclaimed, the Fire Chief may randomly select from the pool of the applications for Fireworks Permits that were submitted to but not approved by the City Council and may issue Fireworks Permits to the randomly selected organization(s) specified in Paragraph 7 above.

E. Firework Permits are not transferable.

F. Only one set of Fireworks Permits shall be issued per organization IRS identification number.

G. The cash deposit in the amount of One Hundred Fifty Dollars ($150.00) shall be refunded to the permittee pursuant to Section 5.80.030(D)(4)(g).

Section 5.80.040. <u>Organizations Qualified for Receipt of Fireworks Permits.</u>

A. An organization applying for Fireworks Permits shall represent the undivided entirety or base group and shall not be permitted to separate into an aggregation of subgroups or clubs affiliated with the parent organization. The entire individual group, club or organization associated with an institution or organization shall be considered as one single applicant. The intent and purpose for treating all organizations as a single entity is to insure that the selection process is equitable and that no one organization with multiple subgroups will have an unfair advantage over other single purpose organizations.

B. Where such organization's principal purpose is the advancement of youth's interests such as sports organizations, only bona fide, currently registered youth members of such organization shall be counted as "members" for the purposes of this section.

C. No less than ninety percent (90%) of the proceeds derived from the sale of fireworks in the City by the organization shall be utilized for the direct advancement of charitable, religious, youth or civic purposes of such organization.

D. An organization shall be entitled to operate only one (1) fireworks stand during any one calendar year.

~~E. Fireworks Permits may be issued to two (2) or more qualifying applicants as a joint venture.~~

Section 5.80.050. <u>Mandatory Attendance at Pre-Sale Meeting and Distribution of Educational Materials</u>

A. Prior to the set up of fireworks stands and the sale and distribution of "safe and sane" fireworks in the City, the City's Fire Department shall schedule one (1) mandatory meeting which shall be attended by an authorized representative of each participating distributor (or potential distributor) of safe and sane fireworks, two (2) authorized representatives of each participating organization to which Fireworks Permits are issued, and an authorized representative of the City's Fire Department.

B. At both mandatory meeting, each participating distributor of ~~s~~<u>S</u>afe and ~~s~~<u>S</u>ane ~~f~~<u>F</u>ireworks shall provide to the City's Fire Department and to each participating organization to which Fireworks Permits

are issued educational materials for distribution during the sale of said fireworks regarding the use of safe and sane fireworks and the prohibition of dangerous and other types of fireworks.

Section 5.80.060. <u>Payment of Sales Tax; Temporary Sales Tax Permit Required.</u>

A. Organizations to which Fireworks Permits have been issued shall obtain a temporary sales tax permit from the regional office of the State Board of Equalization.

B. All sales of ~~s~~<u>S</u>afe and ~~s~~<u>S</u>ane ~~f~~<u>F</u>ireworks shall be subject to sales tax. No Fireworks Permit holder shall seek an exemption from the payment of sales tax which applies to the sale of safe and sane fireworks.

Section 5.80.070. <u>Display of Permits.</u>

All state and City-issued permits required pursuant to this Chapter and state law shall be displayed in a prominent place in the fireworks stand of each permittee.

Section 5.80.080. <u>Regulation of the Sale of Fireworks.</u>

A. It shall be unlawful to sell or permit to be sold safe and sane fireworks prior to twelve (12:00) p.m. on the twenty-eighth day of June and after ten (10:00) p.m. on the fourth day of July.

B. After the 28th day of June, daily hours of operation for sales will be permitted from 08:00AM to 10:00PM.

C. No person other than the permitted organization or joint venture shall operate a fireworks stand for which Fireworks Permits have been issued or share or otherwise participate in the profits of the operation of such fireworks stand.

D. No person shall be paid any consideration for selling or otherwise participating in the sale of safe and sane fireworks at a fireworks stand.

E. No person under the age of eighteen (18) years shall be allowed to purchase or sell safe and sane fireworks.

F. The only persons permitted to remain in a fireworks stand and/or to sell or offer to sell safe and sane fireworks from within the fireworks stand shall be adult members of the permitted organization or joint

venture organizations, or the parent, spouse or adult children of such members.

G. All retail sales of safe and sane fireworks shall be permitted only from within the fireworks stand for which Fireworks Permits have been issued. Sales from any other building or structure are prohibited.

H. No person shall sell or offer to sell safe and sane fireworks to any person who is reasonably observed or known to be under the influence of drugs or alcohol.

Section 5.80.090. Firework Stand and Storage Container Requirements.

A. Fireworks stands, City approved storage containers, and the sites whereupon the stands and containers are located shall be subject to the following provisions:

1. Sites upon which safe and sane fireworks will be sold shall be no closer than two hundred fifty (250) feet from each other measured from the closest property lines, except upon the written approval of the Fire ~~Marshal~~ Chief and all other interested parties including the property owner.

2. Fireworks stands and any City approved storage containers shall be no closer than ten (10) feet from each other and no farther than twenty five (25) feet from each other.

3. No fireworks stand and no City approved storage container shall be located within twenty five (25) feet of any other building, overhang or other fixture as defined by the Fire ~~Marshal~~Chief, or within one hundred (100) feet of any fuel dispensing operations.

4. Fireworks stands and City approved storage containers need not comply with the provisions of the building code of the City; provided, however, that all stands and storage containers shall be erected under the supervision of the Director of the Department of Building and Safety, who shall require that stands and containers be constructed in a manner that will reasonably insure the safety of attendants and patrons.

5. Fireworks stands and storage containers shall be constructed of metal or other material as approved by the

Fire Chief or his/her designee, and may have metal or other approved flooring attached.

6. No fireworks stand and no storage container shall have a floor area in excess of four hundred (400) square feet.

7. Fireworks stands in excess of twenty four (24) feet in length must have at least two (2) exits; and each stand in excess of forty (40) feet in length must have at least three (3) exits spaced equal distant apart; provided, however, that in no case shall the distance between exits exceed twenty four (24) feet.

8. Storage containers shall have a single door or a pair of doors that are lockable at one end of the container.

9. Each fireworks stand shall have electrical outlets and electrical wiring of conduit and shall have power provided from on site sources in such a manner as deemed safe by the Fire Department. Fireworks stands with power provided by generators shall be inspected and approved by the Fire Department prior to operation. Portable generators when used for temporary electrical service shall be located a minimum of twenty five (25) feet from the fireworks stand when in operation.

10. Storage containers shall have no internal power of any kind.

11. Each fireworks stand shall be provided with a minimum of two (2), two and one-half (2.5) gallon pressurized water type portable fire extinguisher.

12. Legible signs reading “No Discharge of Fireworks within one hundred (100) feet of the Fireworks Stand” and “No Smoking” shall be posted on the fireworks stand and the storage container.

13. All weeds and combustible material shall be cleared from the location of the fireworks stands and storage containers including a distance of at least twenty five (25) feet surrounding all stands and containers.

14. Each fireworks stand must have an adult in attendance and in charge thereof while fireworks are stored therein, during the hours of operation for the purpose of providing supervision and security. Failure to provide at least one alert

and awake adult for supervision and security purposes may result in forfeiture of Fireworks Permits and/o any additional fines, penalties, citations, or remedies provided herein. Each storage container shall also be located near the fireworks stand, but within the permissible distances set forth in this Chapter, for security purposes.

15. Each fireworks stand and storage container shall be secured with a Fire Department approved Pad Lock when not occupied.

16. Each fireworks stand shall have a means of telephone communication provided within twenty five (25) feet of the stand.

17. Sleeping or remaining within the fireworks stands or storage containers after close of business each day is prohibited.

18. Inventory collection shall be completed during the daylight hours on the fifth day of July and all unsold stock and accompanying litter, refuse, trash and debris shall be removed from the location by five (5:00) p.m. on the fifth day of July.

19. All fireworks stands and storage containers shall be removed from the site location by twelve (12:00) p.m. on the fourteenth day of July and all accompanying litter, refuse, trash and debris shall be cleared from the location by said date and time.

20. A clear space of twenty five (25) feet shall be maintained around all portions of the fireworks stands and storage containers by the use of barrier tape, signs, or other suitable means as approved by the Fire Chief. No vehicles shall be parked within twenty five (25) feet of either a stand or a container.

21. All accumulated litter, refuse, trash and debris shall be removed daily from each fireworks stand.

22. Consumption or use of alcohol in the fireworks stands or storage containers or within twenty five (25) feet of the stands or containers is prohibited.

Section 5.80.100. <u>Firework Stand and Storage Container Inspections.</u>

A. All fireworks stands and storage containers shall be inspected by the City's Fire Department no later than ten (10:00) a.m. on June 28th. An organization representative shall be available to provide access for inspections of stands and containers as early as eight (8:00) a.m. on June 28th.

B. The City's Fire Department shall have a right to randomly inspect without notice any fireworks stand and storage container throughout the sales and operations period.

Section 5.80.110. <u>Regulation of the Discharge of Fireworks.</u>

A. It shall be unlawful for any person to ignite, explode, project, or otherwise fire or use, any fireworks, or permit the ignition, explosion or projection thereof, upon or over or onto the property of another without his/her/its consent, or to ignite, explode, project or otherwise fire or make use of, any fireworks within ten (10) feet of any residence, dwelling or other structure used as a place of habitation by human beings.

B. The discharge of fireworks within the City shall be limited to private property except as otherwise provided herein. No fireworks shall be discharged on public, semipublic or private open areas such as parking lots, vacant lots and those areas not approved by the City's Fire Chief.

C. It shall be unlawful to discharge fireworks within the City prior twelve (12:00) p.m. on June 28th and after twelve midnight (12:00) a.m. on July 4th.

D. It shall be unlawful for any person to allow or permit a fire nuisance as defined by Section 12510 of the California Health and Safety Code. No fireworks shall be discharged in any high fire hazard areas within the City as determined by the City's Fire Chief.

Section 5.80.120. <u>Provisions of Chapter Additional to State Law.</u>

The provisions of this Chapter are in addition to applicable state law, including Title 19, Article 5, Section 981 of the California Code of Regulations, which requires a license from the State Fire Marshal. Each package of fireworks shall be marked as "Safe and Sane" fireworks and shall bear the State Fire Marshal's classification label.

Section 5.80.130. <u>Infraction Violation.</u>

Any violation of this Chapter by any person responsible for committing, causing or maintaining such violation shall constitute an infraction violation and the violator shall be subject to the provisions set forth in Chapter 13.65 of the Cathedral City Municipal Code, including, but not limited to, the imposition of any and all criminal penalties set forth therein.

Section 5.80.140. <u>Civil Fine.</u>

Any person convicted of an infraction shall, for each separate violation of the provisions of this Chapter, be subject to: (a) a fine in an amount not to exceed two hundred fifty dollars ($250.00) for the first conviction of an offense; (b) a fine in an amount not to exceed five hundred dollars ($500.00) for a second conviction of the same offense within a twelve (12) month period of the date of the first offense; and (c) a fine in an amount not to exceed seven hundred fifty dollars ($750.00) for the third conviction of the same offense within a twelve (12) month period of the date of the first offense. The fine for a fourth and subsequent convictions of the same offense within a twelve (12) month period of the date of the first offense shall be one thousand dollars ($1,000.00).

