

MEMORANDUM OF UNDERSTANDING

Between O & M HR, LLC (O&M), Palm Springs Modern Committee (ModCom) and Palm Springs Preservation Foundation (PSPF)

**As relates to Tahquitz Plaza (600, 650, 700, 750 East Tahquitz Canyon Way)
and the Prairie Schooner Site**

WHEREAS, on or about June 1, 2015, PSPF submitted to the City of Palm Springs Planning Services Department a nomination application (the "Historical Nomination") seeking Class 1 Historic Site designation for the site located at 600, 650, 700 and 750 East Tahquitz Canyon Way and referred to in the Historical Nomination as "Tahquitz Plaza" (as more particularly described in the Historical Nomination, the "Site").

WHEREAS, on June 9, 2015, the City of Palm Springs Historic Site Preservation Board ("HSPB") voted 7-0 to initiate studies and investigation on the Historical Nomination pursuant to Palm Springs Municipal Code 8.05.135 (the "Municipal Code").

WHEREAS, on October 13, 2015, the HSPB voted 7-0 to recommend to the Palm Springs City Council ("City Council") a Class 1 Historic Site designation for the Site.

WHEREAS, the City Council is scheduled to hear and take action regarding the HSPB's recommendation for a Class 1 historical designation for the Site on Wednesday, December 2, 2015 (the "City Council Hearing").

WHEREAS, Owner is the owner of the Site and, prior to the date hereof, has opposed the Historical Nomination and the Class 1 Historic Site designation for the Site.

WHEREAS, ModCom and PSPF have supported the Historical Nomination and rehabilitation of the Site.

WHEREAS, O&M's affiliate owns certain real property adjacent to the Site which is improved with a parking lot and is commonly known as the "Prairie Schooner" site (APNs: 508-055-007 and 508-055-008) ("Prairie Schooner Site")

WHEREAS, O&M's affiliate may desire to pursue entitlements for a future residential and/or residential/mixed-use project to be located on the Prairie Schooner Site ("Future Project")

WHEREAS, all of the Parties have met and discussed the disputes regarding the Historical Nomination and development of the Prairie Schooner Site.

NOW, THEREFORE, the Parties, in their shared interest to avoid dispute between them, but without admission that the other side's positions had merit, or

admission of liability, or wrongful conduct, and without establishing a legally binding relationship between the Parties, make the following voluntary agreement regarding how the Parties intend to proceed:

O&M agrees as follows:

- O&M agrees to support the nomination of the Site for Class One Historic Site designation under Palm Springs Municipal Code when it comes before the Palm Springs City Council on December 2, 2015. The Site consists of the entire two properties as defined by the current boundaries (APNs: 508-055-003 and 508-055-006)
- O&M agrees to withdraw any existing demolition permits for the buildings on the Site filed with the City of Palm Springs and to not demolish or apply for demolition permits for the buildings on the Site.
- O&M agrees to rehabilitate the buildings on the Site according to the Rehabilitation Guidelines as defined by the Secretary of the Interior Standards for the Treatment of Historic Properties (Weeks and Grimmer, 1995). In gaining approval by the City for the Rehabilitation plan prepared by O&M, the 2013 California State Historical Building Code (CHBC) will be utilized in conjunction with the Palm Springs Municipal Code. The CHBC provides alternative building regulations for permitting repairs, alterations and additions necessary for the rehabilitation, related construction, change of use, or continued use of a qualified historical building of which the Site qualifies when designated a Class One Historic Site.
- Engage as consultants for and during the Rehabilitation the following professionals: architectural historian Peter Moruzzi, architect Susan Secoy Jensen, and Hugh Kaptur the original architect of Tahquitz Plaza. O&M has no obligation to pay for said services. O&M will consider compensating Susan Secoy Jensen and will seek input by said individuals.
- As part of the Rehabilitation, adaptive reuse will be a viable option. Adaptive reuse is defined as the process of reusing a building for a purpose other than which it was built or designed for.
- During the Rehabilitation process, O&M intends to market and offer the buildings for lease and/or sale (but the decision to enter into and/or consummate any such lease or sale shall be made by O&M in its sole and absolute discretion).
- O&M agrees to secure and maintain the buildings on the Site prior to and during rehabilitation and until such time the Site is sold or leased.
- O&M agrees that its affiliate will design the Future Project such that those buildings located in the first row of buildings along the south boundary of the Prairie Schooner Site (i.e. the north boundary of the Site) will not exceed two

stories in height plus rooftop decks (i.e. rooftop decks above the second story are permissible).

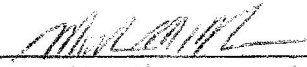
ModCom and the PSPF agree as follows:

- ModCom and PSPF each agree that it will not challenge, contest, oppose, appeal, litigate or initiate, file or participate in any litigation, writ, appeal, protest or other form of legal or administrative challenge (a "Challenge"), directly or indirectly (or raise or encourage others to engage in the foregoing), against or with respect to a Future Project on the Prairie Schooner Site by O&M's affiliate, including without limitation, a Challenge to the issuance of any entitlements, discretionary approvals, permits or other ministerial approvals relating to such Future Project.

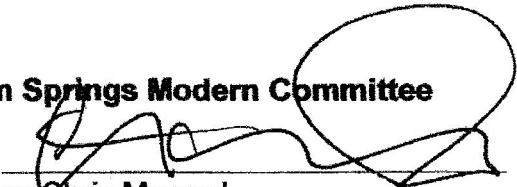
- ModCom and PSPF each agree that it will not support, participate in, cooperate with, or in any other way advance any Challenge relating to the foregoing, including, without limitation, any appeal of any administrative decision, discretionary approval or determination of the City of Palm Springs or any other official commission, legislative body or other governmental or quasi-governmental body.

We, the undersigned have read and agree with this MOU:


O & M HR, LLC

By: 
Name: Matthew B. Kaufman
Title: Vice President and Secretary
Date: 11-30-2015

Palm Springs Modern Committee

By: 
Name: Chris Menrad
Title: President
Date: 11/30/15

Palm Springs Preservation Foundation

By: 
Name: Erik Rosenow
Title: President
Date: 11/30/15