

**MEMORANDUM OF UNDERSTANDING AND AGREEMENT
RELATING TO DEFAULT AND DEVELOPER REQUIREMENTS
(PURCHASE, SALE, AND DEVELOPMENT AGREEMENT)
[Implementing Agreement]**

THIS MEMORANDUM OF UNDERSTANDING AND AGREEMENT RELATING TO DEFAULT AND DEVELOPER REQUIREMENTS (“**MOU**”) is dated as of May 24, 2024 (“**Agreement Date**”), by and among the following parties: (i) the CITY OF LA QUINTA, a California municipal corporation and charter city (the “**City**”); (ii) SILVERROCK DEVELOPMENT COMPANY, LLC, a Delaware limited liability company (“**SDC**”), SILVERROCK PHASE I, LLC, a Delaware limited liability company (“**SRPI**”), SILVERROCK LAND II, LLC, a Delaware limited liability company (“**SRL**”), SilverRock Lodging, LLC, a Delaware limited liability company (“**SR Lodging**”) SR Lifestyle Residences, LLC, a Delaware limited liability company (“**SR Lifestyle Residences**”), SR Luxury Residences, LLC, a Delaware limited liability company (“**SR Luxury Residences**”) and RGC PA789, LLC, a Delaware limited liability company (“**RGC PA789**,” and collectively with SDC, SRPI, SRL, SR Lodging, SR Lifestyle Residences, and SR Luxury Residences, the “**Developer**”, along with any and all other affiliates of SDC); (iii) POPPY BANK, a California chartered commercial bank (“**Poppy**”); (iv) CYPRESS POINT HOLDINGS, LLC, a Nevada limited liability company (“**Cypress**”); (v) RD OLSON CONSTRUCTION, INC., a California corporation (“**Olson**”); (vi) GRANITE CONSTRUCTION COMPANY, a California corporation (“**Granite**”); (vii) MONTAGE NORTH AMERICA, LLC, a Delaware limited liability company (“**Montage**”) and (viii) CHRISTOPHER M. GEORGE, an individual (“**CMG**”). The parties identified in clauses (i)-(viii) are periodically individually referred to herein as a “**Party**” and collectively the “**Parties**”.

RECITALS:

A. City and Developer entered into that certain Purchase, Sale, and Development Agreement dated November 19, 2014 (the “**Original PSDA**”), as amended by that certain Amendment No. 1 to Purchase, Sale, and Development Agreement dated October 29, 2015 (“**Amendment No. 1**”), that certain Amendment No. 2 to Purchase, Sale, and Development Agreement dated April 18, 2017 (“**Amendment No. 2**”), that certain Amendment No. 3 to Purchase, Sale, and Development Agreement dated November 28, 2018 (“**Amendment No. 3**”), that certain Amendment No. 4 to Purchase, Sale, and Development Agreement dated October 12, 2021 (“**Amendment No. 4**”), and that certain Amendment No. 5 to Purchase, Sale, and Development Agreement dated November 16, 2023 (“**Amendment No. 5**”, and collectively, the Original PSDA and Amendments Nos.1-5 are referred to as the “**PSDA**”), pursuant to which City agreed to sell to Developer specified real property for the development of the SilverRock Resort Area, renamed “**Talus**,” with said development more particularly described in detail in the Recitals to Amendment No. 5. The PSDA is a public record on file with the City.

B. Concurrently with the execution of the Original PSDA, Developer entered into that certain Development Agreement adopted pursuant to California Government Code section 65864 *et seq.* and recorded in the Office of the Riverside County Official Records (“**Recorder’s Office**”) on December 18, 2014, as Instrument No. 2014-0484106 (“**Development Agreement**”), which, among other terms and conditions, required the Developer to develop the Project (as described therein) pursuant to all of the requirements set forth in the PSDA.

C. As more specifically described in the PSDA (and specifically Amendment No. 5), the City, except for portions of land transferred to Developer (as described below), owns fee title to certain real property of approximately 525 acres located at the southwest intersection of Jefferson Street and Avenue 52, in the City of La Quinta, California, a general depiction of which is the Site Map attached as Exhibit “A” to Amendment No. 3 and defined in the Original PSDA as the “**SilverRock Resort Area**.” Also as more specifically described in the PSDA (and specifically

Amendment No. 5), the portions of land transferred to Developer were to construct, complete, and operate thereon a commercial project containing a luxury resort hotel and spa and associated branded luxury residential units, a lifestyle hotel and associated lifestyle branded residential units, a conference and shared service facility, a temporary and permanent clubhouse for the SilverRock Resort's Arnold Palmer Classic Course, a mixed use village, a resort residential village, and associated amenities, all as further described in the Original PSDA as the "**Project Components.**" Pursuant to the PSDA, Developer has the obligation to fund or obtain funding to construct and complete construction of the various Project Components, and any financing of Project Components had to be approved by the City.

D. Pursuant to the PSDA, Developer acquired from the City the "**Phase 1A Property**" (as defined therein and comprising approximately 44.6 acres of the SilverRock Resort Area) by Grant Deed dated May 3, 2017 and recorded on November 6, 2017 as Instrument No. 2017-0463950, as amended by that certain Amendment to Grant Deed (Phase – 1A Property – PSDA Amendment No. 2), recorded on November 28, 2018 as Instrument No. 2018-0464670. Also pursuant to the PSDA, Developer acquired from the City the "**Phase 1B Property**" (as defined therein and comprising approximately 84 acres of the SilverRock Resort Area) by Grant Deed dated November 7 and November 28, 2018 and recorded on November 28, 2018 as Instrument No. 2018-0464674.

E. For the purpose of preparing and constructing the Project Components, Developer submitted and the City approved Lot Line Adjustments to adjust acreage and portions of parcels within and/or immediately adjacent to the Phase 1A Property and Phase 1B Property, as more particularly described and depicted in those Lot Line Adjustments (collectively, the "**City-Approved LLAs**"), including but not limited to Lot Line Adjustment (LLA) 2020-0005, Lot Line Adjustment (LLA) 2020-0007, Lot Line Adjustment (LLA) 2020-0010, and Lot Line Adjustment 2023-0003, all of which are public records on file with the City and recorded as various instrument numbers in the Recorder's Office. The Phase 1A Property and Phase 1B Property, as adjusted and modified by the City-Approved LLAs, and all partial improvements to the realty thereon, are referred to as the "**Developer-Held Properties.**"

F. Construction on various Project Components of the real property transferred to Developer has been suspended for several months, and, despite Developer's efforts, the City is aware of significant challenges for Developer to resume, as soon as possible, construction and completion of the Project Components that constitute the "**Core Project Components**" (as defined in Amendment No. 5 and consisting of the "Luxury Hotel," "Lifestyle Hotel," "Permanent Golf Clubhouse," and "Conference and Shared Services Facility" Project Components).

G. On April 17, 2024, Cypress caused to be recorded and delivered that certain NOTICE OF TRUSTEE'S SALE recorded by the trustee therein as Instrument No. 2024-0111080, setting a public auction date of sale for May 16, 2024. On May 7, 2024, Cypress caused to be recorded and delivered that certain AMENDED NOTICE OF TRUSTEE'S SALE recorded as Instrument No. 2024-0131662 (collectively, "**Cypress Notice of Sale**"), setting a public auction date of sale for May 30, 2024 ("**Cypress Sale Date**"). The Cypress Notice of Sale was recorded for a delinquent payment specified therein, secured by that certain Second Deed of Trust And Fixture Filing With Assignment of Rents dated 11/18/2022, executed by Developer in favor of Cypress and recorded on November 30, 2022 as Document No. 2022-0486431 (the "**Cypress Deed of Trust**").