Section 5.80.150. <u>Administrative Citation.</u>

A. In lieu of issuing an infraction citation, the City may issue an administrative citation, pursuant to Chapter 13.58 of the Cathedral City Municipal Code, to any person responsible for committing, causing or maintaining the subject violation.

B. Nothing in this section shall preclude the City from also issuing an infraction citation upon the occurrence of the same subject offense on a separate day.

Section 5.80.160. Administrative Fine.

Any person issued an administrative citation under this Chapter, for each separate violation, shall be subject to a fine as follows: (a) an administrative fine in an amount not to exceed one hundred dollars ($100.00) for the first violation; (b) an administrative fine in an amount not to exceed two hundred fifty dollars ($250.00) for a second violation of the same offense within a twelve (12) month period of the date of the first offense; and (c) a fine in an amount not to exceed five hundred dollars for a third and any subsequent violation of the same offense within a twelve (12) month period of the date of the first offense.

Section 5.80.170. <u>Additional Remedies.</u>

A. Any violation of this Chapter by the holder of Fireworks Permits issued pursuant to this Chapter shall constitute grounds for modification, suspension and/or revocation of said permits.

B. Any organization whose Fireworks Permits are revoked shall not be eligible for issuance of Fireworks Permits the following year.

C. Nothing in this Chapter shall preclude the City from pursuing other remedies provided by the Cathedral City Municipal Code or other laws, including, but not limited to, issuance of stop work orders and injunctive relief.

Section 2. SEVERABILITY

The City Council declares that, should any provision, section, paragraph, sentence or word of this ordinance be rendered or declared invalid by any final court action of competent jurisdiction or by reason of any preemptive legislation, the remaining provision, sections, paragraphs, sentences or words of this ordinance as hereby adopted shall remain in full force and effect.

Section 3. EFFECTIVE DATE

This ordinance shall take effect thirty (30) days after its second reading by the City Council.

Section 4. CERTIFICATION

The City Clerk shall certify to the passage of this ordinance and shall cause the same to be published according to law.

The foregoing Ordinance was approved and adopted at a meeting of the City Council held on _____, 2017 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Stan Henry, Mayor

ATTEST:

_____
Gary Howell, City Clerk

APPROVED AS TO FORM

APPROVED AS TO CONTENT:

_____
Eric Vail, City Attorney

_____
Paul S. Wilson, Fire Chief

REVIEWED:

_____
Charles McClendon, City Manager

Cathedral City

Agenda Report

File #: 2017-376 **Item No:** 3.C.

Housing Successor Agency

MEETING DATE: 9/27/2017

TITLE:
Disposition of Certain Housing Parcels

FROM:
Tami E. Scott, Administrative Services Director

RECOMMENDATION:
Staff recommends the City Council, acting as the Housing Successor Agency, consider the sale of one vacant housing parcel in the amount of $15,000.

BACKGROUND:
The City, in its capacity as the Housing Successor to the former Cathedral City Redevelopment Agency ("HS"), has received a full price offer to purchase one vacant lot owned by the Housing Successor from Alba Gonzalez and Samantha Gonzalez as to approximately .11 acres at 68745 C Street with an APN of 687-216-014.

DISCUSSION:
The offer price for the one DRN zoned parcel is a full price offer as listed in the Multiple Listing Service of $15,000. The parcel has an outstanding assessment of $18,029.03 with an annual assessment of $1,579.36. The parcel is zoned DRN and approximately .11 acres in size. Upon the sale, the assessments would no longer be the responsibility of the Housing Successor. As such, staff recommends Council to direct staff to accept this offer, sales proceeds would be deposited into the Housing fund and the fund would be made whole. The proceeds, less 50% of escrow fees, title costs and commission, could then be used for maintenance and assessment costs associated with our remaining housing land inventory. The referenced property is not property previously dedicated for public purpose by map or deed; it is not surplus property and it is not required to be disposed via a Department of Finance approved Long Range Property Management plan.

FISCAL IMPACT:
$15,000 net of closing costs to the Housing Fund

ATTACHMENTS:
None

Cathedral City

Agenda Report

File #: 2017-377 **Item No:** 3.D.

Housing Successor Agency

MEETING DATE: 9/27/2017

TITLE:
Disposition of Certain Housing Parcels

FROM:
Tami E. Scott, Administrative Services Director

RECOMMENDATION:
Staff recommends the City Council, acting as the Housing Successor Agency, consider the sale of two vacant housing parcels in the amount of $30,000.

BACKGROUND:
The City, in its capacity as the Housing Successor to the former Cathedral City Redevelopment Agency ("HS"), has received a full price offer to purchase two vacant lots owned by the Housing Successor from Stickles Family Trust as to approximately .06 acres at 68517 Grove Street with an APN of 687-197-002 and approximately .09 acres at 37093 Glenn Street with an APN of 687-197-014.

DISCUSSION:
The offer price for the two DRN zoned parcels is a full price offer as listed in the Multiple Listing Service of $30,000. The parcels have a combined outstanding assessment of $34,515.71 with an annual assessment of $3,016.70. The parcels are zoned DRN and approximately .06 and .09 acres respectively in size. Upon the sale, the assessments would no longer be the responsibility of the Housing Successor. As such, staff recommends Council to direct staff to accept this full price offer, sales proceeds would be deposited into the Housing fund and the fund would be made whole. The proceeds, less 50% of escrow fees, title costs and commission, could then be used for maintenance and assessment costs associated with our remaining housing land inventory. The referenced property is not property previously dedicated for public purpose by map or deed; it is not surplus property and it is not required to be disposed via a Department of Finance approved Long Range Property Management plan.

FISCAL IMPACT:

$30,000 net of closing costs to the Housing Fund

ATTACHMENTS:
None

Cathedral City

Agenda Report

File #: 2017-384 **Item No:** 3.E.

Housing Successor Agency

MEETING DATE: 9/27/2017

TITLE:
Disposition of Certain Housing Parcels

FROM:
Tami E. Scott, Administrative Services Director

RECOMMENDATION:
Staff recommends the City Council, acting as the Housing Successor Agency, consider the sale of two vacant housing parcels in the amount of $45,000.

BACKGROUND:
The City, in its capacity as the Housing Successor to the former Cathedral City Redevelopment Agency ("HS"), has received a full price offer to purchase two vacant lots owned by the Housing Successor from Valle Vista, LLC or assignee as to approximately .07 acres at 68538 A Street with an APN of 687-197-006 and approximately .17 acres at 68546 A Street with an APN of 687-197-007.

DISCUSSION:
The offer price for the two DRN zoned parcels is a full price offer as listed in the Multiple Listing Service of $45,000. The parcels have a combined outstanding assessment of $33,325.67 with an annual assessment of $2,913.80. The parcels are zoned DRN and approximately .07 and .17 acres respectively in size. Upon the sale, the assessments would no longer be the responsibility of the Housing Successor. As such, staff recommends Council to direct staff to accept this full price offer, sales proceeds would be deposited into the Housing fund and the fund would be made whole. The proceeds, less 50% of escrow fees, title costs and commission, could then be used for maintenance and assessment costs associated with our remaining housing land inventory. In addition to the Housing parcels, CURC has received full price offers on the three remaining parcels in this area of $80,000, which will make up a combined development site of .65 acres. Once authorized, the housing parcels and CURC parcels will open and close escrow at the same time to assure a contiguous development area in the downtown. The referenced property is not property previously dedicated for public purpose by map or deed; it is not surplus property and it is not required to be

disposed via a Department of Finance approved Long Range Property Management plan.

FISCAL IMPACT:
$45,000 net of closing costs to the Housing Fund

ATTACHMENTS:
None

Cathedral City

Agenda Report

File #: 2017-387 **Item No:** 3.F.

Housing Successor Agency

MEETING DATE: 9/27/2017

TITLE:
Disposition of Certain Housing Parcels

FROM:
Tami E. Scott, Administrative Services Director

RECOMMENDATION:
Staff recommends the City Council, acting as the Housing Successor Agency, consider the sale of two vacant housing parcels in the amount of $100,000.

BACKGROUND:
The City, in its capacity as the Housing Successor to the former Cathedral City Redevelopment Agency ("HS"), has received a full price offer to purchase two vacant lots owned by the Housing Successor from H & G Re Investments or assignee as to approximately 1.01 acres along the southeast corner of San Joaquin Dr. and Mission Dr. with APN's of 677-383-001 and 002 in the amount of $100,000.

DISCUSSION:
The combined offer price for the two R1 zoned parcels is $100,000, which, given the outstanding assessments of $31,986.92, equates to a reasonable fair market value. The combined parcels are approximately a one acre site. Upon sale, the assessments would no longer be the responsibility of the Housing Successor. The Housing Successor's carrying costs for these parcels is $33,500 plus the annual assessments. As such, staff recommends Council to direct staff to accept this offer, sales proceeds would be deposited into the Housing fund and the fund would be made whole. The proceeds, less 50% of escrow fees, title costs and commission, could then be used for maintenance and assessment costs associated with our remaining housing land inventory. The referenced property is not property previously dedicated for public purpose by map or deed; it is not surplus property and it is not required to be disposed via a Department of Finance approved Long Range Property Management plan.

FISCAL IMPACT:
$100,000 net of closing costs to the Housing Fund

ATTACHMENTS:
None

Cathedral City

Agenda Report

File #: 2017-391 **Item No:** 3.G.

Housing Successor Agency

MEETING DATE: 9/27/2017

TITLE:
Disposition of Certain Housing Parcels

FROM:
Tami E. Scott, Administrative Services Director

RECOMMENDATION:
Staff recommends the City Council, acting as the Housing Successor Agency, consider the sale of one vacant housing parcel in the amount of $40,000

BACKGROUND:
The City, in its capacity as the Housing Successor to the former Cathedral City Redevelopment Agency ("HS"), has received a full price offer to purchase one vacant lot owned by the Housing Successor from Gerard Acheson as to approximately .17 acres at 32791 Cathedral Canyon Dr. with an APN of 680-251-055.

DISCUSSION:
The offer price for the one R1 zoned parcel is a full price offer as listed in the Multiple Listing Service of $40,000. As such, staff recommends Council to direct staff to accept this offer, sales proceeds would be deposited into the Housing fund and the fund would be made whole. The proceeds, less 50% of escrow fees, title costs and commission, could then be used for maintenance and assessment costs associated with our remaining housing land inventory. The referenced property is not property previously dedicated for public purpose by map or deed; it is not surplus property and it is not required to be disposed via a Department of Finance approved Long Range Property Management plan.

FISCAL IMPACT:
$40,000 net of closing costs to the Housing Fund

ATTACHMENTS:

None

Cathedral City

Agenda Report

File #: 2017-389 **Item No:** 4.A.

