

Section III. Specific Plan Land Use and Regulatory Provisions

A. Land Use Plan Development Policies

As suggested earlier, this Specific Plan has been prepared to clarify various land use and development standards as identified in the City's General Plan, Zoning Regulations, Two Bunch Palms Specific Plan Overlay District and Hot Water Overlay Ordinance districts. The clarifications are in the form of the development regulations included in this Specific Plan. These standards will supersede the City's traditional Zoning Ordinances for properties included within the SP boundary. This Plan also provides a framework wherein residential land uses may be used as visitor accommodations, provided their use is coordinated through the Two Bunch Palms Resort management, and proper accounting of transient occupancy taxes and other fees due the City are handled by the Resort.

In summary, this Specific Plan:

- Clarifies boundaries and allowable densities for visitor-serving land uses permitted within the proposed Resort Timeshare Neighborhood (Parcel F) (see Figure 5)
- Clarifies boundaries and allowable densities for residential land uses permitted within proposed SW Verbena, Miracle Hill and Rochelle Neighborhoods (Parcels A, E and F) (see Figure 5)
- Incorporates the Hacienda Neighborhood and a 2.50 acre addition to the Rochelle Resort Timeshare Neighborhood within the TBP Specific Plan Overlay District through General Plan and Zoning Amendments (see Figure 4)
- Establishes development standards and land use densities for the Specific Plan area
- Establishes a unified management entity (Two Bunch Palms Resort) to act on behalf of any residential owners within the Specific Plan area that wish to rent their units to transient visitors, subject to fees and TOT tax payments as applicable to the City of Desert Hot Springs
- Creates a re-subdivision of the underlying property (via Vesting Tentative Tract Map No. 34522) to align parcels with land use categories and the Hot Water Overlay District
- Enacts an Owner's Participation Agreement between the City of Desert Hot Springs and the property owners to memorialize the respective responsibilities of the parties in implementing these projects

B. Permitted Uses By Land Use District (and Neighborhood)

This Specific Plan has been prepared to identify distinctive “neighborhoods” within the overall project site to aide in focusing land use and development standard decisions within geographically smaller units of the total property. Each neighborhood is also outlined to reflect a single basic land use type, with the exception of the Two Bunch Palms Commercial Center, which includes a mixed-use set of land uses described in more detail, below.

Basic land use types include “resort” (or visitor-serving) land uses, “residential” land uses, and the mixed-use “commercial” (retail and personal service uses) and residential uses included in the Commercial Center neighborhood. Therefore, as reflected in Figure 24 (*Proposed Land Use Districts by Neighborhood*), each of the following Neighborhoods are associated with the corresponding Land Use Districts presented herein:

<u>Land Use Districts (Figure 24)</u>	<u>Neighborhoods (Figure 5)</u>
Resort Neighborhoods.....	Existing Resort
	Resort Villas
	Resort Condominiums
	Resort Casitas
	Rochelle Resort Timeshare
Residential Neighborhoods.....	Hacienda
	Northwest Verbena
	Miracle Hill
	Southwest Verbena
	Southeast Camino Campanero
Commercial Neighborhood.....	Two Bunch Palms Commercial Center

Permitted uses, by Neighborhood and Land Use District, shall include:

- **Resort Neighborhood permitted uses** shall be Resort/Visitor accommodations, (guest rooms occupied on a transient basis with centralized reception, lobby, check-in, operational, and administrative facilities). The following uses shall be permitted as ancillary uses in conjunction with a Resort: recreational facilities (e.g. swimming, wading and jacuzzi-style pools, saunas, tennis and racquet courts, etc.) health and wellness facilities, spa and massage facilities, treatment rooms and facilities, health village mineral soaking pools, pedestrian trails, restaurant, lounge and cafe eating and drinking facilities, administrative offices for the resort, resort

management and staff living quarters, and such similar uses as determined by the Planning Director or, upon appeal, the Planning Commission, to be consistent with resort/visitor-serving land uses. In the Resort Casitas Neighborhood, year-round owner occupancies within the private Two Bunch Palms Resort complex are permitted.

