

RESOLUTION NO. 2024- _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, APPROVING THE SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF PALM DESERT AND MARRIOTT OWNERSHIP RESORTS, INC., CASE NO. DA 98-1, AMENDMENT NO. 2

WHEREAS, a Precise Plan (PP) and Conditional Use Permit (CUP) for the Marriott Shadow Ridge ("Project") was originally approved, subject to conditions by the City Council on November 12, 1998, pursuant to Resolution No. 98-108; and

WHEREAS, the original Project approval was processed pursuant to a Mitigated Negative Declaration, which was certified on November 12, 1998; and

WHEREAS, the City Council did, at their meeting on December 10, 1998, approve Development Agreement 98-1 (adopted as Ordinance No. 888) ("DA 98-1") with Marriott Ownership Resorts, Inc. for Marriott Shadow Ridge, a timeshare project; and

WHEREAS, the Planning Commission did, at its meeting on February 17, 2015, approve a two-year extension for DA 98-1 through December 2020; and

WHEREAS, the Planning Commission did, at its meetings on February 21, 2017, hold a duly noticed public hearing to consider the request for approval of an extension to DA 98-1, Amendment No. 1, to extend the term of DA 98-1 through December 10, 2030, and did recommend approval of the said request to the City Council by its Resolution No. 2689; and

WHEREAS, at said public hearing on March 23, 2017, the City Council heard and considered all testimony and arguments of interested persons regarding the request by Marriott Ownership Resorts, Inc., for approval of the DA 98-1, Amendment No. 1; and

WHEREAS, the City Council did, at their meeting on March 23, 2017, approve DA 98-1, Amendment No. 1 (adopted as Ordinance No. 1320) to extend the term of DA 98-1 through December 10, 2030; and

WHEREAS, due to unprecedented and unanticipated economic conditions, the development of Designated Remainder Parcels 4 and 5 of Tract 28818-1, as shown by the map on file in Book 289, Pages 15 through 29 of Maps, in the official records of Riverside County, California (the "Subject Property") has not occurred as originally contemplated in DA 98-1; and

WHEREAS, the Developer now desires to amend DA 98-1 to provide for its termination in the event of a consummated sale of the Subject Property; and

WHEREAS, the Palm Desert General Plan Land Use Designation of the site is Resort & Entertainment District; and

WHEREAS, the amendment to the Development Agreement (DA) for termination in the event of a consummated sale of the Subject Property is consistent with the General Plan; and

WHEREAS, the Planning Commission of the City of Palm Desert, California, did on the 19TH day of December 2023, hold a duly noticed public hearing and adopted Resolution 2848 recommending approval of the Second Amendment to the DA to the City Council; and

WHEREAS, The City of Palm Desert (City), in its capacity as the Lead Agency for this project and pursuant to the (CEQA), has determined that the original DA was analyzed under a Mitigated Negative Declaration and not changes to the project and built environment are proposed at this time which would necessitate further review. The proposed modifications to the Development Agreement will not result in any physical alterations to the existing project previously analyzed under the previously prepared MND. The proposed amendments to the DA do not alter the physical environment and qualify for a CEQA exemption under Guidelines Section 15061(b)(3) and there is no substantial evidence that there is any possibility that the activity in question may have a significant effect on the environment.

WHEREAS, the City Council of the City of Palm Desert, California, did on the 25th day of January, 2024, did hold a duly notices public hearing to consider the request by Marriott Ownership Resorts, Inc.,, and considering all testimony and arguments, if any, of all interested persons desiring to be heard, approved said request.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Palm Desert, California, as follows:

SECTION 1. Recitals; Findings. The City Council finds and determines that the recitals set forth above are true and correct, that the recitals are incorporated herein by this reference, and that the recitals constitute the City Council's findings for approval of DA 98-1, Amendment No. 2.

SECTION 2. Approval. DA 98-1, Amendment No. 2, attached hereto as Exhibit "A" and incorporated herein by this reference, is hereby approved.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, AS FOLLOWS:

1. That the above recitations are true and correct and constitute the findings for approval of the City Council in this case.
2. That the City Council does hereby approve the Second Amendment to DA 98-1.

ADOPTED ON _____.

KARINA QUINTANILLA
MAYOR

ATTEST:

ANTHONY J. MEJIA, MMC
CITY CLERK

I, Anthony J. Mejia, City Clerk of the City of Palm Desert, hereby certify that Resolution No. 2024-____ is a full, true, and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Desert on _____, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:
- RECUSED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Palm Desert, California, on _____.