City Council

MEETING DATE: 9/27/2017

TITLE:
Ordinance Establishing Council Election Districts

FROM:
Charlie McClendon, City Manager

RECOMMENDATION:
Staff recommends the City Council hold a public hearing and receive comments from the public; and provide second reading and adopt an ordinance establishing City Council Election Districts.

BACKGROUND:
The City Council was elected under an at-large election system, whereby Council Members are elected by voters of the entire City. On March 8, 2017, the Council adopted a Resolution of Intent to Change Election Systems. Moving to by-district elections would require a Council Member (and all candidates for that position) to reside within a designated district boundary, and each Council Member would be elected only by voters of their respective districts. On April 12, 2017 Council held the first public hearing to receive comments regarding the composition of potential Council election districts prior to draft maps being developed. Information was also made available regarding the on-line mapping feature, which allowed anyone to try their hand at developing district maps. A second public hearing was held on April 26, 2017. Additionally, residents had the opportunity to provide further input on the topic of districts at four "City Hall Comes to You" meetings held on May 11, 2017 at the Sunshine Café, on June 7, 2017 at Cardenas Market, on July 18, 2017 in the study session room at City Hall and on August 10, 2017 at the Cathedral City Library. In addition to the on-line mapping tool, people from the community could also submit suggested maps on paper forms. Maps prepared by residents, either on-line or on paper forms, were due by June 9, 2017 and a total of 35 maps were submitted. The demographic consultant contracted by the City to assist with the districting process, National Demographics Corporation (NDC) also prepared three draft map options. All maps prepared, either by residents or by NDC were posted on the City website on June 12, 2017. A public hearing was held on June 26, 2017 during which time members of the public were invited to provide comments to the Council. At that time, Council discussed the need to select a group of maps to be finalists for further consideration, but the consensus was to wait until the public had yet another opportunity to provide input to the Council. The next public hearing was held on July 26, 2017. After receiving input from the community at that public hearing, Council reduced the field of maps under consideration to seven. The next public hearing was held on August 9, 2017. After receiving input

from the community at that public hearing, Council reduced the field of maps to three finalists. Another public hearing was held on August 23, 2017 at which time the Council selected a final preferred map and an alternate to the final map, which was suggested by Mayor Henry. On September 13, after holding an additional public hearing, Council selected the map suggested at the August 23 meeting, an ordinance was introduced and given first reading to approve the map, known as the Purple2B map. Second reading and adoption is scheduled for tonight's meeting.

DISCUSSION:

On March 8, 2017, the Council adopted Resolution 2017-07, adopting line drawing criteria for creating Council district boundaries. The adopted resolution states the following:

Specification of Criteria to Guide the Establishment of Electoral Districts

-The boundaries of the electoral districts shall be established so that the electoral districts are equal in population as defined by law.

-The boundaries of the electoral districts shall not be gerrymandered in violation of the principles established by the United States Supreme Court in Shaw v. Reno, 509 U.S. 630 (1993), and its progeny.

-The boundaries of the electoral districts shall be established so that the electoral districts do not result in a denial or abridgement of the right of any citizen to vote on account of race or color as provided in Section 2 of the federal Voting Rights Act.

-The boundaries of the electoral districts shall observe communities of interest as identified in public comment or identified by the city council, including, but not limited to rural or urban populations; social interests; agricultural, industrial or service industry interests; residential and commercial areas, the location of city facilities and historical sites, and the like, insofar as practicable.

-The boundaries of the electoral districts shall be compact, insofar as practicable.

-The boundaries of the electoral districts shall be created to contain cohesive, contiguous territory, insofar as practicable.

-The boundaries of the electoral districts may observe topography and geography, such as the existence of mountains, flat land, forest lands, man-made geographical features such as highways, major roadways and canals, etc., as natural divisions between districts, insofar as practicable.

-Unless otherwise required by law, the electoral districts shall be created using whole census blocks, insofar as practicable.

-The boundaries of the electoral districts may avoid the “pairing” of incumbents in the same electoral district, insofar as this does not conflict with the constitution and laws of the State of California and

the United States.

-The boundaries of the electoral districts shall comply with such other factors which become known during the districting process and are formally adopted by the City Council.

The City held two (2) public hearings prior to the release of draft maps of Council election districts. Council has held additional public hearings to solicit public input regarding the content of the draft maps and the proposed sequence of elections. Then an additional public hearing will be held prior to the approval of an ordinance implementing a Council election district map. The schedule for all future public hearings is outlined in a resolution adopted by Council on May 10, 2017 and is attached.

The public hearings already held on April 12, 2017 and April 26, 2017 fulfill the requirement of California Elections Code Section 10010 that states:

“(1) Before drawing a draft map or maps of the proposed boundaries of the districts, the political subdivision shall hold at least two public hearings over a period of no more than thirty days, at which the public is invited to provide input regarding the composition of the districts."

Based on comments received from the public at the August 9 public hearing and the August 10 City Hall at Your Corner meeting, Mayor Henry and MPT Pettis requested that staff ask the NDC consultants to prepare a modification of the Purple map. The resulting changes to the map are attached as Purple2 map and Purple2 demographics. This is the map selected as the preferred alternative during the August 23 public hearing and discussion. During the discussion on August 23 Mayor Henry suggested a slight modification to the Purple2 map, which would place portions of the downtown area in District 2 with the remainder of downtown remaining in District 1. This revision was mapped by NDC and was posted and advertised for consideration as Purple2B.

Tonight's public hearing will afford people another opportunity to comment on the proposed maps, including the selected Purple2 and Purple2B alternatives. The Council will also discuss the maps and will include in the motion introducing the ordinance the final selection of either the Purple2 or the Purple2B map.

Notices of the June 26 public hearing, the July 26 public hearing, the August 9 public hearing, the August 23 public hearing and tonight's meeting were published in both English and Spanish in the Desert Sun and notice was posted in all the official posting locations and on the City website and notice was distributed through the City's social media pages.

In conjunction with the first reading of the ordinance adopting the final map and election schedule, the public will have opportunity to comment on the proposed map at tonight's regular Council meeting. Public comment will also be heard at second reading of the ordinance scheduled for the Council meeting on September 27, 2017.

FISCAL IMPACT:
None associated with the public hearing. Council approved a contract award to National Demographics Corporation (NDC) on January 11, 2017 along with a budget amendment of $25,000 to fund the contract.

ATTACHMENTS:
Ordinance

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY CALIFORNIA AMENDING CHAPTER 1.12 (ELECTIONS) OF THE CATHEDRAL CITY MUNICIPAL CODE TO CHANGE THE CITY'S ELECTORAL SYSTEM FROM AT-LARGE TO BY-DISTRICT ELECTIONS WITH RESPECT TO ELECTING CITY COUNCIL MEMBERS, ESTABLISHING DISTRICT BOUNDARIES, AND SCHEDULING ELECTIONS WITHIN THE DISTRICTS

WHEREAS, the City of Cathedral City supports the full participation of all residents in electing members of the City Council; and

WHEREAS, the City of Cathedral City currently elects its five City Council Members using an at-large election system; and

WHEREAS, in the at-large election system, candidates may reside in any part of the City and each City Council Member is elected by the voters of the entire City; and

WHEREAS, in a by-district election system, a candidate for City Council must reside in the district that he or she wishes to represent, and only the voters of that district are entitled to vote to decide who their representative will be; and

WHEREAS, under the provisions of California Government Code sections 34870-34884, a proposal to adopt a by-district method of election must be submitted to the voters of the City along with the proposed boundaries of the districts; and

WHEREAS, California Government Code section 34886, effective January 1, 2017, permits the City Council of any city to change the city's method of election by ordinance to a "by-district" system without conducting an election if the ordinance includes "a declaration that the change in the method of electing members of the legislative body is being made in furtherance of the purposes of the California Voting Rights Act of 2001 (Chapter 1.5 (commencing with Section 14025) of Division 14 of the Elections Code);" and

WHEREAS, Section 601 of the City's Charter, approved by the voters of the City at the November 2016 general election, provides that the City must convert to a "by district" election system by the time the population of the City is 65,000 or by the 2022 general municipal election, whichever occurs first, but that the City Council may approve the formation of a "by district" election system for the City Council, in accordance with the California Voting Rights Act, prior to then should the Council determine that the change best suits the needs of the City; and

WHEREAS, as required by California Government Code section 34886 and Section 601 of the City's Charter, it is declared the change in the method of electing members of the City Council of the City of Cathedral City made by this ordinance is in

furtherance of the purposes of the California Voting Rights Act of 2001 and best suits the needs of the City, and

WHEREAS, under the provisions of California Elections Code section 10010, a political subdivision that changes from an at-large method of election to a by-district method of election shall hold at least four public hearings on a proposal to establish the district boundaries of the political subdivision prior to a public hearing at which the governing body of the political subdivision votes to approve an ordinance making the change; and

WHEREAS, the City Council held public hearings on the proposal to establish district boundaries on April 12, April 26, June 26, July 26, August 9 and August 23, 2017 at which it considered the proposal to establish district boundaries, and also held a public hearing on September 13, 2017, the public hearing at which the City Council conducted the first reading of this Ordinance; and

WHEREAS, the purpose of this Ordinance is to enact, pursuant to California Government Code section 34886, an ordinance providing for the election of the Members of the City Council of the City of Cathedral City by-district in five single-member districts as reflected in Exhibit A to this Ordinance.

THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY DOES ORDAIN AS FOLLOWS:

SECTION 1. Amendment of Cathedral City Municipal Code.

Chapter 1.12 (Elections) of the Cathedral City Municipal Code is amended to add new Sections 1.12.020, 1.12.030, 1.12.040, and 1.12.050 to read as follows:

"Section 1.12.020. - By-District Electoral System.

A. Pursuant to California Government Code section 34886, members of the City Council of the City of Cathedral City shall be elected by-districts in five (5) single-member districts.

B. (1) Beginning with the general municipal election in November 2018, members of the City Council shall be elected in the electoral districts established by Section 1.12.030 and subsequently reapportioned as provided by State law. Elections shall take place "by-district" as that term is defined in California Government Code section 34871, meaning one member of the City Council shall be elected from each district, by the voters of that district alone. Each member of the City Council shall serve a four-year term until his or her successor is qualified.

(2) Except as provided in subdivision (3) of this section, the Council Member elected to represent a district must reside in that district and be a registered voter in that district, and any candidate for City Council must live in, and be a registered voter in, the district in which he or she seeks election at the time nomination papers are issued,

pursuant to California Government Code section 34882 and Elections Code section 10227. Termination of residency in a district by a Council Member shall create an immediate vacancy for that Council district unless a substitute residence within the district is established within thirty (30) days after the termination of residency.

(3) Notwithstanding any other provision of this section, the members of the City Council in office at the time the Ordinance codified in this chapter takes effect shall continue in office until the expiration of the full term to which he was elected and until his successor is qualified. At the end of the term of each Council Member that Member's successor shall be elected on a by-district basis in the districts established in Section 1.12.030 and as provided in Section 1.12.040.