H. On May 6, 2024, Poppy caused to be recorded that certain NOTICE OF TRUSTEE'S SALE UNDER DEED OF TRUST recorded by the trustee therein as Instrument No. 2024-0131108 ("**Poppy Notice of Sale**"), setting a public auction date of sale for June 4, 2024 ("**Poppy Sale Date**"). The Poppy Notice of Sale was recorded for a delinquent payment specified therein, secured by that certain Deed of Trust executed by Developer in favor of Poppy and recorded on October 24, 2021 as Document No. 2021-0628130 (the "**Poppy Deed of Trust**"). Collectively, the Cypress Notice of

Sale and Poppy Notice of Sale are referred to as the “**Notices of Sale**” and the Cypress Sale Date and Poppy Sale Date are referred to collectively as the “**Auction Sale Dates**”.

I. In accordance with that certain Agreement To Waive And Modify Notice And Cure Period (Purchase, Sale, and Development Agreement), dated February 7, 2024, on April 17, 2024, the City issued to Developer a Notice of Default under the PSDA, stating that, with the recording of the Cypress Notice of Sale, Developer is and will remain unable to perform its obligations under the PSDA and, specifically, unable to perform in accordance with the City’s approved financing for the Project as authorized under Section 211 of the Original PSDA and updated in Amendment No. 5, unless and until the obligation secured by the Cypress Deed of Trust is satisfied and Cypress Notice of Sale is removed from record title. Likewise, on May 14, 2024, the City issued to Developer another Notice of Default under the PSDA, stating that, with the recording of the Poppy Notice of Sale, Developer is and will remain unable to perform its obligations under the PSDA and, specifically, unable to perform in accordance with the City’s approved financing for the Project as authorized under Section 211 of the Original PSDA and updated in Amendment No. 5, unless and until the obligation secured by the Poppy Deed of Trust is satisfied and Poppy Notice of Sale is removed from record title. The City’s April 17, 2024, and May 14, 2024 Notices of Default to Developer are collectively referred to as the “**City’s Notices of Default**,” and, to date, Developer has not cured the Defaults specified therein.

J. CMG is the founder of a mortgage bank and is widely known through the mortgage banking and housing markets for responsible lending practices, industry and consumer advocacy, product innovation, and operational efficiency. Developer and CMG are negotiating the terms under which CMG will be instrumental in the recapitalization of the Project.

K. Unless otherwise specifically defined herein, all capitalized words and terms used in this MOU shall have the meanings ascribed to such words and terms in the PSDA, and all Section references below refer to Sections of the PSDA (or, if applicable, Amendment(s) to the PSDA).

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference and a substantive part of this Agreement, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Effectiveness. This MOU shall be effective immediately upon signatures of all the Parties hereto.

2. Developer Default; Amendment No. 5 Performance. Pursuant to Amendment No. 5, Developer has until June 30, 2024, to close escrow on the Recapitalization Loans (as defined therein). Developer shall pay to Cypress and Poppy the amounts owed, and which are the cause for the Defaults identified in the City’s Notices of Default, no later than June 30, 2024. Developer shall, pursuant to the terms previously agreed to, pay to Olson (and its subcontractors) and Granite in full satisfaction of all debts owed in the respective amount stipulated or agreed between Developer and such contractor/subcontractor, including all stipulated or agreed interest accrued through payment date, in satisfaction of Developer’s contractual obligations and under the mechanic’s lien claims recorded against the Developer-Held Properties and claims made in Riverside County Superior Court on or before June 30, 2024, unless the parties agree to an extension. If Developer fails to cure the Defaults identified in the City’s Notices of Default by June 30, 2024, then CMG shall have the right (but not the obligation) to assume all of Developer’s rights and obligations identified in Paragraph 4.2 of this MOU, in accordance with the provisions in Paragraph 4 of this MOU. Developer

covenants and agrees to provide updates and all material information related to the progress of the Recapitalization Loans to CMG.

3. Forbearance of Auction Sale Dates by Cypress and Poppy. Subject to performance by the Parties under this MOU, Cypress will postpone the Cypress Sale Date and forbear a sale at auction for the secured interest under the Cypress Deed of Trust, and Poppy will postpone the Poppy Sale Date and forbear a sale at auction for the secured interest under the Poppy Deed of Trust, until a date that is on or after July 2, 2024 (the “**Earliest Auction Sale Date**”). If CMG timely delivers CMG’s Notice Of Exercising Rights And To Proceed (as defined and set forth in Section 4 of this MOU), then Cypress will cancel its Earliest Auction Sale Date and postpone the Cypress Sale Date and forbear a sale at auction for the secured interest under the Cypress Deed of Trust, and Poppy will cancel its Earliest Auction Sale Date and postpone the Poppy Sale Date and forbear a sale at auction for the secured interest under the Poppy Deed of Trust, until no less than thirty-five (35) days after delivery of CMG’s Notice Of Exercising Rights And To Proceed to allow for the applicable Parties to perform and complete their respective obligations (as set forth in Section 4 of this MOU). Nothing in this paragraph or in this Agreement does or shall be deemed to require Cypress to proceed at any time with a sale at auction for payment of any debt secured by the Cypress Deed of Trust, and nothing in this Section 3 or in this Agreement does or shall be deemed to require Poppy to proceed at any time with a sale at auction for payment of any debt secured by the Poppy Deed of Trust.

4. CMG Purchase and Assumption of Developer Rights and Obligations. If Developer fails to close escrow on the Recapitalization Loans (as defined in Amendment No. 5) by June 30, 2024, and/or Developer fails to pay to Cypress and Poppy the amounts owed and secured by the Cypress Deed of Trust and Poppy Deed of Trust, respectively, by June 30, 2024, then CMG shall have the rights, to be exercised by notice in writing delivered to the Parties no later than July 1, 2024 (“**CMG’s Notice Of Exercising Rights And To Proceed**”), to all of the following (collectively, Sections 4.1-4.6 are referred to as the “**CMG Bundle of Rights and Obligations**”):

4.1 *Payoff of Secured Lenders; Developer Assignment of Rights.* CMG shall have the right (but not the obligation): (a) to pay-off (or to assume on restructured terms) all debts owed by Developer to lenders with a secured interest in all or any portion of the Developer-Held Properties, including the debt owed to Poppy that is secured by the Poppy Deed of Trust and debt owed to Cypress that is secured by the Cypress Deed of Trust, (b) to pay-off all debts owed by Developer to Olson (and its respective subcontractors) and Granite, in the respective amount stipulated or agreed between Developer and such contractor/subcontractor, including all stipulated or agreed interest accrued through payment date, in satisfaction of Developer’s contractual obligations and all mechanic’s liens that have been recorded against the Developer-Held Properties and claims filed in Riverside County Superior Court (the debts described in subdivisions (a) and (b) of this Section 4.1 are referred to as “**Developer’s Unpaid Obligations**”), and (c) to restructure any other payments relating to the construction of the Talus project; and, in exchange, Developer shall assign (per section 4.2) any and all interests in the PSDA, Development Agreement, and all other valid agreements relating to the construction, completion, and operation of the Talus project (including the hotel operator agreements), with the exception of the Olson and Granite agreements and convey fee simple ownership interest to the Developer-Held Properties. The Olson and Granite construction agreements are not valid or assigned, but Olson and Granite agree to participate in good faith negotiations for mutually agreeable construction agreements with CMG for their respective projects. Upon satisfaction or assumption of the Developer’s Unpaid Obligations by CMG, City, Poppy, Cypress, and Montage agree to release Developer from any on-going obligations or liabilities associated with the Developer’s Unpaid Obligations. Upon payment of the Developer’s Unpaid Obligations to the satisfaction of Olson and Granite by CMG, Olson and Granite agree to release

Developer from any on-going obligations or liabilities associated with the Developer's Unpaid Obligations.