- **Residential Neighborhood permitted uses** will be residential dwelling units, common area and open space, pedestrian trails, health village mineral soaking pools and associated rest facilities, common area landscaping, and such similar uses as determined by the Planning Director or, upon appeal, the Planning Commission, to be consistent with residential land uses.
- The **Commercial Center permitted uses** shall be health and wellness offices and facilities, medical and healing arts offices and facilities, day spa uses, fitness center, spa and hot tub rentals, swimming and treatment pools, exercise facilities, recreation uses and outlets (ie. health foods and dietitian counseling, sports and health apparel, sporting goods stores), general commercial retail uses (within a context associated with health and wellness -- ie. book stores, herbal goods, spa and massage goods), delicatessens, health foods stores and eateries, restaurants and mixed-use residences. Theaters and entertainment uses (ie. a small outdoor amphitheater) are also allowed uses in the commercial center. A residential project of 25 units is also shown as an allowable use, integrated into the commercial center.
- Up to 121,500 sq. ft. of commercial space is permitted by this Specific Plan. Specific uses and intensities of medical and healing arts, commercial, entertainment and retail development authorized by this Plan include:

Day Spa ... 14,000 sq. ft.	Medical and Healing Arts ... 24,500 sq. ft.
Fitness Center ... 12,000 sq. ft.	Retail Shops ... 30,000 sq. ft.
Restaurants (x's 3) ... 13,000 sq. ft.	Theaters (1,200 seats) ... 28,000 sq. ft.
TBP Commercial Center = 121,500 sq. ft.	

In the event that a use is proposed that is not listed herein, Section VIII shall be consulted for interpretations by the Planning Director and/or Planning Commission.

C. Land Use Regulations

This Specific Plan establishes development regulations that will be applicable to the underlying sites within the Specific Plan area.

In all instances, the standards of this Plan are generally similar to the City's established standards, but in some situations height limits, setbacks, minimum parcel sizes and other noted standards have been modified to meet the needs of this master planned community. The following development standards are applicable to all properties within the Specific Plan area, and replace the City's existing Zoning Ordinance regulations. All other City development regulations, such as and in particular the Subdivision and Grading Ordinances, remain applicable to the property. Any conflicts between this Plan and said development regulations will be resolved according to the Interpretation provisions of Section VIII of the Two Bunch Palms Specific Plan.

Development standards, permitted densities by Neighborhood and allowable uses for the TBP site are outlined in Tables 2a and 2b, 3 and 4.

Tables 2a and 2b include development standards for resort and residential land use categories as presented on Figure 22 of this Plan. Each set of standards are cross-referenced by Land Use District category and by Neighborhood designation.

Table 3 includes development standards for retail land uses and a small area within the retail center designated for "mixed-use" (essentially residential land uses permitted within the 20 acre retail site), again, as presented on Figure 22 of this Plan. Each set of standards are cross-referenced by Land Use District category and by Neighborhood designation.

Development standards applicable to the Specific Plan area are summarized in the following Tables 2a, 2b, 3 and 4.