Section 1.12.030. - Establishment of City Council Electoral Districts.

A. Subject to Section 1.12.040, members of the City Council shall be elected on a "by-district" basis from the five Council districts depicted on the map attached as Exhibit A to the Ordinance codified in this chapter.

B. The Council districts specified in subdivision (A) shall continue in effect until they are amended or repealed in accordance with law.

Section 1.12.040. - Election Schedule.

Council Members shall be elected in Council Districts 3, 4 and 5 beginning at the general municipal election in November 2018, and every four years thereafter. Council Members shall be elected from Council Districts 1 and 2 beginning at the general municipal election in November 2020, and every four years thereafter.

Section 1.12.050. - Implementation.

If necessary to facilitate the implementation of this chapter, the City Clerk is authorized to make technical adjustments to the district boundaries that do not substantively affect the populations in the districts, the eligibility of candidates, or the residence of elected officials within any district. The City Clerk shall consult with the City Manager and City Attorney concerning any technical adjustments deemed necessary and shall advise the City Council of any such adjustments required in the implementation of the districts."

SECTION 2. Effective Date.

This Ordinance shall be effective 30 days from and after its final passage.

SECTION 3. Inconsistencies.

To the extent the terms and provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior City ordinance, motion, resolution, rule or regulation governing the same subject, the terms of this Ordinance shall prevail with respect to the subject matter thereof.

SECTION 4. Interpretation.

In interpreting this Ordinance or resolving any ambiguity, this Ordinance shall be interpreted in a manner that effectively accomplishes its stated purposes.

SECTION 5. Severability.

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, then such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Cathedral City hereby declare they would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that anyone or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 6. **Publication.**

The City clerk is authorized and directed to cause this Ordinance to be published within fifteen (15) days after its passage in a newspaper of general circulation and circulated within the City in accordance with Government Code Section 36933(a) or, to cause this Ordinance to be published in the manner required by law using the alternative summary and pasting procedure authorized under Government Code Section 39633(c).

SECTION 7. Certification.

The foregoing Ordinance was introduced at the regular meeting of the Cathedral City City Council on the 13th day of September, 2017, and approved and adopted at a meeting of the City Council held on the ____ day of _____, 2017, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

_____

Stanley E. Henry, Mayor

ATTEST: **APPROVED AS TO FORM:**

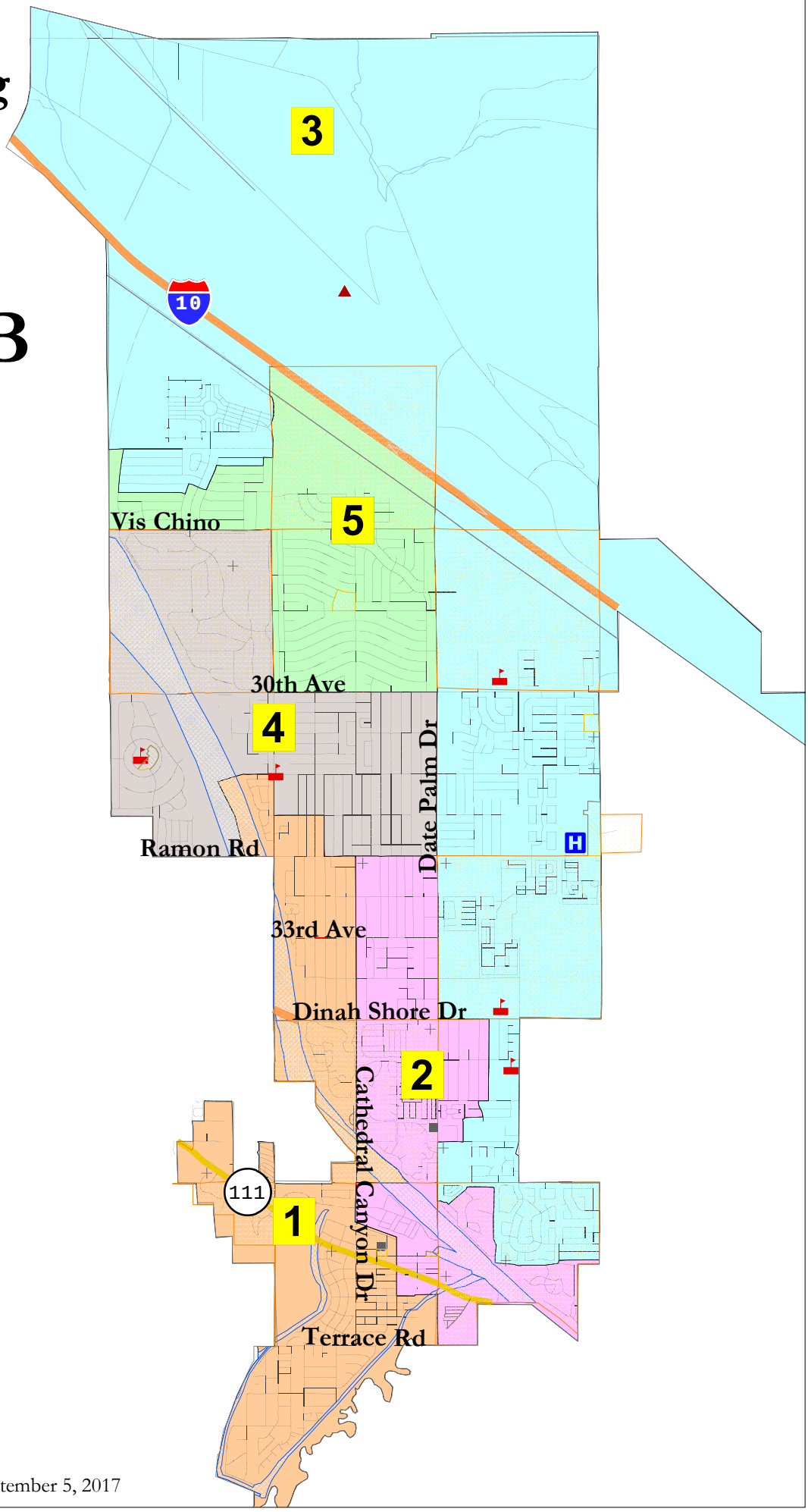
Gary F. Howell, City Clerk

Eric S. Vail, City Attorney

EXHIBIT “A”

Cathedral City 2017 Districting

Purple 2B



Map layers

- Purple 2B with Split
- Water Area
- Streets
- Indian Reservation
- Landmark Point
- Landmark Area
- Pipeline/Power Line
- Railroad
- River
- citylimits

0 .5 1 1.5

Miles

National Demographics Corporation, September 5, 2017

Cathedral City - Purple 2B map

District		1	2	3	4	5	Total
Ideal	Total Pop	10,051	10,301	10,337	10,036	10,475	51,200
10,240	Deviation from ideal	-189	61	97	-204	235	439
	% Deviation	-1.85%	0.60%	0.95%	-1.99%	2.29%	4.29%
Total Pop	% Hisp	66%	67%	44%	66%	51%	59%
	% NH White	28%	28%	45%	23%	37%	32%
	% NH Black	2%	2%	2%	2%	4%	3%
	% Asian-American	3%	3%	7%	7%	7%	5%
Voting Age Pop	Total	7,420	7,434	7,797	7,181	7,512	37,344
	% Hisp	59%	58%	37%	60%	45%	51%
	% NH White	35%	36%	52%	29%	43%	39%
	% NH Black	2%	2%	2%	2%	4%	2%
	% Asian-American	3%	3%	7%	8%	7%	5%
Citizen Voting Age Pop	Total	5,286	4,687	6,927	5,321	7,045	29,265
	% Hisp	52%	44%	29%	55%	45%	44%
	% NH White	44%	50%	59%	34%	43%	46%
	% NH Black	3%	3%	5%	2%	4%	3%
	% Asian/Pac.Isl.	2%	3%	5%	8%	7%	5%
Voter Registration (Nov 2014)	Total	3,276	2,956	4,878	3,658	4,333	19,101
	% Latino est.	41%	43%	32%	57%	40%	42%
	% Asian-Surnamed	1%	1%	1%	1%	2%	1%
	% Filipino-Surnamed	2%	1%	2%	2%	2%	2%
	% Spanish-Surnamed	37%	39%	29%	52%	36%	38%
	% NH White est.	55%	53%	61%	37%	53%	52%
	% NH Black	2%	2%	3%	2%	4%	3%
Voter Turnout (Nov 2014)	Total	1,469	1,328	2,328	1,394	1,829	8,348
	% Latino	26%	25%	22%	45%	30%	29%
	% Asian-Surnamed	1%	1%	1%	1%	2%	1%
	% Filipino-Surnamed	1%	1%	1%	2%	1%	1%
	% Spanish-Surnamed	23%	23%	19%	40%	27%	26%
	% NH White est.	70%	71%	71%	50%	63%	65%
	% NH Black	2%	1%	3%	3%	5%	3%
Voter Turnout (Nov 2012)	Total	2,048	1,881	3,357	2,116	2,929	12,331
	% Latino	29%	28%	27%	50%	33%	33%
	% Asian-Surnamed	1%	1%	1%	1%	1%	1%
	% Filipino-Surnamed	1%	1%	1%	2%	1%	1%
	% Spanish-Surnamed	26%	26%	25%	45%	29%	30%
	% NH White est.	66%	65%	67%	45%	61%	61%
	% NH Black est.	3%	5%	3%	3%	4%	3%
ACS Pop. Est.	Total	10,124	10,544	10,906	9,816	11,748	53,138
Age	age0-19	29%	32%	25%	31%	28%	29%
	age20-60	52%	47%	51%	51%	56%	51%
	age60plus	19%	22%	24%	18%	15%	20%
Immigration	immigrants	35%	40%	25%	37%	29%	33%
	naturalized	39%	24%	47%	44%	54%	41%
Language spoken at home	english	34%	36%	62%	40%	52%	45%
	spanish	63%	60%	31%	53%	41%	49%
	asian-lang	1%	3%	5%	4%	4%	3%
	other lang	2%	2%	2%	2%	3%	2%
Language Fluency	Speaks Eng. "Less than Very Well"	31%	30%	14%	26%	17%	23%
Education (among those age 25+)	hs-grad	54%	53%	57%	56%	68%	58%
	bachelor	8%	10%	16%	10%	11%	11%
	graduatedegree	6%	6%	12%	5%	5%	7%
Child in Household	child-under18	32%	31%	30%	34%	41%	34%
Work (percent of pop age 16+)	employed	56%	49%	53%	57%	57%	54%
	Commute on Public Transit	7%	3%	2%	2%	1%	3%
Household Income	income 0-25k	36%	37%	20%	28%	21%	29%
	income 25-50k	31%	32%	29%	29%	24%	29%
	income 50-75k	15%	14%	16%	18%	19%	17%
	income 75-200k	16%	15%	30%	23%	33%	23%
	income 200k-plus	1%	2%	5%	2%	3%	3%
Housing Stats	single family	18%	27%	19%	22%	6%	19%
	multi-family	82%	73%	81%	78%	94%	81%
	vacant	18%	27%	19%	22%	6%	19%
	occupied	82%	73%	81%	78%	94%	81%
	rented	51%	52%	31%	29%	34%	40%
	owned	49%	48%	69%	71%	66%	60%

Total and Voting Age population data from the 2010 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates.