4.2 *Assignment to CMG- and City-Approved Developer.* CMG shall have the right to designate a successor developer (which may be an affiliate controlled by CMG or a third party development partner), subject to review and approval by the City (which shall not be unreasonably withheld, conditioned or delayed), to assume all interests in the PSDA, Development Agreement, and all other agreements with the City relating to the construction, completion, and operation of the Talus project (including the hotel operator agreements), and all right, title, and interest in the Developer-Held Properties. Developer shall have the obligation to cooperate with any such assignment, including but not limited to cooperation with assignments for plans and designs of the Talus project. Olson, Granite, and Montage shall be kept informed as to the successor developer; provided, however, that the City and CMG will have final decision-making authority for the successor developer. Pursuant to the PSDA, the City shall approve the form and terms and conditions of any assignment to the successor developer. The City and CMG shall use good faith efforts to finalize the form and substance of the developer assignment prior to June 30, 2024. CMG represents that, to CMG's knowledge, it is not a "Prohibited Party" as that term is defined in the hotel operator agreements and will confirm that the successor developer which assumes the interests in the PSDA, Development Agreement, and the other agreements relating to the construction, completion, and operation of the Talus project (including the hotel operator agreements) with the exception of the Olson and Granite agreements, and all right, title, and interest in the Developer-Held Properties is not permitted to be a "Prohibited Party" under the hotel operator agreements. Nothing in this MOU does or shall be construed as modifying the Parties' respective rights and obligations under the hotel operator agreements. Olson and Granite agree to participate in good faith negotiations for mutually agreeable construction agreements with the successor developer for their respective projects.

4.3 *City Review and Approval of financing proposed by CMG.* City shall have the right to review and approve, consistent with Sections 211, 304.4, and 311 of the Original PSDA and prior amendments, CMG's proposed financing and related agreements, pro-formas, and other documents, for the purpose of confirming CMG's implementation of paying-off debts owed, remediating the partial improvements on the Developer-Held Properties, and remobilizing and completing the construction of the Core Project Components (the "**CMG Proposed Plan**"), with the first Project Components to be completed being the Permanent Golf Clubhouse and Luxury Hotel (as defined in the PSDA).

4.4 *Amendment to the PSDA.* The City, CMG, and the successor developer shall have the rights, independently and respectively, to negotiate Amendment No. 6 to the PSDA to memorialize, among other terms and conditions, the CMG Proposed Plan, revisions to the transient occupancy tax (TOT)-based rebate available after completion of the Luxury Hotel and Lifestyle Hotel, and revisions relating to conditions that must be met prior to a right of an option to purchase, and the purchase price for, the Future Development Property (as described in the PSDA as amended) and such other terms and conditions as may be required by CMG or the City (the "**Required Modifications**"). The City and CMG shall use best efforts to agree upon the Required Modifications prior to June 30, 2024.

4.5 *Due Diligence/Review/Negotiation Period; Payment Deadline for Developer's Unpaid Obligations.* Once CMG provides CMG's Notice Of Exercising Rights And To Proceed, the performance and completion of the Parties' respective rights and obligations in this Section 4 shall be for a period of no longer than sixty (60) days, commencing July 1, 2024; provided, however, that CMG shall pay-off all Developer Unpaid Obligations no later than thirty (30) days after July 1, 2024 (i.e., July 31, 2024, and referred to as the "**Developer Unpaid Obligations Payment Deadline**"), unless the creditor and/or beneficiary of an Developer Unpaid Obligation expressly consents to

nonpayment of the Developer Unpaid Obligation by delivering written notice, no later than July 15, 2024, to the Parties, that said creditor/beneficiary has voluntarily agreed to an accord and satisfaction for the debt owed and no sale at auction will be pursued by said creditor/beneficiary for payment (in whole or in part) of the Developer's Unpaid Obligation (referred to as a "**Creditor Consent to Nonpayment of Developer Unpaid Obligation**"). In explanation of the preceding sentence, and as an example, CMG has the obligation to pay-off the debt owed to Poppy that is secured by the Poppy Deed of Trust no later than the Developer Unpaid Obligations Payment Deadline, unless Poppy delivers to the Parties by July 15, 2024, written notice that Poppy will no longer pursue a sale at auction of the Developer-Held Properties that secure the Developer Unpaid Obligation owed to Poppy because Poppy and CMG have reached an agreement (accord) in satisfaction of the Developer Unpaid Obligation secured by Poppy's Deed of Trust. For any Developer Unpaid Obligation either paid-off by CMG or satisfied by a Creditor Consent to Nonpayment of Developer Unpaid Obligation, the creditor/beneficiary under a deed of trust or holder of a mechanics lien for said Developer Unpaid Obligation shall, within five (5) business days, take any and all actions necessary to execute and record in the Recorder's Office any and all instruments to remove from record title any notices of default, notices of sale, mechanics liens, and/or notices of lis pendens relating to said Developer Unpaid Obligation. In explanation of the preceding sentence, and as an example, if CMG pays-off in full the Developer Unpaid Obligation owed to Cypress by the Developer Unpaid Obligation Payment Deadline, Cypress shall, within five (5) business days of said payment, execute and record in the Recorder's Office a full reconveyance of the Cypress Deed of Trust, termination of the Cypress Notice of Sale, and release and termination from any and all notices of default with intent to sale for default under the Cypress Deed of Trust. If CMG fails to make any required payment on the terms and conditions set forth in this Section 4.5, this MOU shall automatically terminate and CMG shall have no further rights, liabilities or obligations under this Agreement.

4.6 *Non-Interference with Existing Obligations for Non-Parties.* Nothing in this MOU does or shall be construed as relieving or releasing any of the Parties from honoring binding agreements with third parties that have rights and obligations with the Talus project, provided, however, the Parties may have no knowledge of any agreements with third parties that would prevent a Party from performing its obligations under this Agreement.

4.7 *CMG Termination Right.* Notwithstanding anything to the contrary and for purposes of clarity, nothing in this MOU shall require or obligate CMG to move forward with any of the transactions contemplated by this MOU. CMG shall have the unilateral right (in its sole and absolute discretion) to terminate its obligations under this Agreement at any time prior to June 30, 2024 via delivery of written notice to the Parties (the "**Termination Notice**"). If CMG does not deliver the CMG Notice of Exercising Rights and To Proceed, CMG shall be deemed to have delivered the Termination Notice.

5. Agreement Relating to Bankruptcy and Receivership. To the maximum extent permitted by law, Developer agrees not to file for or initiate any proceeding in bankruptcy under any chapter of the federal Bankruptcy Act or any other federal or state debtor relief statute, and Developer agrees not to seek any receivership or placing in any receivership any of Developer's assets or the Developer-Held Properties or interests under the PSDA, pending the performance of the Parties under this Agreement.

6. Miscellaneous.

6.1 Governing Law. This MOU shall be governed by the internal laws of the State of California, without regard to conflict of law principles, and any question arising hereunder shall be construed or determined according to such law. The Superior Court of the State of California in and

for the County of Riverside, or such other appropriate court in such county, shall have exclusive jurisdiction of any litigation between the parties concerning this MOU. Service of process on City shall be made in accordance with California law. Service of process on Developer shall be made in any manner permitted by California law and shall be effective whether served inside or outside California.

6.2 Notices. All notices under this MOU shall be effective upon personal delivery, upon delivery by reputable overnight courier service that provides a receipt with the date and time of delivery, upon two (2) business days after deposit in the United States mail with postage certified and fully prepaid and addressed to the respective parties as set forth below, or the next business day upon delivery by e-mail with confirmation of receipt by the Party intended for receipt, to such address as the Parties have identified in the signature pages at the end of this MOU, or as may from time to time designate in writing.

6.3 Interpretation. The MOU shall be read and interpreted in a comprehensive, integrated manner, and in a manner that best implements the provisions of this MOU.