Table 2a - TBP Specific Plan Residential and Resort Development Standards

Development Standards by Neighborhoods	Hacienda NW & SW Verbena Resort Casitas	Miracle Hill (condominiums)	Existing Resort Resort Villas	Rochelle Resort (Timeshare) Resort Condos
Allowable Building Type	single-family	multi-family	na	na
Minimum Lot Area	4,000 sf (pud's) (1)	4,000 sf (mfd's)	5,000 s.f.	100,000 s.f.
Minimum Lot Width	45 ft.	50 ft.	40 ft.	100 ft.
Minimum Lot Depth	65 ft.	80 ft.	80 ft.	200 ft.
Minimum Front Setback	10 ft.	10 ft.	10 ft.	10 ft.
Minimum Building Setback to Miracle Hill Road right-of-way	na	25'	na	25'
Minimum Interior Living Area	1,200 sq. ft.	1,200 sq. ft.	400 sq. ft.	400 sq. ft.
Minimum Front Setback - to Street, Property Line, Driveway, Garage and/or Fire Lane for Parking (2)	20 ft.	20 ft.	20 ft.	20 ft.
Minimum Front Setback-Interior PUD Lots only (not fronting/ adjacent to a roadway or street (2)	5 ft.	na	na	na
Minimum Rear Setback	10 ft.	10 ft.	10 ft.	10 ft.
Minimum Side Setback	5 ft for 1 story bldgs 10 ft for 2 story	5 ft for 1 story 10 ft for 2 story	5 ft for 1 story 10 ft for 2 story	5 ft for 1 story 10 ft for 2 story
Minimum Street Side Setback	10 ft.	10 ft.	10 ft.	10 ft.
Minimum Distance Between Units / Buildings	10 ft.	10 ft.	10 ft.	10 ft.
Maximum Side and Rear Yard Encroachments (3)	2 ft.	2 ft.	2 ft.	2 ft.
Maximum Lot Coverage (5)	50%	50%	50%	80%
Minimum Parking Required	2 spaces/unit	2 spaces/unit	1 space/unit	1 space/unit
Minimum Garage Interior Area	interior dimension 20' x 20'	interior dimension 20' x 20'	na	na
Minimum Guest Parking	1 space/5 units	1 space/5 units	na	1 space/5 units
Allowed Lot Disturbance	100%	100%	100%	100%
Minimum Private Outdoor Living	300 s.f.	300 s.f.	300 s.f.	Patio or Balcony 50 s.f.
Minimum Landscape Area	25% of lot area	25% of lot area	20% of lot area	20% of lot area
Minimum Landscape Buffer to Public Rights-of-way	All streets = 15' except Bubbling Wells = 10'	All streets = 15' except Bubbling Wells = 10'	All streets = 15' except Bubbling Wells = 10'	All streets = 15' except Bubbling Wells = 10'
Minimum Street Trees Per Lot - (8)				
Corner Lots	2 = 24" box	2 = 24" box	na	na
Interior Lots	1 = 24" box	1 = 24" box	na	na
Placement of Mechanical Equip.	Ground mounted	Ground mounted	Ground mounted	Ground mounted
Maximum Patio Wall Height	42"	42"	42"	42"
Maximum Combined Height Perimeter (4) Fencing and Retaining Walls	6' >6' review by PC	6' >6' review by PC	6' >6' review by PC	6' >6' review by PC
Maximum Building Height: (above finished grade)				
Main Building in Stories in Feet	2 (6) 30 ft.	2 (6) 30 ft.	2 - Resort Villas 3 - Existing Resort 2=30 ft. 3=40 ft.	East of water tanks = 2 story/30 ft. 3 story elsewhere 40 ft.
Max. within 40' of Miracle Hill row	na	20'/1 story	na	20'/1 story
Accessory Buildings in Feet	15 ft.	15 ft.	15 ft.	15 ft.
Allowed Architectural Extensions	2 ft. above max.	2 ft. above max.	2 ft. above max.	2 ft. above max.

Table 2a Notes:

sfd = single family dwelling

mfd = multi-family (attached) dwellings

pud = planned unit development

- (1) A "pud" includes two or more resort or residential units accessed by a shared or common driveway. In these cases, the shared access allows for a tighter, clustered design facilitating smaller underlying lots.
- (2) For clustered or pud units, the lots on the interior of the cluster (not adjoining street frontage) may have a 5' setback to the "front" lot line for the residential portions of the unit. For setbacks to parking spaces, see Minimum Front Setback - to Street, Property Line, Driveway, Garage and/or Fire Lane for Parking, above.
- (3) Encroachments into required side and rear setbacks are permitted for chimneys, stairways, balconies, architectural projections and similar building features.
- (4) "Perimeter walls" are those walls located on the exterior boundary of the TBP Specific Plan property, located along public rights-of-way.
- (5) Does not include patios, walkways and driveway paving.
- (6) 2nd story square footage is limited to 75% of building footprints, including all ground level living and garage areas. No more than 40% of the units within any individual residential Neighborhood may be 2 stories in height.
- (7) All setbacks will be measured from property lines.
- (8) Street trees provided at the ratios provided in Table 2a may be grouped and sited to maximize solar access to each cluster of units. In this context, the minimum number of trees will be required but may be located in ways that protect solar access to active and passive solar designs within the residential units of any SP Neighborhood.