NH White and NH Black registration and turnout counts estimated by NDC.

Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2011-2015 American Community Survey and Special Tabulation 5-year

Cathedral City

Agenda Report

File #: 2017-390 **Item No:** 5.A.

City Council

MEETING DATE: 9/27/2017

TITLE:
Funding Request from Boys and Girls Club of Cathedral City

FROM:
Charlie McClendon, City Manager

RECOMMENDATION:
Staff recommends the City Council approve a temporary "bridge loan" of $35,000 to the Boys and Girls Club of Cathedral City to be repaid no later than January 31, 2018; authorize the necessary budget amendments; and authorize the execution of a promissory note.

BACKGROUND:
Mayor Stan Henry and City Manager Charlie McClendon met with Boys and Girls Club Chief Executive Director Scott Robinson on September 12, 2017. Mr. Robinson disclosed a temporary cash flow issue the Club is facing, which will be resolved when an already awarded grant is received at the end of December 2017. As a result of the discussion, Mayor Henry requested an agenda item to allow Council to consider a temporary bridge loan to resolve the problem.

DISCUSSION:
The Boys and Girls Club provides a public benefit by providing after school programs and other educational and recreational activities and programs for children and youth from throughout Cathedral City.

Cathedral City has a long history of supporting the Boys and Girls Club and provided funding of $45,000 in the current FY17-18 budget. That payment to the Club has already been made for the current Fiscal Year.

The attached funding request outlines what the Club is seeking and identifies the grant source that will become available in late December from which the loan repayment will occur. The loan will be memorialized through a promissory note, which is attached as well.

FISCAL IMPACT:

There is no long-term cost to the City once the loan is repaid, however a budget amendment will be required to facilitate payment of the loan proceeds over the short term.

ATTACHMENTS:
Boys and Girls Club Request
Promissory Note

BOYS & GIRLS CLUB
OF CATHEDRAL CITY
32-141 Whispering Palms Trail * Cathedral City, CA 92234
760-770-4965
Tax ID 95-3507225

September 15, 2017

Charlie McClendon
City Manager
68700 Avenida Lalo Guerrero
Cathedral City, CA 92234

Dear Mr. McClendon,

The Boys and Girls Club of Cathedral City has become a vital organization for Youth Development in Cathedral City. We are one of the only youth service agencies in our community. We serve 600 children annually, and over 100 youth daily in the 1st thru 12th grades. There is truly a need for the safe and supervised programs we offer.

We have life enhancing programs to promote Academic Success, Healthy Lifestyles, and Good Character & Citizenship all in a safe supervised environment.

On behalf of the Boys & Girls Club of Cathedral City, I am respectfully requesting a zero interest "Bridge Loan of $35,000" to be paid back in full on January 3, 2017. The collateral is based off of a donation from the H. N. & Frances C. Berger Foundation expected in late December. This request was authorized at a meeting of our Board of Directors on September 13, 2017.

We are truly grateful for your continued support in helping us reach new heights in serving the youth and families of the greater Western Coachella Valley. Thank you for considering our request. I am available to provide any additional information, please feel free to give me a call at 760-770-4965.

Sincerely,

Scott Robinson
Chief Executive Director

BOYS & GIRLS CLUB
OF CATHEDRAL CITY
www.bgcccity.org

Boys & Girls Club of Cathedral City Is one of the Leading Youth Development Organizations in our Valley!

Examples of Boys & Girls Club of Cathedral City Programs with Impact:

- *Cathedral City, PSUSD, during the summer months and time away from school youth experience one to two months of learning loss on average. Up to 3rd grade youth learn to read, from 3rd grade on youth read to learn. If youth are not reading at grade level, they are not learning at grade level.*
  Boys & Girls Club of Cathedral City offers year-round "Reading Intervention" with retired teachers and educators. During the summer of 2015, through the BGCCC Radical Readers program, 96% of the youth not only did not experience the summer learning loss, YOUTH INCREASED THEIR READING LEVEL.

- *During the after school/evening hours teens are more likely to: Become victims of a violent crime, get hooked on cigarettes, experiment with dangerous drugs, and get involved with sexual behaviors increasing the chance of teen pregnancy. In addition, every 26 seconds another teen drops out of school!*
  Boys & Girls Club of Cathedral City offers programs in character and leadership development, helps build self esteem, and engagement in the learning process. Workshops are scheduled to address age appropriate issues such as career exploration, money management, goal setting and teen related health concerns. Plus it is a fun safe place where teens fit in and belong.

- *Poor eating habits and unhealthy lifestyle choices threaten the very well-being of our nation's youth. Today's overweight children have tripled in number since 1980. Approximately 75% of youth have diets that need improvement. In the Coachella Valley 70% of the youth are on the free or reduced food programs.*
  Boys & Girls Club of Cathedral City offers the BGCA "Triple Play Program." The Triple Play Program improves young people's knowledge of good nutrition, physical fitness, and strengthens their ability to interact positively and have healthy relationships with others.

In addition the Club has an Organic Children's Garden and a Culinary Class to help provide youth with the tools and skills to create good eating habits.

BOYS & GIRLS CLUB
OF CATHEDRAL CITY
32-141 Whispering Palms Trail * Cathedral City, CA 92234
760-770-4965
Tax ID 95-3507225

Mission Statement:
To inspire and enable all young people, especially those who need us most, to realize their full potential as productive, responsible and caring citizens.

BGCA Formula for Impact:
As a member of Boys & Girls Clubs of America we have adopted their newly designed "Formula for Impact." We have challenged our organization to be as deep in impact as broad in our reach. The equation for "Formula for Impact" is taking
The young people who need us most + Outcome-Driven Club Experience = Priority Outcomes!

We have become more intentional regarding the five key elements for positive youth development, high-yield learning activities, targeted programs, and regular attendance. This will lead to our **Priority Outcomes** which are: **Academic Success** – our members will graduate from high school ready for college, trade school, military, or employment. **Good Character and Citizenship** – our members will be engaged citizens involved in their community, register to vote, and model strong character. **Healthy Lifestyles** – our members will adopt a healthy diet, practice healthy lifestyle choices, and make a lifelong commitment to fitness.

Being honored as the Cathedral City's Chamber of Commerce "Non-profit of the Year" for 2017, and "Man of the Year" and the Rancho Mirage Chamber of Commerce "Non-profit of the Year" for 2016 our communities know the quality impact the Boys & Girls Club of Cathedral City is having on our kids. With guidance from BGCA and support from the City of Cathedral City we know we will continue our commitment to making a difference in the lives of our youth.

H.N. AND FRANCES C.
BERGER FOUNDATION

Grant #F17-21

September 6, 2017

Mr. Scott Robinson
Chief Executive Director
Boys & Girls Club of Cathedral City
32-141 Whispering Palms Trail
Cathedral City, CA 92234

Dear Mr. Robinson:

After reading and assessing the information submitted to the H.N. and Frances C. Berger Foundation in your letter dated August 16, 2017, I am pleased to inform you that our Grant Committee has approved a matching grant (as detailed below) not to exceed $35,000.00 to the Boys & Girls Club of Cathedral City.

This grant will be in the form of a Matching Grant - for the 8th Annual Holiday Extravaganza per your letter dated August 16, 2017.

The following terms and conditions apply to this grant and the use of the grant funds:

1. The Berger Foundation will match on a $1.00 for $1.00 basis all gifts, grants, and contributions from individuals, corporations, foundations, or any other source received by Boys & Girls Club of Cathedral City for the purpose of a matching grant, as set forth in your letter to the Berger Foundation of August 16, 2017.

2. Funds to be matched must be received by the Boys & Girls Club of Cathedral City by December 11, 2017, beginning on November 11, 2017.

3. The maximum amount of funds to be matched by the Berger Foundation is $35,000.00.

4. On or before December 11, 2017, the Boys & Girls Club of Cathedral City shall inform the Berger Foundation of the amount of funds to be matched, accompanied by documentation reasonably satisfactory to the Berger Foundation which verifies said amount.

5. The Berger Foundation's matching grant funds will be paid in a single installment within 15 days after receipt by the Berger Foundation of the documentation as stated in Item 4.

P.O. Box 13390, Palm Desert, CA 92255 Phone: 760-341-5293

6. All grant funds to be matched, must be used strictly for the purposes set forth in this agreement.

7. If for any reason the grant funds are not expended for the items outlined in this agreement, the grant funds shall be returned to the Berger Foundation or applied to additional grant awards from the Berger Foundation to the Boys & Girls Club of Cathedral City at the Berger Foundation's discretion.

8. A written report shall be furnished to the Foundation at least once every 12 months (and/or when the project is completed) from the date of payment of this grant. The reports shall contain a narrative report of the progress made toward achieving the goals of the grant.

If this letter sets forth your understanding of the terms of this grant, please indicate the Boys & Girls Club of Cathedral City agreement to these terms by returning an executed copy of this agreement to the Berger Foundation.

Please be aware that a check will be sent directly to your organization from the H.N. & Frances C. Berger Foundation Fidelity Investment Donor Advised Fund.

Sincerely,

H. N. AND FRANCES C. BERGER FOUNDATION

Christopher M. McGuire

Christopher M. McGuire
Vice President

We acknowledge that we have received and retained a copy of this agreement. The terms and conditions set forth herein are acceptable to us and we will comply with them.

