

**RESOLUTION NO. 2002-53
MODIFICATION OF CONDITIONS OF APPROVAL - FINAL
SPECIFIC PLAN 2001-053, CONDITION NO. 65 AND
TENTATIVE TRACT 30096, CONDITION NO. 67
ADOPTED APRIL 2, 2002**

MISCELLANEOUS

1. Puerta Azul has been designed to be a subdivision of second homes to be used for weekends, vacations and extended stays. Because a hotel project, consistent with the property's prior zoning, would likely have generated a greater amount of Transient Occupancy Tax than will Puerta Azul, the developer shall pay a one time mitigation fee in the amount of \$2,500 per unit for each of the 127 units to be built in Puerta Azul ("One Time Mitigation Fee"). The One Time Mitigation Fee shall be paid for each unit at the time of the initial sale and closing for the sale of said unit to a consumer for individual ownership. The One Time Mitigation Fee will be paid by the seller thereof out of escrow for the initial sale of each unit. The project CC&R's shall further require that the Homeowners' Association shall collect and forward to the City the sum of \$150 per unit per year ("Annual Mitigation Fee"). The Annual Mitigation Fee shall be paid in arrears in January of each year for the previous calendar year. The Annual Mitigation Fee shall first become due for any particular unit for the year in which that unit is first sold to a consumer for individual ownership. The Annual Mitigation Fee for each unit shall be prorated for the first year and charged only for that portion of the first year after which the unit was first sold to a consumer for individual ownership. Thereafter, the Annual Mitigation Fee shall be due in full for said unit as provided herein. The Homeowners' Association shall be responsible for collecting the Annual Mitigation Fee from each unit owner and for forwarding said fees, along with a report as to the units for which payment is being made, to the City. The Annual Mitigation Fee shall be included in the CC&R's as part of the regular assessments charged owners at the project, shall be enforceable in the same manner as the regular assessments, and shall be adjusted annually by the Consumer Price Index (C.P.I.).

The CC&R's shall further provide that when an owner is not in residence at his unit, any rental of his unit shall be subject to the collection and payment of Transient Occupancy Tax to the City of La Quinta in accordance with its then applicable ordinance imposing said tax. The CC&R's shall require that unit rentals be handled by a properly licensed professional rental agent and registered "operator" under the City's TOT Ordinance. The CC&R's shall further provide that any rental which exceeds a duration of thirty (30) consecutive days ("Extended Rental") shall be subject to a Public Facilities Fee in lieu of TOT, which Public Facilities Fee shall be in an amount equal to 5% of the total rent

paid for said Extended Rental. The rental agent responsible for each rental shall be required to collect the applicable Transient Occupancy Tax or Public Facilities Fee as described above, on all rentals and forward same to the City in the manner set forth in the City's then applicable TOT Ordinance. To monitor such collections, all rentals must be reported to the Homeowners' Association no later than the date of arrival of the applicable renter. Information required shall include, at a minimum, the name of the renter, the unit rented, the dates of the rental and the name of the applicable rental agent. Said information shall be reported to the City by the Homeowners Association on a monthly basis to aid the City in assuring the proper collection of applicable Transient Occupancy Tax.

The Homeowners' Association shall adopt appropriate rules and regulations in order to effectively implement the requirements of this Condition. The CC&R's shall provide that the provisions intended to address this Condition 65 and Condition 67 may not be modified without the prior written consent of the City, and shall further provide that the City shall be entitled to enforce said provisions to the same extent that said provisions are enforceable by the Homeowners' Association. Prior to the issuance of the first building permit, applicant shall submit a copy of the final CC&R's to the City for approval for the purpose of assuring compliance with this Condition.

The CC&R's must memorialize the terms and conditions of this project. The CC&R's must be approved by the City Attorney prior their recordation; and must be recorded prior to, or concurrent with, the recordation of the final map.