6.4 Time is of Essence. Time is of the essence for this MOU and of each and every term and provision hereof.

6.5 Definition of Days. The term “days” as used in this MOU means calendar days, and “business days” means every day except Saturday, Sunday, and federal or state recognized holidays that are observed by California state courts.

6.6 City Approvals and Actions. This MOU is entered into pursuant to Section 605 of the Original PSDA, and the City shall maintain authority over and implementation of this MOU through the City Manager pursuant to Section 605 of the Original PSDA.

6.7 Representations. The person(s) executing this MOU on behalf of each of the Parties hereto represent and warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this MOU on behalf of said Party, (iii) by so executing this MOU such Party is formally bound to the provisions of this MOU, and (iv) the entering into this MOU does not violate any provision of any other agreement to which such party is bound.

6.8 Counterparts; Electronic Signature. This MOU may be executed in counterparts, each of which, when this MOU has been signed by all of the parties hereto, shall be deemed an original, and each such counterpart shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, California’s Uniform Electronic Transactions Act (Cal. Civ. Code § 1633.1, *et seq.*) or other applicable law) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. The parties will rely on any electronic signature provided in connection with this Agreement as valid and effective for all purposes in performing services pursuant to this Agreement.

[End of MOU – Signature pages follows]

IN WITNESS WHEREOF, the Parties have executed this MOU as of the date set forth above.

DEVELOPER ADDRESS:

SilverRock Development Company, LLC
c/o The Robert Green Company
3551 Fortuna Ranch Road
Encinitas, CA 92024
Attention: Robert Green
email:
robert@therobertgreencompany.com

with copy to:

Crosbie Gliner Schiffman et al.
12750 High Bluff Drive, Suite 250
San Diego, California 92130
Attention: Dana Schiffman
Attention: Thomas Crosbie
dschiffman@cgs3.com
tcrosbie@cgs3.com

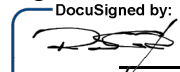
Caldarelli Hejmanowski Page & Leer
3398 Carmel Mountain Road
Suite 250
San Diego, CA 92121
Attention: William Caldarelli, Esq.
wjc@chpllaw.com

“DEVELOPER”

SILVERROCK DEVELOPMENT COMPANY, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

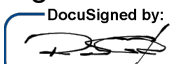
By: 
Name: Robert S. Green, Jr.
Its: President and Chief Executive Officer

“SRPI”

SILVERROCK PHASE I, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

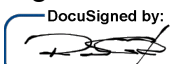
By: 
Name: Robert S. Green, Jr.
Its: President and Chief Executive Officer

“SRL”

SILVERROCK LAND II, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

By: 
Name: Robert S. Green, Jr.
Its: President and Chief Executive Officer

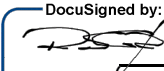
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“SR Lodging”

SILVERROCK LODGING, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

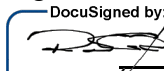
By: 
Name: Robert S. Green, Jr.
Its: President and Chief Executive Officer

“SR Lifestyle Residences”

SR Lifestyle Residences, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

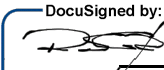
By: 
Name: Robert S. Green, Jr.
Its: President and Chief Executive Officer

“SR Luxury Residences”

SR Luxury Residences, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

By: 
Name: Robert S. Green, Jr.
Its: President and Chief Executive Officer

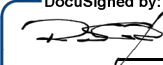
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“RGC PA789”

RGC PA789, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

By:  DocuSigned by:
Name: Robert S. Green, Jr.
Its: President and Chief Executive Officer

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“CITY”

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

DocuSigned by:
Jon McMillen
1F96EA6FD09F14
Jon McMillen
Its: City Manager

ATTEST:

DocuSigned by:
Monika Radeva
5B448CFD9470404
Monika Radeva, City Clerk

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP

DocuSigned by:
William H. Ihrke
207EC30B5A5E114
William H. Ihrke, City Attorney

CITY ADDRESS:

City of La Quinta
78495 Calle Tampico
La Quinta, CA 92253
Attention: Jon McMillen, City Manager
Email: jmcmillen@laquintaca.gov

with copy to:

Rutan & Tucker, LLP.
18575 Jamboree Road, 9th Floor
Irvine, CA 92130
Attention: William H. Ihrke
bihrke@rutan.com

[signatures continue on next page]

“POPPY”

Poppy Bank, a California chartered
commercial bank

By: SIGNED IN COUNTERPART

Name: Ed Gomez

Title: EVP Chief Credit Officer

By: SIGNED IN COUNTERPART

Name: Dan Ryan

Title: EVP Lending Officer

POPPY ADDRESS:

Poppy Bank
438 First Street
Santa Rosa, CA, 95401
Attn: Ed Gomez
Attn: Lisa Mills
Email: egomez@poppy.bank
Email: lmills@poppy.bank

with copy to:

Abbey, Weitzenberg, Warren & Emery
100 Stony Point Rd, Ste. 200
Santa Rosa, CA 95401
Attn: Mitchell B. Greenberg
Email: mgreenberg@abbeylaw.com

[signatures continue on next page]

“CYPRESS”

Cypress Point Holdings, LLC, a Nevada limited liability company

DocuSigned by:

By Bill Trzos
Name: Bill Trzos
Title: Managing Partner

CYPRESS ADDRESS:

Cypress Ascendant Holdings, LLC
12707 High Bluff Dr., Suite 340
San Diego, CA 92130
Attn: Bill Trzos
Email: bill@cypress-ascendant.com

with copy to:

Michelman & Robinson, LLP
10880 Wilshire Blvd 19th Floor
Los Angeles CA 90024
Attn: Edward D. Vaisbort
Attn: Eric Rans
Email: evaisbort@mrlip.com
Email: ERans@mrlip.com

[signatures continue on next page]

“OLSON”

R.D. Olson Construction, Inc., a California corporation

DocuSigned by:
By William Wilhelm
Name: William Wilhelm
Title: President

OLSON ADDRESS:

R.D. Olson Construction
400 Spectrum Center Drive, Suite 1200
Irvine, CA 92618
Attn: William Wilhelm
Email: BWilhelm@rdolson.com

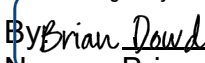
with copy to:

Watt, Tieder, et al., LLP
4 Park Plaza, Suite 1000
Irvine, CA 92614
Attn: David McPherson
Email: dmcpherson@watttieder.com

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“GRANITE”

Granite Construction Company, a California corporation

DocuSigned by:

Name: Brian Dowd
Title: SVP and Group Manager, CA Group

GRANITE ADDRESS:

Granite Construction Corporate Headquarters
585 W. Beach Street
Watsonville, CA 95076
Attn: Jordy Murray, Deputy Senior Counsel
Email: Jordy.Murray@gcinc.com

with copy to:

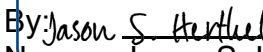
Finch, Thornton & Baird, LLP
4747 Executive Drive
San Diego, CA 92121
Attn: Andrea L. Petray
Email: apetray@ftblaw.com

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“MONTAGE”

Montage North America, LLC, a Delaware limited liability company

DocuSigned by:
By: 
Name: Jason S. Herthel
Title: Authorized Signatory

MONTAGE ADDRESS:

Montage North America, LLC
3 Ada Parkway, Suite 100
Irvine, CA 92618
Attn: Jason S. Herthel
Email: jason.herthel@montage.com

with copy to:

Dentons US, LLP
2398 E. Camelback Road, Suite 850
Phoenix, AZ 85016
Attn: Chair, Global Hotels and Leisure
Email: rick.ross@dentons.com

[signatures continue on next page]

“CMG”

DocuSigned by:

Christopher M. George

Christopher M. George, an individual

CMG ADDRESS:

3160 Crow Canyon Road, Suite 400

San Ramon, California 94583

Email: cgeorge@cmgfi.com

with copy via email to:

Rodriguez Wright LLP

Attn: Stephen M. Wright, Esq.