Boys & Girls Club of Cathedral City

By: _____

Title: CHIEF EXECUTIVE OFFICER

CMM/jb

12:20 PM

09/11/17

Accrual Basis

Boys & Girls Club of Cathedral City
Account QuickReport
January through December 2016

Type	Date	Num	Name	Memo	Split	Amount
430 · Special Event						
431 · Extravaganza						
Deposit	01/12/2016			Deposit	118 · PWB - O...	45.00
Deposit	01/29/2016			2015 Wreath ...	118 · PWB - O...	900.00
Credit Memo	01/31/2016	30	Wreath Auction		1200 · Account...	-8,945.00
Deposit	03/08/2016			2015 Wreath ...	118 · PWB - O...	500.00
Deposit	03/18/2016			2015 Wreath ...	118 · PWB - O...	7,500.00
General Journal	08/31/2016	0805		29 Palms Ban...	813 · C/P - L.I....	1,000.00
Deposit	11/03/2016			D&D Carpet S...	109 · Wells Far...	1,000.00
Deposit	11/17/2016			Julie Frazier - ...	118 · PWB - O...	1,571.74
Deposit	11/18/2016			Deposit	109 · Wells Far...	100.00
Deposit	11/30/2016			Ladies of Los ...	118 · PWB - O...	467.00
Deposit	11/30/2016			Rashford	118 · PWB - O...	200.00
Deposit	11/30/2016			Tickets	118 · PWB - O...	60.00
Deposit	12/01/2016			NAI Consultin...	109 · Wells Far...	1,500.00
Deposit	12/15/2016			Coachella Val...	109 · Wells Far...	1,000.00
Deposit	12/15/2016			Frazier Pest ...	109 · Wells Far...	1,500.00
Deposit	12/16/2016			Cash from ev...	118 · PWB - O...	3,918.00
Deposit	12/16/2016			Deposit	118 · PWB - O...	5,150.00
Deposit	12/30/2016			Deposit	118 · PWB - O...	200.00
Deposit	12/30/2016			Berger Found...	118 · PWB - O...	35,000.00
General Journal	12/31/2016	1205		Operating Acc...	610 · Bank Ch...	13,655.00
General Journal	12/31/2016	1205		Stand Up for ...	610 · Bank Ch...	3,176.00
General Journal	12/31/2016	1205		Event Brite Ti...	610 · Bank Ch...	1,110.00
Invoice	12/31/2016	32	Accounts Receivable	2016 Earning...	1200 · Account...	8,100.00
Total 431 · Extravaganza						78,707.74
Total 430 · Special Event						78,707.74
TOTAL						**78,707.74**

-35000

43,707.74

12:19 PM
09/11/17
Accrual Basis

Boys & Girls Club of Cathedral City
Account QuickReport
January through December 2015

Type	Date	Num	Name	Memo	Split	Amount
430 · Special Event						
431 · Extravaganza						
Deposit	01/16/2015		Wreath Auction	Wreath Event	118 · PWB - O...	10.00
Deposit	02/06/2015			Wreath Event...	118 · PWB - O...	700.00
Deposit	03/20/2015			Wreath Event...	109 · Wells Far...	1,050.00
Deposit	10/21/2015			Wreath Event...	118 · PWB - O...	1,350.00
Deposit	10/21/2015			Wreath Event...	118 · PWB - O...	30.00
Deposit	10/29/2015			Pacific Weste...	118 · PWB - O...	1,000.00
General Journal	10/31/2015	1003		Wreath Event...	610 · Bank Ch...	300.00
General Journal	10/31/2015	1003		Wreath Event...	610 · Bank Ch...	1,000.00
General Journal	10/31/2015	1005		WF Merchant ...	610 · Bank Ch...	500.00
Deposit	11/10/2015			Rita Greenwood	118 · PWB - O...	12,000.00
General Journal	11/30/2015	1103		Operating Acc...	610 · Bank Ch...	2,180.00
General Journal	11/30/2015	1105		Wreath Spon...	610 · Bank Ch...	1,800.00
Deposit	12/11/2015			Deposit	118 · PWB - O...	5,005.00
Deposit	12/11/2015			Raffle Ticket ...	118 · PWB - O...	1,020.00
Deposit	12/11/2015			Ticket Sales	118 · PWB - O...	370.00
Deposit	12/11/2015			Deposit	118 · PWB - O...	3,300.00
Deposit	12/23/2015			Deposit	118 · PWB - O...	1,000.00
Deposit	12/23/2015			Berger Found...	118 · PWB - O...	25,000.00
Deposit	12/31/2015			Deposit	118 · PWB - O...	650.00
General Journal	12/31/2015	1205		Operating Acc...	610 · Bank Ch...	11,300.01
General Journal	12/31/2015	1207		Wreath Expen...	610 · Bank Ch...	35.72
General Journal	12/31/2015	1207		Wreath Event...	610 · Bank Ch...	3,500.00
General Journal	12/31/2015	1207		WF Merchant ...	610 · Bank Ch...	150.00
Invoice	12/31/2015	25	Wreath Auction	Multiple depo...	1200 · Account...	8,945.00
Total 431 · Extravaganza						82,195.73
Total 430 · Special Event						82,195.73
TOTAL						**82,195.73**

-25,000

57,195 73

Cathedral City

Agenda Report

File #: 2017-383 **Item No:** 5.B.

City Council

MEETING DATE: 9/27/2017

TITLE:
Palm Springs Leather Pride Parking Lot Party

FROM:
Chris Parman, Communications / Events Manager

RECOMMENDATION:
Staff recommends the approval of Special Use Permit #17-022 with conditions that the organizers meet and confer with our fire and police departments to mitigate any safety concerns and any department inspections, if needed, are approved.

BACKGROUND:
Palm Springs Leather Pride is organized and produced by volunteers and members of Palm Springs Leather Order of the Desert (PSLOD), a registered 501(c)3 not-for-profit corporation. It promotes with power and pride the right of all adults to engage in safe, sane and consensual sexual expression and orientation.

The organization raises money for local and national organizations such as AIDS Assistance Program, Desert AIDS Project, Desert Women for Equality Mammogram Program and Well in the Desert. Over the past 23 years, they have raised more than $250,000 for these charities and causes.

Each year, the PSLOD holds the annual Mr. Palm Springs Leather Contest, the annual Gala dinner and cocktail party, pool parties, and other activities including the Friday night parking lot party. In recent past, most of the events have occurred in Palm Springs.

The 2017 contest and dinner Gala events will occur at the Palm Spring Air Museum. The annual Friday night parking lot party has been held at the Tool Shed, an LGBT bar in Palm Springs, but due to potential ownership changes, they are unable to host the parking lot party this year.

DISCUSSION:

Kevin Winters, the owner of the Barrack's Bar in Cathedral City, has applied for a Special Use Permit to host the Palm Spring Leather Pride Parking Lot Party at their establishment. This would be a first for Barracks Bar.

The event would occur on Friday, October 27, 2017 from 5:30 pm to 1:30 am on Saturday, October 28, 2017 at their current location, 67625 E. Palm Canyon Drive. The party will attract at peak hours around 1,000 attendees, therefore there is a need to extend the event beyond the interior space of the bar and utilize their parking lot space.

The party will include outdoor music; however, they will position the speakers so the sound will go away from the residential areas north of East Palm Canyon Drive. Most of the sound will be pointed towards commercial areas that are typically closed during this time period.

Kevin has reached out to the landlord and adjacent neighboring businesses for permission and has received their support (see Attachment B - Supporting Documents).

Security will be provided by the Barracks Bar and PSLOD. Fencing will be placed around the parking lot to control access. The fence will be covered to prevent anyone under 21 years of age from viewing any activities from the outside. They are receptive to any advice from the Police Department on how to make the event as safe as possible.

Parking for attendees will be offered in parking lots adjacent to the Barrack's Bar and they would also like to utilize the City's downtown parking garage for overflow parking with frequent shuttle service from downtown to the event. They plan to have plenty of staff directing traffic on where to park.

The organizers will cooperate in any way with our fire department to make sure fire and emergency access remains available for not only the event but also for surrounding businesses.

The organizers will provide proper insurance levels naming the City of Cathedral City as an additional insured.

FISCAL IMPACT:

The event should have little cost, if any, to the City. However, the benefits of allowing this event will provide revenue in the form of sales tax from the event and from patrons utilizing nearby restaurants and retailers. It will also encourage more attendees to find hotel locations closer to the Pride activities, which are scheduled at the Palm Springs Air Museum on Gene Autry Trail and the Barracks Bar in Cathedral City. This will make the new Staybridge Suites hotel an ideal location, which could generate significant T.O.T. revenue to the City. It will certainly sell out the CCBC Resort Hotel which is located a short distance from the Barracks Bar and thereby provide additional T.O.T. revenue. It may even provide additional revenue for our nearby RV Parks for those traveling and staying via recreational vehicles.

ATTACHMENTS:

Special Use Permit #17-022

Attachment B - Supporting Documents

Cathedral City

CITY OF CATHEDRAL CITY
(760) 770-0374
Fax - (760) 202-1460
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234-7031

(Staff Use Only)
Case No.: SUP#17-022
Related Files:

SPECIAL USE PERMIT

It is advisable to submit applications for review 60 days prior to commencement of the use or event to ensure adequate review of the application. If you have any questions while completing this application, please ask a member of the Planning Department for assistance. In order for the City to process a Special Use Permit Application, the application fee must be submitted with the completed application. For recurring events, a schedule must be submitted every 3 months. In addition, a detailed Site Plan must be submitted with the application. Incomplete applications will not be accepted (or process may be delayed). **(PLEASE PRINT OR TYPE)**

CHECK TYPE OF USE OR EVENT

- ☐ Sidewalk/Rummage/Parking Lot Sale
- ☐ Carnival/Circus*
- ☐ Festival
- ☐ Car Washes
- ☐ Parade/Race/Marathon
- ☐ Construction/Sales/Storage Trailer
- ☐ Block Party
- ☐ Special Shows (vehicle display/auctions)
- ☐ Extension of Hours
- ☒ Other: Parking Lot Party

*Per the City Council, Carnivals and Circuses are not allowed between Date Palm Drive to the east, B Street to the South, Officer David Vasquez to the north, and Cathedral Canyon Drive to the west.

DESCRIPTION OF USE OR EVENT

Location: 67625 E Palm Canyon Cat City/92234
Date(s) of Event: 10/27/17 through: ___/___/___
Hours of Event: Start: 5:30 am/pm through 1:30 am/pm
Anticipated attendees: ☐ 1-50 ☐ 51-100 ☐ 101-500 ☒ 501-1,000 ☐ over 1,000
Will food be prepared or served: ☒ Yes ☐ No
Will alcohol be served: ☒ Yes ☐ No
Will there be live entertainment: ☐ Yes ☒ No Recurring Event: ☐ Yes ☐ No
Will there be searchlights: ☐ Yes* ☒ No

*Searchlights need FAA approval and completion of their application. (See staff for FAA application).

If yes, provide a description of the live entertainment.

For the following, please use an attached sheet of paper to complete the responses (if necessary).
Will there be loud speakers or amplification: ☒ Yes ☐ No
Will streets or driveways be temporarily closed: ☒ Yes ☐ No (If yes, provide detail on your Site Plan)
What kinds of temporary structures will be used and how will they be fastened to the ground?

SUBMITTAL REQUIREMENTS:

- ☒ Application Fee: $300 if fewer than 500 attendees; $600 if more than 500 attendees.
- ☐ Recurring Events or Events with more than 500 attendees must also submit a $600 deposit.
- ☐ Provide 4 copies of Site Plan:
  - ☐ Please show location of the event, including buildings, temporary improvements, portable restrooms, vendor locations, parking areas and driveways.
  - ☐ Show any street closures on your Site Plan.
  - ☐ Show the location of any lighting, generators, and/or restrooms on the Site Plan.
- ☒ Non-Profit License if applicable.
- ☐ Signed documentation from the property owner agreeing to the use, as specified in this application.
- ☒ If event is on City property or public right-of-way, provide insurance policy or policies naming the City, its officers, agents and employees as additional insured, issued by a company satisfactory to the City Attorney, and in an amount determined to be adequate for the risks involved in the activity, as determined by the Community Development Director.
- ☒ Proof of Insurance for $1,000,000 for Liability.
- ☐ Provision of Health Permits, ABC License, Building Permits and/or Resale Permits. All Riverside County Health Department requirements must be satisfied.
- ☐ Provision of any other Permits required by City, State, or Federal Governments.
- ☐ Signage Plan for street closures and directions to the event.
- ☒ Refuse Plan.
- ☐ Any event that has more than 3 occurrences needs approval from the City Council.
- ☐ A quarterly schedule needs to be approved by the City for recurring events. This includes dates, times, and entertainers.