**Table 2b - TBP Specific Plan Residential Development Standards
Unique to the Southeast Camino Campanero Neighborhood**

Development Standards for SE Camino Campanero	For PUD Units (1)	For Single Family Units
Allowable Building Type	single-family detached units	single-family detached units
Minimum Lot Area	4,000 sf	5,000 sf
Minimum Lot Width	45 ft.	50 ft.
Minimum Lot Depth	65 ft.	75 ft.
Minimum Front Setback (2)	10 ft.	20 ft.
Minimum Interior Living Area	1,200 sq. ft.	1,200 sq. ft.
Minimum Front Setback - to Street, Property Line, Driveway, Garage and/or Fire Lane for Parking (2)	20 ft.	20 ft.
Minimum Front Setback-Interior PUD Lots only (not fronting/adjacent to roadway or street) (2)	5 ft.	na
Minimum Rear Setback	10 ft.	10 ft.
Minimum Side Setback - Interior Lot	5 ft. for 1 story / 10 ft. for 2 story	5 ft. for 1 story / 10 ft. for 2 story
Minimum Side Setback - Exterior Lot	10 ft.	10 ft.
Minimum Distance Between Units / Buildings	10 ft.	10 ft.
Maximum Side and Rear Yard Encroachments (3)	2 ft.	2 ft.
Maximum Lot Coverage (5)	50%	50%
Minimum Parking Required	2 spaces/unit	2 spaces/unit
Minimum Garage Interior Area	interior dimension = 20' x 20'	interior dimension = 20'x 20'
Minimum Guest Parking	1 space/5 units	1 space/5 units
Allowed Lot Disturbance	100%	100%
Minimum Private Outdoor Living	300 s.f.	300 s.f.
Minimum Landscape Area	25% of lot area	25% of lot area
Minimum Landscape Buffer to Public Rights-of-way	All streets = 15' except Bubbling Wells = 10'	All streets = 15' except Bubbling Wells = 10'
Minimum Street Trees Per Lot - (8) Corner Lots Interior Lots	2 = 24" box 1 = 24" box	2 = 24" box 1 = 24" box
Placement of Mechanical Equipment	Ground mounted	Ground mounted
Maximum Patio Wall Height	42"	42"
Maximum Combined Height Perimeter (4) Fencing and Retaining Walls	6' >6' review by PC	6' >6' review by PC
Max. Building Height: (above finished grade) Main Building in Stories / in Feet Allowed Architectural Extensions	2 (6) / 30 ft. 2 ft. above max.	2 (6) / 30 ft. 2 ft. above max.

Table 2b Notes: sfd = single family dwelling mfd = multi-family (attached) dwellings pud = planned unit development

- (1) A "pud" includes two or more resort or residential units accessed by a shared or common driveway. In these cases, the shared access allows for a tighter, clustered design facilitating smaller underlying lots.
- (2) For clustered or pud units, the lots on the interior of the cluster (not adjoining street frontage) may have a 5' setback to the "front" lot line for the residential portions of the unit. For setbacks to parking spaces, see Minimum Front Setback - to Street, Property Line, Driveway, Garage and/or Fire Lane for Parking, above.
- (3) Encroachments into required side and rear setbacks are permitted for chimneys, stairways, balconies, architectural projections and similar building features.
- (4) "Perimeter walls" are those walls located on the exterior boundary of the TBP Specific Plan property, located along public rights-of-way.
- (5) Does not include patios, walkways, and driveway paving.
- (6) 2nd story square footage is limited to 75% of building footprints, including all ground level living and garage areas. No more than 40% of the units within any individual residential Neighborhood may be 2 stories in height.
- (7) All setbacks will be measured from property lines.
- (8) Street trees provided at the ratios provided in Table 2b may be grouped and sited to maximize solar access to each cluster of units. In this context, the minimum number of trees will be required but may be located in ways that protect solar access to active and passive solar designs within the residential units of any SP Neighborhood.