Email: swright@rodriguezwright.com

[end of signature pages]

**MEMORANDUM OF UNDERSTANDING AND AGREEMENT
RELATING TO DEFAULT AND DEVELOPER REQUIREMENTS
(PURCHASE, SALE, AND DEVELOPMENT AGREEMENT)
[Implementing Agreement]**

THIS MEMORANDUM OF UNDERSTANDING AND AGREEMENT RELATING TO DEFAULT AND DEVELOPER REQUIREMENTS (“**MOU**”) is dated as of May 24, 2024 (“**Agreement Date**”), by and among the following parties: (i) the CITY OF LA QUINTA, a California municipal corporation and charter city (the “**City**”); (ii) SILVERROCK DEVELOPMENT COMPANY, LLC, a Delaware limited liability company (“**SDC**”), SILVERROCK PHASE I, LLC, a Delaware limited liability company (“**SRPI**”), SILVERROCK LAND II, LLC, a Delaware limited liability company (“**SRL**”), SilverRock Lodging, LLC, a Delaware limited liability company (“**SR Lodging**”) SR Lifestyle Residences, LLC, a Delaware limited liability company (“**SR Lifestyle Residences**”), SR Luxury Residences, LLC, a Delaware limited liability company (“**SR Luxury Residences**”) and RGC PA789, LLC, a Delaware limited liability company (“**RGC PA789**,” and collectively with SDC, SRPI, SRL, SR Lodging, SR Lifestyle Residences, and SR Luxury Residences, the “**Developer**”, along with any and all other affiliates of SDC); (iii) POPPY BANK, a California chartered commercial bank (“**Poppy**”); (iv) CYPRESS POINT HOLDINGS, LLC, a Nevada limited liability company (“**Cypress**”); (v) RD OLSON CONSTRUCTION, INC., a California corporation (“**Olson**”); (vi) GRANITE CONSTRUCTION COMPANY, a California corporation (“**Granite**”); (vii) MONTAGE NORTH AMERICA, LLC, a Delaware limited liability company (“**Montage**”) and (viii) CHRISTOPHER M. GEORGE, an individual (“**CMG**”). The parties identified in clauses (i)-(viii) are periodically individually referred to herein as a “**Party**” and collectively the “**Parties**”.

RECITALS:

A. City and Developer entered into that certain Purchase, Sale, and Development Agreement dated November 19, 2014 (the “**Original PSDA**”), as amended by that certain Amendment No. 1 to Purchase, Sale, and Development Agreement dated October 29, 2015 (“**Amendment No. 1**”), that certain Amendment No. 2 to Purchase, Sale, and Development Agreement dated April 18, 2017 (“**Amendment No. 2**”), that certain Amendment No. 3 to Purchase, Sale, and Development Agreement dated November 28, 2018 (“**Amendment No. 3**”), that certain Amendment No. 4 to Purchase, Sale, and Development Agreement dated October 12, 2021 (“**Amendment No. 4**”), and that certain Amendment No. 5 to Purchase, Sale, and Development Agreement dated November 16, 2023 (“**Amendment No. 5**”, and collectively, the Original PSDA and Amendments Nos.1-5 are referred to as the “**PSDA**”), pursuant to which City agreed to sell to Developer specified real property for the development of the SilverRock Resort Area, renamed “**Talus**,” with said development more particularly described in detail in the Recitals to Amendment No. 5. The PSDA is a public record on file with the City.

B. Concurrently with the execution of the Original PSDA, Developer entered into that certain Development Agreement adopted pursuant to California Government Code section 65864 *et seq.* and recorded in the Office of the Riverside County Official Records (“**Recorder’s Office**”) on December 18, 2014, as Instrument No. 2014-0484106 (“**Development Agreement**”), which, among other terms and conditions, required the Developer to develop the Project (as described therein) pursuant to all of the requirements set forth in the PSDA.

C. As more specifically described in the PSDA (and specifically Amendment No. 5), the City, except for portions of land transferred to Developer (as described below), owns fee title to certain real property of approximately 525 acres located at the southwest intersection of Jefferson Street and Avenue 52, in the City of La Quinta, California, a general depiction of which is the Site Map attached as Exhibit “A” to Amendment No. 3 and defined in the Original PSDA as the “**SilverRock Resort Area**.” Also as more specifically described in the PSDA (and specifically

Amendment No. 5), the portions of land transferred to Developer were to construct, complete, and operate thereon a commercial project containing a luxury resort hotel and spa and associated branded luxury residential units, a lifestyle hotel and associated lifestyle branded residential units, a conference and shared service facility, a temporary and permanent clubhouse for the SilverRock Resort's Arnold Palmer Classic Course, a mixed use village, a resort residential village, and associated amenities, all as further described in the Original PSDA as the "**Project Components**." Pursuant to the PSDA, Developer has the obligation to fund or obtain funding to construct and complete construction of the various Project Components, and any financing of Project Components had to be approved by the City.

D. Pursuant to the PSDA, Developer acquired from the City the "**Phase 1A Property**" (as defined therein and comprising approximately 44.6 acres of the SilverRock Resort Area) by Grant Deed dated May 3, 2017 and recorded on November 6, 2017 as Instrument No. 2017-0463950, as amended by that certain Amendment to Grant Deed (Phase – 1A Property – PSDA Amendment No. 2), recorded on November 28, 2018 as Instrument No. 2018-0464670. Also pursuant to the PSDA, Developer acquired from the City the "**Phase 1B Property**" (as defined therein and comprising approximately 84 acres of the SilverRock Resort Area) by Grant Deed dated November 7 and November 28, 2018 and recorded on November 28, 2018 as Instrument No. 2018-0464674.

E. For the purpose of preparing and constructing the Project Components, Developer submitted and the City approved Lot Line Adjustments to adjust acreage and portions of parcels within and/or immediately adjacent to the Phase 1A Property and Phase 1B Property, as more particularly described and depicted in those Lot Line Adjustments (collectively, the "**City-Approved LLAs**"), including but not limited to Lot Line Adjustment (LLA) 2020-0005, Lot Line Adjustment (LLA) 2020-0007, Lot Line Adjustment (LLA) 2020-0010, and Lot Line Adjustment 2023-0003, all of which are public records on file with the City and recorded as various instrument numbers in the Recorder's Office. The Phase 1A Property and Phase 1B Property, as adjusted and modified by the City-Approved LLAs, and all partial improvements to the realty thereon, are referred to as the "**Developer-Held Properties**."

F. Construction on various Project Components of the real property transferred to Developer has been suspended for several months, and, despite Developer's efforts, the City is aware of significant challenges for Developer to resume, as soon as possible, construction and completion of the Project Components that constitute the "**Core Project Components**" (as defined in Amendment No. 5 and consisting of the "Luxury Hotel," "Lifestyle Hotel," "Permanent Golf Clubhouse," and "Conference and Shared Services Facility" Project Components).

G. On April 17, 2024, Cypress caused to be recorded and delivered that certain NOTICE OF TRUSTEE'S SALE recorded by the trustee therein as Instrument No. 2024-0111080, setting a public auction date of sale for May 16, 2024. On May 7, 2024, Cypress caused to be recorded and delivered that certain AMENDED NOTICE OF TRUSTEE'S SALE recorded as Instrument No. 2024-0131662 (collectively, "**Cypress Notice of Sale**"), setting a public auction date of sale for May 30, 2024 ("**Cypress Sale Date**"). The Cypress Notice of Sale was recorded for a delinquent payment specified therein, secured by that certain Second Deed of Trust And Fixture Filing With Assignment of Rents dated 11/18/2022, executed by Developer in favor of Cypress and recorded on November 30, 2022 as Document No. 2022-0486431 (the "**Cypress Deed of Trust**").

