

PALM CANYON GROUP, LLC

1024 Bayside Drive, Suite 215
Newport Beach, CA 92660
949-933-2411

August 5, 2016

Robert Rodriguez
Development Services Manager
Community Development
City of Cathedral City
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234

Re: TTM 33668 One Year Extension Request

Dear Mr. Rodriguez,

Palm Canyon Group, LLC, the owner of the property in question, would like to formally request a one year extension of TTM 33668. This one year extension request is within the guidelines of the California State laws and Statutes. The subject property was originally approved for 107 single family homes on the 26th day of October, 2006. The 16.61 acre project is located on the south side of East Palm Canyon, west of Bankside Dr, surrounded by hillsides and a dry wash. Nearby uses to the north, east and west are commercial with the Cathedral City Cove Community to the south.

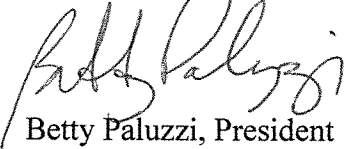
The previous owner suffered major financial hardships as a result of the past economic crisis that negatively affected the housing and real estate building/development industry, and had to put this project on hold for numerous years. Purchased by Palm Canyon Group, LLC in 2014, numerous challenges have been encountered from the various governmental agencies in order to update the final map plans to current conditions and ordinances. The major delay mainly has been the City of Cathedral City Engineering Department over the newest 2008 FEMA guidelines. Our project has been delayed since October 2014 because of FEMA's claim that a levy bordering the subject property that was built in or around 1948 does not exist (even though everyone knows it does exist) which adversely reclassifies the flood zone for this previously approved project. The Riverside County Flood Control District (RCFCD) states that they must get the levy recertified for FEMA and the City of Cathedral City to recognize that the levy exists in its current state which would negate the projects' newest proposed flood zone classification. When RCFCD schedules this recertification, the process can take up to one year to complete, per RCFCD and the City Engineering Department. If this certification does not get approved and the

proposed rezoning applies, the costs to the project will be in excess of \$1,450,000 in import, soil compaction and grading.

To date, Palm Canyon Group, LLC's efforts to update this project's approvals, in collaboration with work completed by the previous owner, has taken in excess of 29 months and is still ongoing. With only a handful of items to address, some challenging and others costly, final map approval is finally within reach but unfortunately the TTM expiration date is fast approaching as well. Palm Canyon Group, LLC is hereby requesting a one-year extension on the TTM in order to provide adequate time to meet the final conditions for the Final Tract Map approval. This extension will extend TTM 33668 until the 26th day of October, 2017.

Thanking you in advance for all time and effort spent on our behalf.

Kindest Regards,

A handwritten signature in cursive script, appearing to read "Betty Paluzzi".

Betty Paluzzi, President
Of A L P Administrative Services
Its Manager
Palm Canyon Group, LLC.

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