ADDITIONAL INFORMATION

(Provide any necessary general information regarding event or any special needs for the event. Attach additional sheets if necessary.)

NO STREET CLOSURE

APPLICANT

Name: KEVIN WINTER Phone Number: 408 806 3185

Company: BARRACKS BAR Fax Number:

Address: 67625 E Palm Canyon City: Cat City Zip Code: 92234

PROPERTY OWNER

Name: JOHN WESSMAN Phone Number: 760 318 8089

Company: DBA CANYON PLAZA BUSINESS PARK Fax Number:

Address: PO BOX 1419 City: Cathedral City Zip Code: 92235

OTHER PARTIES

Name: PalmSprings Leather Order of the Desert

Phone Number: 7602185996

Company:

Fax Number:

Address: PO Box 5506

City: Palm Springs

Zip Code: 92263

EMERGENCY CONTACT

(Contact person should there be an emergency during the event)

Name: Kevin Winter

Phone Number: 4088063185

Company: Barracks Bar

Fax Number:

Address: 67625 E Palm Canyon

City: Cat City

Zip Code: 92234

I/we certify (or declare under penalty of perjury under the laws of the State of California) that the foregoing is true and correct.

Print Name: Kevin Winter

Signature: Kevin Winter

DETERMINATION OF APPLICATION (Staff Use Only)

ACTION TAKEN: ☐ APPROVED ☐ DENIED

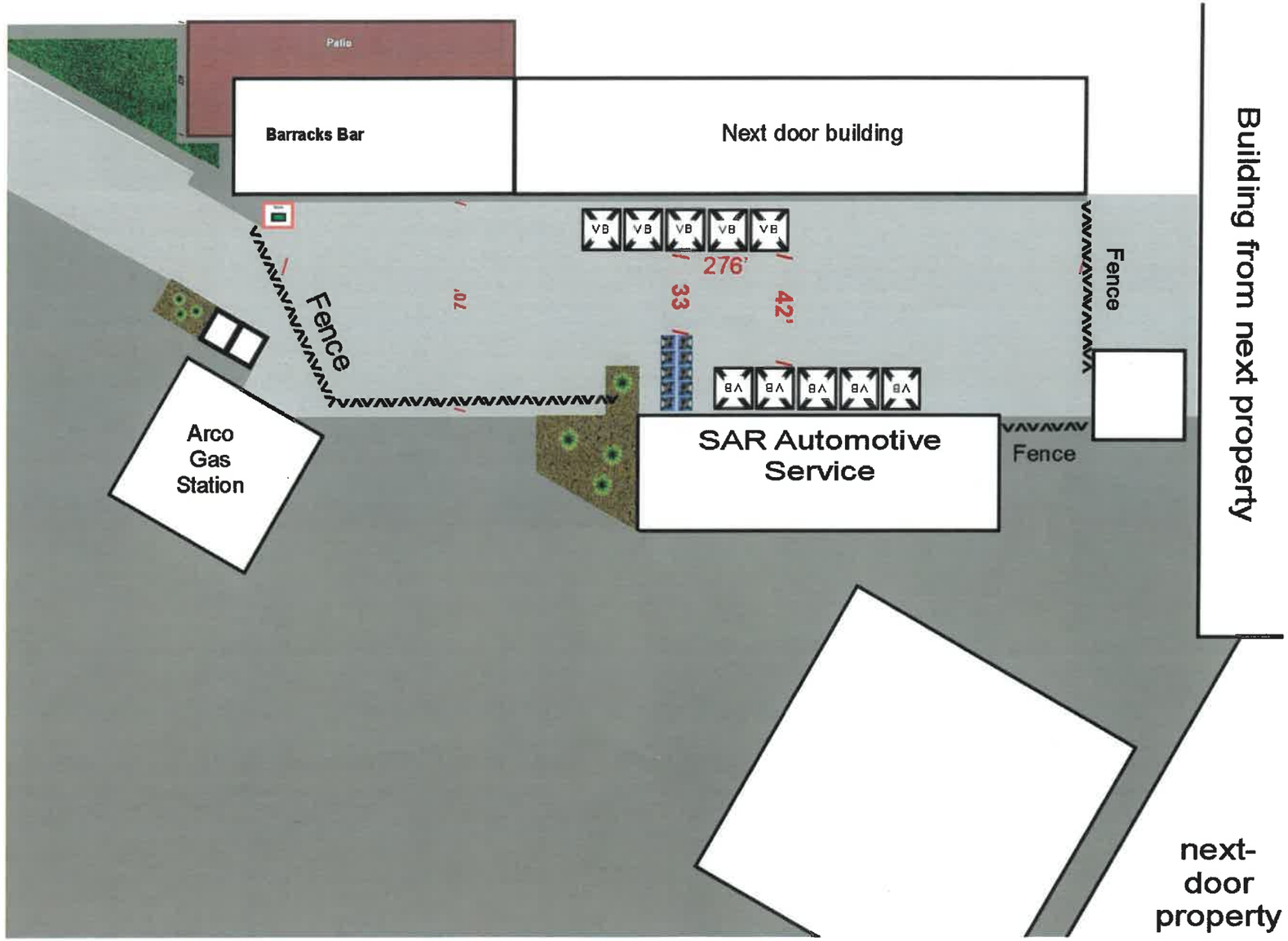
If approved, see attached Conditions of Approval. ☐

If denied, provide reasons:

APPROVED BY:

DATE:

Date/Time Received:	Received By:	Amount Received:	Receipt No(s).:


Patio
Barracks Bar
Next door building
Building from next property
Fence
Fence
Fence
Fence
70'
276'
33
42'
Arco
Gas
Station
SAR Automotive
Service
next-
door
property

Google Maps
Secure
Sign in
Flooring Innovations
State Farm - Phil Goodge
K9 Clipper and Catamaran
AMPM
ARCO
The Barracks Bar
Images
Street View
Photo Sphere
9:32 AM
9/13/2017

THIRD AMENDMENT TO LEASE

NAME OF PROJECT:
Canyon Plaza Business Park

This Third Amendment to Lease Agreement ("Amendment") dated as of this 14th **day of September 2017**, is made by and between **JOHN WESSMAN dba: CANYON PLAZA BUSINESS PARK** (herein called "Landlord") and **KEVIN WINTERS (HEREIN CALLED TENANT)**, sets forth additional terms and conditions of that certain Lease Agreement dated for reference only **16TH day of SEPTEMBER, 2011**, is made by and between **JOHN WESSMAN dba: CANYON PLAZA BUSINESS PARK** (herein called "Landlord") and **JOHN RENTSCH AND CARL LEVINE as GLMR PROPERTIES, LLC dba "THE BARRACKS BAR", and assigned to KEVIN WINTER on the 15th of January 2013 then subsequently assigned to THE BARRACKS BAR, INC,** (herein "Tenant"), covering those certain premises described in the Lease Agreement ("Premises"), which Premises are located at 67-625 East Palm Canyon Dr Suite C7 & C8 (Plus Patio), Cathedral City, Ca 922234 in the commercial property known as Canyon Plaza Business Park ("Shopping Center"), where indicated on Exhibit "A" attached to the original lease. As used in this amendment, the term "Lease" shall mean and refer to the Lease Agreement and all attached Exhibits and Addenda, as modified and amended by this amendment.

The Lease Agreement shall be modified to include the following provisions:

1. **LANDLORD CONSENT:** Landlord consents to the special use permit (see attached Exhibit 09.17.A) for October 27, 2017.

2. **EVENT SECURITY DEPOSIT:** For above consent tenant places with landlord a security deposit of $5,000.00 (Five Thousand and no/100 Dollars). Security deposit to be refunded within 15 days following closure of event, less any damages.

3. **INSURANCE:** Additional insurance with Liquor Liability coverage naming the landlord and property management shall be obtained and in force during the event.

4. **OTHER TERMS:** Notwithstanding anything contained herein to the contrary, all other terms and conditions of the Lease shall remain in full force and effect.

LANDLORD:	**TENANT:**
JOHN WESSMAN **dba CANYON PLAZA BUSINESS PARK**	**THE BARRACKS BAR, INC**
SIGNATURE:	**SIGNATURE** Kevin Winter
PRINT NAME:	**PRINT NAME:** THE BARRACKS INC
ITS:	**ITS:** OWNER
DATE: 9/14/17	**DATE:** 9.14.17

To: Neighbors of the Barracks Bar
From : The Barracks Bar
RE: October 27th Parking Lot Event 5pm-1:30 am

PSLOD, The Barracks Bar and the City of Cathedral City
Would like to host the first Leather Pride Parking lot Party
And are requesting your permission to do so.

The event location would take place in the parking lot between the Barracks Bar and AM/PM.
The event time would be 5pm-1:30am with set up commencing the morning of October 27th.

Please Sign and Date below so we know you are on board and have your permission to bring this already successful event to our city

Business name:

FLOORING INNOVATIONS

Authorized Signature

To: Neighbors of the Barracks Bar
From : The Barracks Bar
RE: October 27th Parking Lot Event 5pm-1:30 am

PSLOD, The Barracks Bar and the City of Cathedral City
Would like to host the first Leather Pride Parking lot Party
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The event location would take place in the parking lot between the Barracks Bar and AM/PM.
The event time would be 5pm-1:30am with set up commencing the morning of October 27th.