H. On May 6, 2024, Poppy caused to be recorded that certain NOTICE OF TRUSTEE'S SALE UNDER DEED OF TRUST recorded by the trustee therein as Instrument No. 2024-0131108 ("**Poppy Notice of Sale**"), setting a public auction date of sale for June 4, 2024 ("**Poppy Sale Date**"). The Poppy Notice of Sale was recorded for a delinquent payment specified therein, secured by that certain Deed of Trust executed by Developer in favor of Poppy and recorded on October 24, 2021 as Document No. 2021-0628130 (the "**Poppy Deed of Trust**"). Collectively, the Cypress Notice of

Sale and Poppy Notice of Sale are referred to as the “**Notices of Sale**” and the Cypress Sale Date and Poppy Sale Date are referred to collectively as the “**Auction Sale Dates**”.

I. In accordance with that certain Agreement To Waive And Modify Notice And Cure Period (Purchase, Sale, and Development Agreement), dated February 7, 2024, on April 17, 2024, the City issued to Developer a Notice of Default under the PSDA, stating that, with the recording of the Cypress Notice of Sale, Developer is and will remain unable to perform its obligations under the PSDA and, specifically, unable to perform in accordance with the City’s approved financing for the Project as authorized under Section 211 of the Original PSDA and updated in Amendment No. 5, unless and until the obligation secured by the Cypress Deed of Trust is satisfied and Cypress Notice of Sale is removed from record title. Likewise, on May 14, 2024, the City issued to Developer another Notice of Default under the PSDA, stating that, with the recording of the Poppy Notice of Sale, Developer is and will remain unable to perform its obligations under the PSDA and, specifically, unable to perform in accordance with the City’s approved financing for the Project as authorized under Section 211 of the Original PSDA and updated in Amendment No. 5, unless and until the obligation secured by the Poppy Deed of Trust is satisfied and Poppy Notice of Sale is removed from record title. The City’s April 17, 2024, and May 14, 2024 Notices of Default to Developer are collectively referred to as the “**City’s Notices of Default**,” and, to date, Developer has not cured the Defaults specified therein.

J. CMG is the founder of a mortgage bank and is widely known through the mortgage banking and housing markets for responsible lending practices, industry and consumer advocacy, product innovation, and operational efficiency. Developer and CMG are negotiating the terms under which CMG will be instrumental in the recapitalization of the Project.

K. Unless otherwise specifically defined herein, all capitalized words and terms used in this MOU shall have the meanings ascribed to such words and terms in the PSDA, and all Section references below refer to Sections of the PSDA (or, if applicable, Amendment(s) to the PSDA).

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference and a substantive part of this Agreement, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Effectiveness. This MOU shall be effective immediately upon signatures of all the Parties hereto.

2. Developer Default; Amendment No. 5 Performance. Pursuant to Amendment No. 5, Developer has until June 30, 2024, to close escrow on the Recapitalization Loans (as defined therein). Developer shall pay to Cypress and Poppy the amounts owed, and which are the cause for the Defaults identified in the City’s Notices of Default, no later than June 30, 2024. Developer shall, pursuant to the terms previously agreed to, pay to Olson (and its subcontractors) and Granite in full satisfaction of all debts owed in the respective amount stipulated or agreed between Developer and such contractor/subcontractor, including all stipulated or agreed interest accrued through payment date, in satisfaction of Developer’s contractual obligations and under the mechanic’s lien claims recorded against the Developer-Held Properties and claims made in Riverside County Superior Court on or before June 30, 2024, unless the parties agree to an extension. If Developer fails to cure the Defaults identified in the City’s Notices of Default by June 30, 2024, then CMG shall have the right (but not the obligation) to assume all of Developer’s rights and obligations identified in Paragraph 4.2 of this MOU, in accordance with the provisions in Paragraph 4 of this MOU. Developer

covenants and agrees to provide updates and all material information related to the progress of the Recapitalization Loans to CMG.

3. Forbearance of Auction Sale Dates by Cypress and Poppy. Subject to performance by the Parties under this MOU, Cypress will postpone the Cypress Sale Date and forbear a sale at auction for the secured interest under the Cypress Deed of Trust, and Poppy will postpone the Poppy Sale Date and forbear a sale at auction for the secured interest under the Poppy Deed of Trust, until a date that is on or after July 2, 2024 (the “**Earliest Auction Sale Date**”). If CMG timely delivers CMG’s Notice Of Exercising Rights And To Proceed (as defined and set forth in Section 4 of this MOU), then Cypress will cancel its Earliest Auction Sale Date and postpone the Cypress Sale Date and forbear a sale at auction for the secured interest under the Cypress Deed of Trust, and Poppy will cancel its Earliest Auction Sale Date and postpone the Poppy Sale Date and forbear a sale at auction for the secured interest under the Poppy Deed of Trust, until no less than thirty-five (35) days after delivery of CMG’s Notice Of Exercising Rights And To Proceed to allow for the applicable Parties to perform and complete their respective obligations (as set forth in Section 4 of this MOU). Nothing in this paragraph or in this Agreement does or shall be deemed to require Cypress to proceed at any time with a sale at auction for payment of any debt secured by the Cypress Deed of Trust, and nothing in this Section 3 or in this Agreement does or shall be deemed to require Poppy to proceed at any time with a sale at auction for payment of any debt secured by the Poppy Deed of Trust.

4. CMG Purchase and Assumption of Developer Rights and Obligations. If Developer fails to close escrow on the Recapitalization Loans (as defined in Amendment No. 5) by June 30, 2024, and/or Developer fails to pay to Cypress and Poppy the amounts owed and secured by the Cypress Deed of Trust and Poppy Deed of Trust, respectively, by June 30, 2024, then CMG shall have the rights, to be exercised by notice in writing delivered to the Parties no later than July 1, 2024 (“**CMG’s Notice Of Exercising Rights And To Proceed**”), to all of the following (collectively, Sections 4.1-4.6 are referred to as the “**CMG Bundle of Rights and Obligations**”):

4.1 *Payoff of Secured Lenders; Developer Assignment of Rights.* CMG shall have the right (but not the obligation): (a) to pay-off (or to assume on restructured terms) all debts owed by Developer to lenders with a secured interest in all or any portion of the Developer-Held Properties, including the debt owed to Poppy that is secured by the Poppy Deed of Trust and debt owed to Cypress that is secured by the Cypress Deed of Trust, (b) to pay-off all debts owed by Developer to Olson (and its respective subcontractors) and Granite, in the respective amount stipulated or agreed between Developer and such contractor/subcontractor, including all stipulated or agreed interest accrued through payment date, in satisfaction of Developer’s contractual obligations and all mechanic’s liens that have been recorded against the Developer-Held Properties and claims filed in Riverside County Superior Court (the debts described in subdivisions (a) and (b) of this Section 4.1 are referred to as “**Developer’s Unpaid Obligations**”), and (c) to restructure any other payments relating to the construction of the Talus project; and, in exchange, Developer shall assign (per section 4.2) any and all interests in the PSDA, Development Agreement, and all other valid agreements relating to the construction, completion, and operation of the Talus project (including the hotel operator agreements), with the exception of the Olson and Granite agreements and convey fee simple ownership interest to the Developer-Held Properties. The Olson and Granite construction agreements are not valid or assigned, but Olson and Granite agree to participate in good faith negotiations for mutually agreeable construction agreements with CMG for their respective projects. Upon satisfaction or assumption of the Developer’s Unpaid Obligations by CMG, City, Poppy, Cypress, and Montage agree to release Developer from any on-going obligations or liabilities associated with the Developer’s Unpaid Obligations. Upon payment of the Developer’s Unpaid Obligations to the satisfaction of Olson and Granite by CMG, Olson and Granite agree to release

Developer from any on-going obligations or liabilities associated with the Developer's Unpaid Obligations.