Table 3 - TBP Specific Plan Retail and Mixed-Use Development Standards

Development Standards by Neighborhoods	TBP Commercial Center Retail Commercial Component	TBP Commercial Center Mixed-Use Residential Component
Allowable Units	na	25 units total
Minimum Lot Area	10,000 square feet	25,000 square feet
Min. Lot Width	50'	100'
Min. Lot Depth	100'	100'
Min. Setbacks	5'	5'
Minimum Buildings Setback to Two Bunch Palms Trail or to adjacent residential lot (no parking allowed within setback areas) *	20' for 1 and 2 story buildings 50' for 3 story or taller buildings	20' for 1 and 2 story buildings 50' for 3 story or taller buildings
Minimum Parking Setback to Two Bunch Palms Trail	20'	20'
Minimum Between Buildings	10'	10'
Maximum Lot Coverage **	75%	80%
Minimum Landscape Area	25%	10%
Min. Parking Required:		
Residential	na	2 per unit
Commercial Retail	3 spaces per 1,000 s.f.	na
Commercial Office/Medical	4 spaces per 1,000 s.f.	na
Restaurant	10 spaces per 1,000 s.f.	na
Fitness Center/Day Spa	4 spaces per 1,000 s.f.	na
Theaters	off-peak/shared use - 100 minimum	na
Maximum Height:		
(above finished grade)		
Height-Feet/Stories (non-theater)	60' / 3 stories	50' / 3 stories
Height-Feet/Stories (theaters)	80' / 4 stories	na

Table 3 Notes:

* All setbacks shall be measured from property lines. For every story above 2, an additional 50' setback from Two Bunch Palms Trail shall be required.

** Includes parking and driveway paving.

The parking standards described in Table 3 for the retail commercial uses within the TBP Commercial Center have been developed with a recognition that some percentage of the overall parking will be utilized by a patron that will visit two or more of the retail outlets during their visit to the Center. This concept is also realized in situations where day time parking for some uses (such as retail and offices) is not being utilized in the evening or night hours and can be available for those uses (such as for dinner houses and theaters). This context for utilizing parking for more than one use is commonly referred to as "shared or conjunctive use parking". At the TBP Commercial Center, Specific Plan-required parking is compared to parking that would be calculated independently under present City Zoning regulations, to reveal an anticipated 17% reduction in parking, as noted below. In this case, required parking ratios for retail uses under a shared-parking and mixed-use design can be reduced below that of the uses if they were all calculated separately.

In recognition of allowing the applicant/developer to employ shared-parking and reduce parking ratios as required by the City's Municipal Ordinance, the City may, finding that the parking at the Center is unacceptable (resulting in parking or other use impacts), require the applicant/developer/owner of the TBP Commercial Center to apply for a modification to the Center's Conditional Use Permit to provide for restrictions on the operation of adjacent business hours and/or the installation of additional parking spaces and/or other measures that may be required to resolve the parking/use impacts associated with parking at the TBP Commercial Center.

	<u>TBP Specific Plan Required Ratios</u>	<u>Proposed TBP Specific Plan Uses</u>	<u>SP Required Parking Sps</u>	<u>DHS City Ordinance Independently Calc'd</u>	<u>SP Proposed Shared Spaces</u>
Restaurant	1 space / 125 sq ft	13,000 sq ft	104 spaces	1 sp / 75 sf = 173 sps	69 sps or 40%
Medical	1 space / 300 sq ft	24,500 sq ft	82 spaces	1 sp / 200 sf = 123 sps	41 sps or 33%
Retail	1 space / 400 sq ft	56,000 sq ft	140 spaces	1 sp / 250 sf = 224 sps	84 sps or 37%
Theater	1 space / 6 seats	28,000 sq ft	200 spaces	1 sp / 250 sf = 112 sps	112 sps or -56%
Overall Totals		121,500 sq ft	526 spaces	Total = 632 spaces	106 sps / 17%