Please Sign and Date below so we know you are on board and have your permission to bring this already successful event to our city

Business name:

ARCO AMPM 42631

Authorized Signature

To: Neighbors of the Barracks Bar
From : The Barracks Bar
RE: October 27th Parking Lot Event 5pm-1:30 am

PSLOD, The Barracks Bar and the City of Cathedral City
Would like to host the first Leather Pride Parking lot Party
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Please Sign and Date below so we know you are on board and have your permission to bring this already successful event to our city

Business name:

Nardi Global

Authorized Signature

Motaui Glonardi

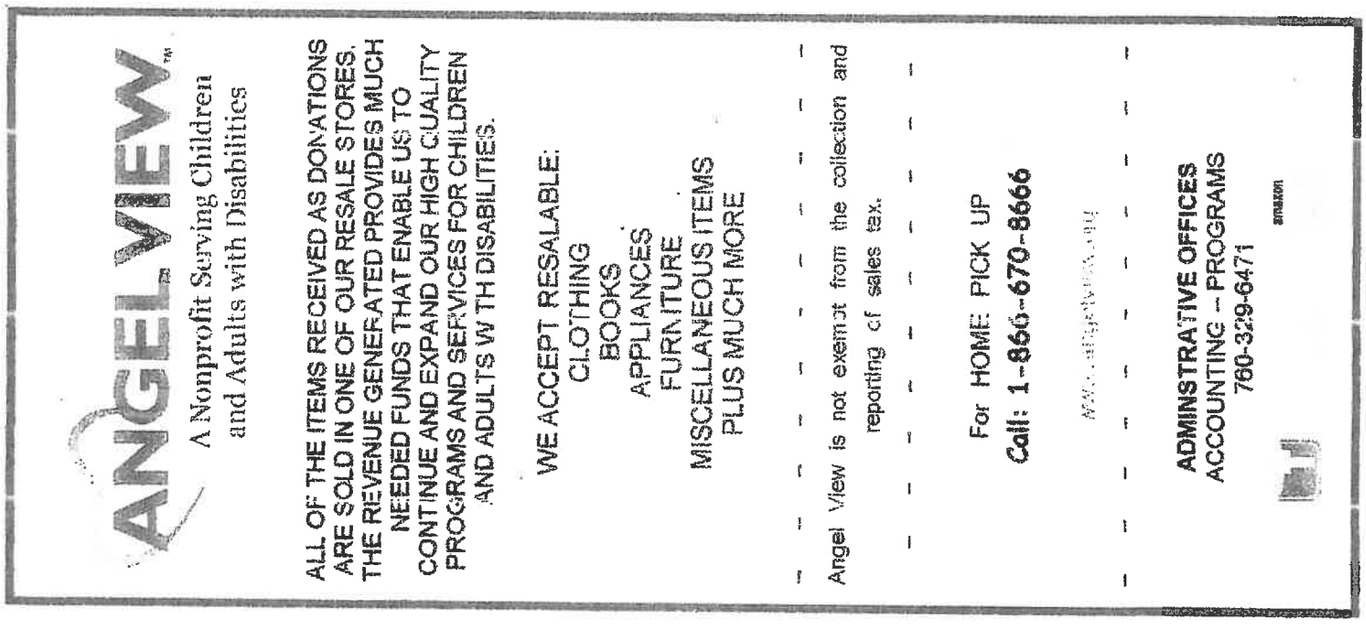
09.12.2017

Stephen,

the issue is we are now a separate entity and they **do not** need our permission. Our property is no longer part of that section that encompasses, AM/PM, The Barracks, The car rental place, etc.. It's nice that they are asking for our permission and want to be good neighbors but they don't need it and we do not want to sign a document stating it's okay because we don't really have a say in what they do. If they want to be good neighbors and have an attendant keeping their patrons from parking in our place that would be awesome.

If the City is insisting that we sign something, they need to be informed that our property no longer belongs to Weisman (spelling may not be correct). I believe the section near McDonald's all the way to the car dealership was all one suite of buildings, that's why we all have the same address with different suite numbers. So when we got our property we now have the middle section, but it no longer is part of the original mass, so no permission is needed.

[Quoted text hidden]



EMPLOYERS

EMPLOYERS PREFERRED INS. CO.
A Stock Company

Insurance Policy

Policy Number	Policy Period From	To
EIG 1707244 04	06/26/2017	06/26/2018

12:01A.M. Standard Time at the address of the Insured as stated herein

Transaction

RENEWAL DECLARATIONS

NCCI Carrier # 31283 **WCIRB CARRIER#** 00920 **PRIOR POLICY NUMBER** EIG170724403

1. Named Insured and Address

THE BARRACKS BAR INC
DBA BARRACKS BAR
21 VISTA MIRAGE WAY
RANCHO MIRAGE CA 92270

Agent

CENNAIRUS, LLC 6556000
PO BOX 25897
SARASOTA, FL 34277

Telephone: 9419279500

Customer #	Carrier #	FEIN #	Risk ID #	Entity of Insured
	31283	464273278		CORPORATION

Additional Locations:

The Policy Period is from 06/26/2017 to 06/26/2018 12:01 a.m. Standard Time at the Insured's mailing address.

A. Workers Compensation Insurance: Part ONE of the policy applies to the Workers Compensation Law of the states listed here: CA

B. Employers Liability Insurance: Part TWO of the policy applies to work in each state listed in Item 3A. The limits of our liability under Part TWO are:

Bodily Injury by Accident	$	1,000,000	each accident
Bodily Injury by Disease	$	1,000,000	policy limit
Bodily Injury by Disease	$	1,000,000	each employee

C. Other States Insurance: Part THREE of the policy applies to the states, if any, listed here: All states except ND, OH, WA, WY, AK, DE, HI, LA, ME, NH, RI, SD, VT, WV and states listed in item 3.A.

D. This policy includes these endorsements and schedules: See attached schedule.

The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates, and Rating Plans. All information required below is subject to verification and change by audit.

SEE EXTENSION OF INFORMATION PAGE

Minimum Premium $ 750

Expense Constant $ 220
Premium Discount $

Assessments and Taxes $

Total Estimated AnnualPremium $ 7,908

☐ This is a Three Year Fixed Rate Policy

Premium Adjustment Period: ☒ Annual; ☐ Semiannual; ☐ Quarterly; ☐ Monthly

Countersigned this Day of ,

Authorized Representative

Issued Date: 05/26/2017

Issuing Office **EMPLOYERS PREFERRED INS. CO.**
412 PARKCENTER BLVD., SUITE 320
BOISE, ID 83706-7565

Issued Date 05/26/2017
WC990630 (5/98 Ed.)

INSURED COPY

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 09/01/2017

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 have ADDITIONAL INSURED provisions or 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

Kaliff Insurance
2009 NW Military Hwy
San Antonio TX 78213

CONTACT NAME: Brettany Johnson
PHONE (A/C, No, Ext): (210)829-7634 FAX (A/C, No): (210)829-7636
E-MAIL ADDRESS: brettany@kaliff.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Certain Underwriters at Lloyds/Kaliff	
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

Palm Springs Leather Order of the Desert
PO BOX 5506
Palm Springs CA 92263

COVERAGES **CERTIFICATE NUMBER:** CL179119083 **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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR [X] AD&D $10,000/$50,000 GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC OTHER:			MKI00138	09/08/2017	09/08/2018	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ EXCLUDED
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
							LIQUOR LIABILITY	$ 1,000,000
A	AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [X] HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY			MKI00138	09/08/2017	09/08/2018	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
	[ ] UMBRELLA LIAB [ ] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $							$
							EACH OCCURRENCE	$
							AGGREGATE	$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [ ] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A						$
							[ ] PER STATUTE [ ] OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

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

ADDITIONAL INSURED AS RESPECTS TO INSURED'S OPERATIONS: The Barracks

CERTIFICATE HOLDER

The Barracks
67625 E. Palm Canyon Drive
Cathedral City CA 92234

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

Mitchell N. Kaliff

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Cathedral City

Agenda Report

File #: 2017-394 **Item No:** 5.C.

City Council

MEETING DATE: 9/27/2017

TITLE:
Integrated Municipal Enterprise Resource Planning (ERP) Solution and Services

FROM:
Tami E. Scott, Administrative Services Director

RECOMMENDATION:
Staff recommends the City Council approve a contract with Tyler Technologies to Implement an Integrated ERP Solution and authorize the City Manager to execute the contract documents.

BACKGROUND:
Currently, the City of Cathedral City has various manual and disparate Financial, Human Resources and Community Development functions, processes and systems. Not only are these systems and processes outdated, they are not integrated with one another (stove-pipe) and can be inefficient and labor intensive. As a result, the City issued a Request for Proposal (RFP) for an integrated solution with these specifications:

+ Real-time integration of various system modules. Batch processing is not an acceptable integration method.

+ Support of industry best practices and requirements for municipal government, including updates related to state and federal laws.

+ Ability to define workflows including approvals and automated notifications to streamline business processes, promoting a paperless environment and supporting on-going, recurring events, e.g., inspections.

+ Include excellent, easy-to-use reporting tools integrating with Microsoft Office products.

+ Support importing, formatting, and customizing capabilities of existing documents, such as letters, forms, notices, licenses, permits, and job cards.

+ Ability to batch, scan and manage documents, e.g., invoices.

+ Activity tracking and reporting providing an audit trail of events, e.g., phone calls, office visits, notices, and other correspondence.

+ Ability for remote access, e.g., mobile applications, tablet, etc.

+ Citizen and vendor self-services, including on-line payment capabilities.

DISCUSSION:

During the period of April 2017 - September 2017, the City researched and evaluated the RFP responses. As part of the evaluation, three different vendors demonstrated their software solutions to the various departments. The City obtained references from California agencies and verified comparable full-service cities (with both in-house Police and Fire as well as Public Employee Retirement System (PERS) reporting).

Inherent in this evaluation of ERP software solutions, the City determined these to be the primary measures of success resulting in the ability to better service our constituents and the public we support by:

+ Eliminating workflow redundancy and streamline work processes

+ Allowing City staff to focus on more important tasks

+ Reducing manual processes and flow of paper

+ Increasing availability and accuracy of data

+ Reducing the number of stand-alone systems

+ Updating and documenting processes and procedures

+ Managing and reporting revenue and expense data from an integrated financial backbone

+ Reducing the time to complete month-end and year-end closing

FISCAL IMPACT:

From the Technology Fund (614), a not-to-exceed $900,000 budget in one-time development and implementation costs.

Regarding the General Fund (100), annual recurring maintenance costs are already budgeted as an operating expense in the previously adopted biennial budget.

ATTACHMENTS:

N/A

Cathedral City

Agenda Report

File #: 2017-378 **Item No:** 3.A.

Successor Agency to the Former Redevelopment Agency

MEETING DATE: 9/27/2017

TITLE:
Successor Agency to the Former Redevelopment Agency- Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8

Property Location: 68510 E Palm Canyon Dr. with APN 687-475-003
Property Owners: City Urban Revitalization Corporation
Negotiating Parties: City of Cathedral City as Successor Agency to the Former Redevelopment Agency & City Urban Revitalization Corporation
Under Negotiation: Price & Terms on the Sale of Real Property

Cathedral City

Agenda Report

File #: 2017-393 **Item No:** 3.B.

Successor Agency to the Former Redevelopment Agency

MEETING DATE: 9/27/2017

TITLE:
Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8.

Property Location: Approximately 13.5 acres south of East Palm Canyon Drive at Date Palm Drive
Negotiating Parties: City of Cathedral City as the Successor Agency to the former Redevelopment Agency and the City Urban Revitalization Corporation
Property Owner: City Urban Revitalization Corporation
Under Negotiations: Price and Terms for potential sale of real property

Cathedral City

Agenda Report

File #: 2017-395 **Item No:** 3.C.

Housing Successor Agency

MEETING DATE: 9/27/2017

TITLE:
Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8.

Property Location: Approximately 2 acres at the southeast corner of West Buddy Rogers and East Palm Canyon Drive.
Negotiating Parties: City of Cathedral City as the Housing Successor Agency to the former Redevelopment Agency and Cathedral Canyon Development LLC
Property Owner: City of Cathedral City as the Housing Successor Agency to the Former Redevelopment Agency
Under Negotiations: Price and Terms for potential sale of real property.