4.2 *Assignment to CMG- and City-Approved Developer.* CMG shall have the right to designate a successor developer (which may be an affiliate controlled by CMG or a third party development partner), subject to review and approval by the City (which shall not be unreasonably withheld, conditioned or delayed), to assume all interests in the PSDA, Development Agreement, and all other agreements with the City relating to the construction, completion, and operation of the Talus project (including the hotel operator agreements), and all right, title, and interest in the Developer-Held Properties. Developer shall have the obligation to cooperate with any such assignment, including but not limited to cooperation with assignments for plans and designs of the Talus project. Olson, Granite, and Montage shall be kept informed as to the successor developer; provided, however, that the City and CMG will have final decision-making authority for the successor developer. Pursuant to the PSDA, the City shall approve the form and terms and conditions of any assignment to the successor developer. The City and CMG shall use good faith efforts to finalize the form and substance of the developer assignment prior to June 30, 2024. CMG represents that, to CMG's knowledge, it is not a "Prohibited Party" as that term is defined in the hotel operator agreements and will confirm that the successor developer which assumes the interests in the PSDA, Development Agreement, and the other agreements relating to the construction, completion, and operation of the Talus project (including the hotel operator agreements) with the exception of the Olson and Granite agreements, and all right, title, and interest in the Developer-Held Properties is not permitted to be a "Prohibited Party" under the hotel operator agreements. Nothing in this MOU does or shall be construed as modifying the Parties' respective rights and obligations under the hotel operator agreements. Olson and Granite agree to participate in good faith negotiations for mutually agreeable construction agreements with the successor developer for their respective projects.

4.3 *City Review and Approval of financing proposed by CMG.* City shall have the right to review and approve, consistent with Sections 211, 304.4, and 311 of the Original PSDA and prior amendments, CMG's proposed financing and related agreements, pro-formas, and other documents, for the purpose of confirming CMG's implementation of paying-off debts owed, remediating the partial improvements on the Developer-Held Properties, and remobilizing and completing the construction of the Core Project Components (the "**CMG Proposed Plan**"), with the first Project Components to be completed being the Permanent Golf Clubhouse and Luxury Hotel (as defined in the PSDA).

4.4 *Amendment to the PSDA.* The City, CMG, and the successor developer shall have the rights, independently and respectively, to negotiate Amendment No. 6 to the PSDA to memorialize, among other terms and conditions, the CMG Proposed Plan, revisions to the transient occupancy tax (TOT)-based rebate available after completion of the Luxury Hotel and Lifestyle Hotel, and revisions relating to conditions that must be met prior to a right of an option to purchase, and the purchase price for, the Future Development Property (as described in the PSDA as amended) and such other terms and conditions as may be required by CMG or the City (the "**Required Modifications**"). The City and CMG shall use best efforts to agree upon the Required Modifications prior to June 30, 2024.

4.5 *Due Diligence/Review/Negotiation Period; Payment Deadline for Developer's Unpaid Obligations.* Once CMG provides CMG's Notice Of Exercising Rights And To Proceed, the performance and completion of the Parties' respective rights and obligations in this Section 4 shall be for a period of no longer than sixty (60) days, commencing July 1, 2024; provided, however, that CMG shall pay-off all Developer Unpaid Obligations no later than thirty (30) days after July 1, 2024 (i.e., July 31, 2024, and referred to as the "**Developer Unpaid Obligations Payment Deadline**"), unless the creditor and/or beneficiary of an Developer Unpaid Obligation expressly consents to

nonpayment of the Developer Unpaid Obligation by delivering written notice, no later than July 15, 2024, to the Parties, that said creditor/beneficiary has voluntarily agreed to an accord and satisfaction for the debt owed and no sale at auction will be pursued by said creditor/beneficiary for payment (in whole or in part) of the Developer's Unpaid Obligation (referred to as a "**Creditor Consent to Nonpayment of Developer Unpaid Obligation**"). In explanation of the preceding sentence, and as an example, CMG has the obligation to pay-off the debt owed to Poppy that is secured by the Poppy Deed of Trust no later than the Developer Unpaid Obligations Payment Deadline, unless Poppy delivers to the Parties by July 15, 2024, written notice that Poppy will no longer pursue a sale at auction of the Developer-Held Properties that secure the Developer Unpaid Obligation owed to Poppy because Poppy and CMG have reached an agreement (accord) in satisfaction of the Developer Unpaid Obligation secured by Poppy's Deed of Trust. For any Developer Unpaid Obligation either paid-off by CMG or satisfied by a Creditor Consent to Nonpayment of Developer Unpaid Obligation, the creditor/beneficiary under a deed of trust or holder of a mechanics lien for said Developer Unpaid Obligation shall, within five (5) business days, take any and all actions necessary to execute and record in the Recorder's Office any and all instruments to remove from record title any notices of default, notices of sale, mechanics liens, and/or notices of lis pendens relating to said Developer Unpaid Obligation. In explanation of the preceding sentence, and as an example, if CMG pays-off in full the Developer Unpaid Obligation owed to Cypress by the Developer Unpaid Obligation Payment Deadline, Cypress shall, within five (5) business days of said payment, execute and record in the Recorder's Office a full reconveyance of the Cypress Deed of Trust, termination of the Cypress Notice of Sale, and release and termination from any and all notices of default with intent to sale for default under the Cypress Deed of Trust. If CMG fails to make any required payment on the terms and conditions set forth in this Section 4.5, this MOU shall automatically terminate and CMG shall have no further rights, liabilities or obligations under this Agreement.

4.6 *Non-Interference with Existing Obligations for Non-Parties.* Nothing in this MOU does or shall be construed as relieving or releasing any of the Parties from honoring binding agreements with third parties that have rights and obligations with the Talus project, provided, however, the Parties may have no knowledge of any agreements with third parties that would prevent a Party from performing its obligations under this Agreement.

4.7 *CMG Termination Right.* Notwithstanding anything to the contrary and for purposes of clarity, nothing in this MOU shall require or obligate CMG to move forward with any of the transactions contemplated by this MOU. CMG shall have the unilateral right (in its sole and absolute discretion) to terminate its obligations under this Agreement at any time prior to June 30, 2024 via delivery of written notice to the Parties (the "**Termination Notice**"). If CMG does not deliver the CMG Notice of Exercising Rights and To Proceed, CMG shall be deemed to have delivered the Termination Notice.

5. Agreement Relating to Bankruptcy and Receivership. To the maximum extent permitted by law, Developer agrees not to file for or initiate any proceeding in bankruptcy under any chapter of the federal Bankruptcy Act or any other federal or state debtor relief statute, and Developer agrees not to seek any receivership or placing in any receivership any of Developer's assets or the Developer-Held Properties or interests under the PSDA, pending the performance of the Parties under this Agreement.

6. Miscellaneous.

6.1 Governing Law. This MOU shall be governed by the internal laws of the State of California, without regard to conflict of law principles, and any question arising hereunder shall be construed or determined according to such law. The Superior Court of the State of California in and

for the County of Riverside, or such other appropriate court in such county, shall have exclusive jurisdiction of any litigation between the parties concerning this MOU. Service of process on City shall be made in accordance with California law. Service of process on Developer shall be made in any manner permitted by California law and shall be effective whether served inside or outside California.

6.2 Notices. All notices under this MOU shall be effective upon personal delivery, upon delivery by reputable overnight courier service that provides a receipt with the date and time of delivery, upon two (2) business days after deposit in the United States mail with postage certified and fully prepaid and addressed to the respective parties as set forth below, or the next business day upon delivery by e-mail with confirmation of receipt by the Party intended for receipt, to such address as the Parties have identified in the signature pages at the end of this MOU, or as may from time to time designate in writing.

6.3 Interpretation. The MOU shall be read and interpreted in a comprehensive, integrated manner, and in a manner that best implements the provisions of this MOU.