For General Plan consistency evaluation, the following calculations represent the permitted densities for the TBPSP underlying parcels prior to consideration of the Specific Plan:

<u>Existing Land Use at</u>	<u>Acres*</u>	<u>R/VS-L</u>	<u>R/VS-M</u>	<u>R/VS-H</u>	<u>Resid-L</u>
Existing TBP Resort	8.81	8.81	--	--	--
Resort Land Uses	188.87	146.77	14.17	27.93	--
Hacienda Property	10.77	--	--	10.77	--
Miracle Hill Addition	2.50	--	--	--	2.50
<u>Residential Land Uses</u>	<u>67.42</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>67.42</u>
Subtotals	279.26	155.58	14.17	38.70	69.92
<u>Allowed Density/Acre</u>		<u>x 5 u</u>	<u>x 8 u</u>	<u>x 14 u</u>	<u>x 6 u</u>
Subtotals/Land Use Type		790 u	113 u	542 u	420 u
Pre-Specific Plan Allowed Units		<u>1,865 combined residential and resort units</u>			

*Note: Based on land use and zoning district designations current in 2005.

In contrast to the maximum densities identified above per established General Plan policies, design considerations undertaken in preparing this Specific Plan resulted in physical land plans reflecting lower densities, as presented in the Master Plan and Vesting Tract Map No. 34522. Table 4 summarizes the densities permitted under this Specific Plan.

Under the Two Bunch Palms Specific Plan, permitted residential and visitor uses have designated densities that vary between lower densities (at about 4 units per acre) to medium-high densities (at 12 units per acre). These ranges vary by Neighborhood. For exclusively visitor accommodations, allowable density is calculated at ratios of between 4 and 16 allowable units per acre. Figure 22 describes the Land Use Districts of the Specific Plan.

The reallocation of densities between neighborhoods of similar land uses shall be permitted under this Specific Plan through an administrative Conditional Use Permit process upon a finding of overall conformity to the Two Bunch Palms Specific Plan by the Planning Director. (For example, the Camino Campanero Neighborhood reduces its density by 20 units, and those 20 units are reallocated to another residential district). Increases in allowable densities as described in Table 4 may be permitted by amendment of this Specific Plan.

Table 4 - TBP Specific Plan Allowable Units

Neighborhoods	Visitor-Serving Density	Residential Density
Existing Resort	95 visitor units	
Rochelle Resort Timeshare	315 visitor units	
Resort Villas	26 visitor units	
Resort Condominiums	140 visitor units	
Resort Casitas	24 visitor units	
TBP Commercial Center		25 attached units
Hacienda		45 detached units
Northwest Verbena		145 detached units
Miracle Hill		33 detached units
Southwest Verbena		260 detached units
Southeast Camino Campanero		230 detached units
Totals	600 visitor-serving units	738 residential units

D. Use Restrictions

Permitted uses of lands are noted in the preceding sections of this Specific Plan. "Use Restrictions" include a series of key standards and regulations that govern the manner in which permitted land uses will be operated and maintained into the future. Commonly, public or city use restrictions are established in "conditions of approval". Also common are private use restrictions, particularly in master planned communities such as Two Bunch Palms. These private use restrictions are imposed by the subdivider and incorporated into "Conditions, Covenants and Restrictions" (CC&R's) that are recorded concurrent with final tract maps as the project is implemented. These sets of public and private use restrictions will set standards for uses of all improvements within area covered by the TBP Specific Plan.

Private CC&R's will be recorded for all properties approved under this Specific Plan. These CC&R's will address land and building use regulations, development intensity and design criteria, common area maintenance, repair and replacement, and related matters that are to be enforced through the private owners of the TBP development. These CC&R's will be reviewed by the City Attorney for consistency with city imposed conditions and use regulations prior to recording the first final map for the project, and may include, without limitation, the following privately-imposed provisions:

- A "Master Resort Property Owners Association" shall be incorporated and empowered with the responsibility of implementation of the CC&R obligations falling upon owners within the master planned development.
- Short-term visitor-serving use of any of the residential units within the Specific Plan area shall be managed through the Resort's management structure. Owners choosing to make their units available for short term occupancies will be responsible for (1) informing the Resort of the name, dates of occupancy and rental rates associated with such use, (2) deposit a fee with the Resort in an amount equivalent to the City's then-applicable Transient Occupancy Tax rate multiplied times the applicable rental rate, to be paid to the City of Desert Hot Springs for all such short-term occupancies, and (3) maintaining an annual Business License with the city for operating visitor-serving use of their residence.
- Age restrictions for permanent residents of the site will be set at a minimum of 18 years old.
- Provide for the establishment of annual budgets for maintenance, repair and replacement of common areas, and provide for regular and special assessments to all owners to support such operations.

- Monthly maintenance fees charged to residential and commercial land owners may include, without limitation, O&M charges and Reserve funding for the replacement of common area facilities (ie. private roads and drives, lighting, Specific Plan perimeter fencing and walls, entry gates and facilities, common area landscaping, ponds and fountain water features, mineral soaking pools and facilities, guest parking areas, resident's access and use of the day spa and fitness center facilities, private water, wastewater and utility improvements, private storm drainage facilities, pathways and sidewalks).
- Establishment of a Design Review Committee to oversee all buildings and landscape construction as the Specific Plan projects are built out over several phases/years.
- Create management and procedural guidelines to govern the affairs of the Association.
- Provide for amendments to the CC&R's subject to City review and approval in the event that any proposed change would materially modify any City-imposed condition or requirement.

The developments comprising the Two Bunch Palms Specific Plan area will be represented on a **Master Resort Property Owners Association**, designed to facilitate coordination of maintenance, repair and replacement of common areas and amenities of the master planned projects. The MRPOA or POA will be an incorporated non-profit Association with a Board of Directors, and is envisioned to include a representative of each Neighborhood, as described herein, and at least two (2) representatives of the Two Bunch Palms Resort project. In the early years of implementation of this Plan, the total Board will consist of no less than 3 members, and conduct all affairs on behalf of the TBP property owners. At buildout, a Board of 12 directors is anticipated. The original Declarant/Subdivider will appoint the DRC as described below.

A **Design Review Committee (DRC)** will be established within the CC&R's to provide an intermediate level of architectural and design review for buildings and landscaping developments within the master plan area. The DRC will be a three (3) member committee appointed by the original Declarant/Subdivider. This committee will function until such time as 75% of the Specific Plan properties are built out pursuant to this Plan.

Management of transient rentals of residential units through the TBP Resort provides the opportunity for owners to make economic use of their property while providing some unified source of contact when issues or problems arise. Short-term rentals of units is defined herein as less than 30 consecutive days. By registering short-term rentals through the Resort's management structure, the City of Desert Hot Springs, and other public agencies such as

police and fire services, emergency medical services and other service-oriented entities will be able to better respond to visitor issues and needs. This expands the opportunities for visitors to stay at Two Bunch Palms, but also allows the City to collect TOT taxes and business license fees to offset the cost of provision of public services to visitors.

It is not necessary, however for residential owners to register and manage their properties through the Resort if they provide long-term rentals of their properties. Rentals of 30 consecutive days or longer are not required to participate in this program.

Payment of Transient Occupancy Tax or City Fees In-Lieu of TOT is required from all uses within the TBP Specific Plan area where non-owner occupancies of less than 30 consecutive days occurs.

In the case of all resort and vacation rentals, the then-applicable City TOT rate will be multiplied against the gross room and/or unit rental received by the Resort. The Resort will collect and account for these fees from the occupant. The Resort will then be responsible for forwarding said collections to the City as prescribed by law.

This provision will also be applied to timeshare uses of the site, and will be paid by calculating a daily occupancy fee for all timeshare occupancies in-lieu of a TOT collection. This fee and the method of calculation and payment for all timeshare occupancies will be negotiated with the City of Desert Hot Springs at the time of City consideration of a CUP application for any timeshare buildings and uses. All occupancies of timeshare units will include a daily fee in-lieu of TOT, and will be paid to the City based on actual occupancy at these facilities.