ANTHONY J. MEJIA, MMC
CITY CLERK

EXHIBIT A

<p>RECORDING REQUESTED BY AND AFTER RECORDATION MAIL TO:</p> <p>Office of the City Clerk City of Palm Desert 73-510 Fred Waring Drive Palm Desert, <u>California 92260</u></p>	
<p><i>This document is exempt from the payment of a recording fee pursuant to Government Code §§ 6103, 27363</i></p>	

(Space Above This Line for Recorder's Use Only)

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

This SECOND AMENDMENT TO DEVELOPMENT AGREEMENT (DA 98-1) ("Second Amendment") is made and entered into as of the _____ day of _____, 2024 (the "Effective Date"), by and between the CITY OF PALM DESERT, a California charter city and municipal corporation ("City") and MARRIOTT OWNERSHIP RESORTS, INC., a Delaware corporation ("Developer") and is made with reference to the background facts and circumstances set forth in the Recitals below.

RECITALS

- A. On December 10, 1998, the City and Developer did enter into Development Agreement DA 98-1 (adopted as Ordinance No. 888) ("Development Agreement") for Marriott Shadow Ridge, a timeshare development;
- B. On April 13, 2017, the City and Developer did enter into the First Amendment to Development Agreement DA 98-1, Amendment No. 1 (adopted as Ordinance No. 1320) extending the term of the Development Agreement for an additional ten (10) years through December 2030;
- C. Due to unprecedented and unanticipated economic conditions, development of Designated Remainder Parcels 4 and 5 of Tract 28818-1 as shown by map on file in Book 289, Pages 15 through 29 of Maps, in the official records of Riverside County, California (the "Subject Property") has not occurred as originally contemplated;
- D. Developer has negotiated the sale of the Subject Property to Toll Bros., Inc. for its planned development of ninety-three (93) single-family homes;

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F. City and Developer now desire to amend DA 98-1 to accommodate the development of planned unit development of ninety-three (93) single family residential homes on the rather than time share units, subject to the consummation of the sale of the Subject Property to Toll Bros., Inc.;

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants contained herein, the parties hereto agree as follows:

1. Termination. Section 6, Termination, of the Development Agreement is amended by adding a new subsection 6.6 thereto to read as follows:

6.6 The consummation of the sale of the Designated Remainder Parcels 4 and 5 of Tract 28818-1 as shown by map on file in Book 289, Pages 15 through 29 of Maps, in the official records of Riverside County, California (the "Subject Property") pursuant to a Purchase and Sale Agreement ("PSA") by and between Developer and Toll Bros., Inc. as evidenced by (a) delivery to the City of a certified copy of the recorded grant deed conveying fee title to the Subject Property from Developer to Toll Bros., Inc. (or a single purpose development entity controlled by Toll Bros. Inc.), (b) the payment by the escrow holder under the PSA to the City in the amount of ONE MILLION SIX HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,600,000.00) from the proceeds of the sale of the Property, such payment being made in lieu of the Weekly Facilities Fee to which the City may otherwise be entitled to receive in connection with the Subject Property pursuant to the Development Plan contemplated hereunder, and (c) delivery by City to Developer of a certified copy of a resolution releasing the Subject Property from the Precise Plan/Conditional Use Permit 98-5, approved by City Council Resolution 98-108. Notwithstanding anything contained herein to the contrary, any termination pursuant to this Section 6.6 shall be with respect to the Subject Property only, and this Agreement shall remain in full force and effect with respect to the remainder of the Property, which remaining Property shall continue to be subject to and benefitted by this Agreement and the Precise Plan/Conditional Use Permit 98-5, approved by City Council Resolution 98-108, as each has been or may be amended from time to time.

2. Counterparts. This Second Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

3. Continued Effectiveness of Development Agreement. Except as otherwise amended herein, all terms and conditions of the Development Agreement remain in full force and effect.

[Signatures appear on following pages]

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have entered into this Second Amendment as of the date and year first above written.

	<u>CITY:</u>
Date: _____, 2024	CITY OF PALM DESERT, a charter city and municipal corporation <u>By:</u> _____ KARINA QUINTANILLA MAYOR
ATTEST: <u>By:</u> _____ ANTHONY J. MEJIA, MMC CITY CLERK APPROVED AS TO FORM: <u>By:</u> _____ ISRA SHAH CITY ATTORNEY	

Date: _____, 2024	DEVELOPER: MARRIOTT OWNERSHIP RESORTS, INC., a Delaware corporation <u>By:</u> Name: Title: <u>By:</u> _____ Name: Title:
APPROVED AS TO FORM: <u>By:</u> _____ COUNSEL	

NOTE: ALL SIGNATURES MUST BE IN BLUE INK AND INCLUDE NOTARY ACKNOWLEDGMENTS PER CALIFORNIA CIVIL CODE SEC. 1180 ET. SEQ.

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