6.4 Time is of Essence. Time is of the essence for this MOU and of each and every term and provision hereof.

6.5 Definition of Days. The term “days” as used in this MOU means calendar days, and “business days” means every day except Saturday, Sunday, and federal or state recognized holidays that are observed by California state courts.

6.6 City Approvals and Actions. This MOU is entered into pursuant to Section 605 of the Original PSDA, and the City shall maintain authority over and implementation of this MOU through the City Manager pursuant to Section 605 of the Original PSDA.

6.7 Representations. The person(s) executing this MOU on behalf of each of the Parties hereto represent and warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this MOU on behalf of said Party, (iii) by so executing this MOU such Party is formally bound to the provisions of this MOU, and (iv) the entering into this MOU does not violate any provision of any other agreement to which such party is bound.

6.8 Counterparts; Electronic Signature. This MOU may be executed in counterparts, each of which, when this MOU has been signed by all of the parties hereto, shall be deemed an original, and each such counterpart shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, California’s Uniform Electronic Transactions Act (Cal. Civ. Code § 1633.1, *et seq.*) or other applicable law) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. The parties will rely on any electronic signature provided in connection with this Agreement as valid and effective for all purposes in performing services pursuant to this Agreement.

[End of MOU – Signature pages follows]

IN WITNESS WHEREOF, the Parties have executed this MOU as of the date set forth above.

DEVELOPER ADDRESS:

SilverRock Development Company, LLC
c/o The Robert Green Company
3551 Fortuna Ranch Road
Encinitas, CA 92024
Attention: Robert Green
email:
robert@therobertgreencompany.com

with copy to:

Crosbie Gliner Schiffman et al.
12750 High Bluff Drive, Suite 250
San Diego, California 92130
Attention: Dana Schiffman
Attention: Thomas Crosbie
dschiffman@cgs3.com
tcrosbie@cgs3.com

Caldarelli Hejmanowski Page & Leer
3398 Carmel Mountain Road
Suite 250
San Diego, CA 92121
Attention: William Caldarelli, Esq.
wjc@chpllaw.com

“DEVELOPER”

SILVERROCK DEVELOPMENT COMPANY, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

By: SIGNED IN COUNTERPART
Name: Robert S. Green, Jr.
Its: President and Chief Executive Officer

“SRPI”

SILVERROCK PHASE I, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

By: SIGNED IN COUNTERPART
Name: Robert S. Green, Jr.
Its: President and Chief Executive Officer

“SRL”

SILVERROCK LAND II, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

By: SIGNED IN COUNTERPART
Name: Robert S. Green, Jr.
Its: President and Chief Executive Officer

[Developer Signatures continued next page]

“SR Lodging”

SILVERROCK LODGING, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation
Its: Manager

By: SIGNED IN COUNTERPART
Name: Robert S. Green, Jr.
Its: President and Chief
Executive Officer

“SR Lifestyle Residences”

SR Lifestyle Residences, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation
Its: Manager

By: SIGNED IN COUNTERPART
Name: Robert S. Green, Jr.
Its: President and Chief
Executive Officer

“SR Luxury Residences”

SR Luxury Residences, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation
Its: Manager

By: SIGNED IN COUNTERPART
Name: Robert S. Green, Jr.
Its: President and Chief
Executive Officer

[Developer Signatures continued next page]

“RGC PA789”

RGC PA789, LLC, a Delaware limited liability company

By: The Robert Green Company,
a California corporation

Its: Manager

By:	<u>SIGNED IN COUNTERPART</u>
Name:	Robert S. Green, Jr.
Its:	President and Chief Executive Officer

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“CITY”

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

By: SIGNED IN COUNTERPART
Jon McMillen
Its: City Manager

ATTEST:

SIGNED IN COUNTERPART
Monika Radeva, City Clerk

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP

By: SIGNED IN COUNTERPART
William H. Ihrke, City Attorney

CITY ADDRESS:

City of La Quinta
78495 Calle Tampico
La Quinta, CA 92253
Attention: Jon McMillen, City Manager
Email: jmcmillen@laquintaca.gov


with copy to:

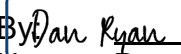
Rutan & Tucker, LLP.
18575 Jamboree Road, 9th Floor
Irvine, CA 92130
Attention: William H. Ihrke
bhrke@rutan.com

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“POPPY”

Poppy Bank, a California chartered commercial bank

DocuSigned by:
By: 
Name: Ed Gomez
Title: EVP Chief Credit Officer

DocuSigned by:
By: 
Name: Dan Ryan
Title: EVP Lending Officer

POPPY ADDRESS:

Poppy Bank
438 First Street
Santa Rosa, CA, 95401
Attn: Ed Gomez
Attn: Lisa Mills
Email: egomez@poppy.bank
Email: lmills@poppy.bank

with copy to:

Abbey, Weitzenberg, Warren & Emery
100 Stony Point Rd, Ste. 200
Santa Rosa, CA 95401
Attn: Mitchell B. Greenberg
Email: mgreenberg@abbeylaw.com

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“CYPRESS”

Cypress Point Holdings, LLC, a Nevada
limited liability company

By: SIGNED IN COUNTERPART

Name: Bill Trzos

Title: Managing Partner

CYPRESS ADDRESS:

Cypress Ascendant Holdings, LLC
12707 High Bluff Dr., Suite 340
San Diego, CA 92130
Attn: Bill Trzos
Email: bill@cypress-ascendant.com

with copy to:

Michelman & Robinson, LLP
10880 Wilshire Blvd 19th Floor
Los Angeles CA 90024
Attn: Edward D. Vaisbort
Attn: Eric Rans
Email: evaisbort@mrlip.com
Email: ERans@mrlip.com

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“OLSON”

R.D. Olson Construction, Inc., a California corporation

By: SIGNED IN COUNTERPART

Name: William Wilhelm

Title: President

OLSON ADDRESS:

R.D. Olson Construction
400 Spectrum Center Drive, Suite 1200
Irvine, CA 92618
Attn: William Wilhelm
Email: BWilhelm@rdolson.com

with copy to:

Watt, Tieder, et al., LLP
4 Park Plaza, Suite 1000
Irvine, CA 92614
Attn: David McPherson
Email: dmcpherson@watttieder.com

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“GRANITE”

Granite Construction Company, a California corporation

By: SIGNED IN COUNTERPART
Name: Brian Dowd
Title: SVP and Group Manager, CA Group

GRANITE ADDRESS:

Granite Construction Corporate Headquarters
585 W. Beach Street
Watsonville, CA 95076
Attn: Jordy Murray, Deputy Senior Counsel
Email: Jordy.Murray@gcinc.com

with copy to:

Finch, Thornton & Baird, LLP
4747 Executive Drive
San Diego, CA 92121
Attn: Andrea L. Petray
Email: apetray@ftblaw.com

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“MONTAGE”

Montage North America, LLC, a Delaware
limited liability company

By: SIGNED IN COUNTERPART

Name: Jason S. Herthel

Title: Authorized Signatory

MONTAGE ADDRESS:

Montage North America, LLC
3 Ada Parkway, Suite 100
Irvine, CA 92618
Attn: Jason S. Herthel
Email: jason.herthel@montage.com

with copy to:

Dentons US, LLP
2398 E. Camelback Road, Suite 850
Phoenix, AZ 85016
Attn: Chair, Global Hotels and Leisure
Email: rick.ross@dentons.com

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“CMG”

SIGNED IN COUNTERPART

Christopher M. George, an individual

CMG ADDRESS:

3160 Crow Canyon Road, Suite 400

San Ramon, California 94583

Email: cgeorge@cmgfi.com

with copy via email to:

Rodriguez Wright LLP

Attn: Stephen M. Wright, Esq.

Email: swright@rodriguezwright.com

[end of signature pages]