

NOTICE
(Govt. Code §12956.1)

IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, GENDER, GENDER IDENTITY, GENDER EXPRESSION, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, GENETIC INFORMATION, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (P) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS

EXHIBIT "A"

**LEGAL DESCRIPTION OF THE SUBJECT
PROPERTY**

Lot 26 of Tract 3752, in the City of Temecula, County of Riverside, as shown by map on file in book 59 page 53, of Miscellaneous Maps, in the Office of the County Recorder of said County.

APN: 959-050-011

① Recording Requested By
First American Title Company

RECORDING REQUESTED BY:

Los Ranchitos Homeowners Association

WHEN RECORDED MAIL TO:

Los Ranchitos Homeowners Association
c/o Epsten Grinnell & Howell, APC
10200 Willow Creek Road, Suite 100
San Diego, CA 92131

DOC # 2012-0585039
12/03/2012 02:15 PM Fees: \$81.00
Page 1 of 23
Recorded in Official Records
County of Riverside
Larry W. Ward
Assessor, County Clerk & Recorder

**This document was electronically submitted
to the County of Riverside for recording**
Received by: LJONES

4160708A-22

(Above Space for Recorder's Use)

**2012 AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

FOR
LOS RANCHITOS HOMEOWNERS ASSOCIATION
A California Non-Profit Corporation

NOTICE
(Gov't Code §12956.1)

If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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**2012 AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
LOS RANCHITOS HOMEOWNERS ASSOCIATION**

This 2012 Amendment to Declaration of Covenants, Conditions and Restrictions For Los Ranchitos Homeowners Association (this "Amendment") is made on the day and year set forth below, by Los Ranchitos Homeowners Association, a California non-profit corporation (the "Association"), with reference to the following:

RECITALS

A. This document is recorded for the purpose of amending that certain Declaration of Restrictions which was recorded in the Office of the County Recorder of Riverside County, California on October 11, 1966, as Document No. 100757, which document was later extended and amended by document recorded on June 3, 2008, as Document No. 2008-0300969, and any other amendments, annexations or similar documents containing restrictions applicable to the Property that may appear of record, all in the Official Records of Riverside County, California, hereinafter referred to collectively as "Declaration," unless the context clearly indicate otherwise:

B. The legal description of the property that has been subjected to the terms of the Declaration (hereinafter "Property") is:

Lots 1 through 102 in Tract 3552, as shown on a map recorded October 5, 1966 as Document No. 98816, in Book 56, Pages 63 through 66 of Miscellaneous Maps, Records of Riverside County, California.

Lots 1 through 34, inclusive, of Tract 3646, as shown on a map recorded September 20, 1967 as Document No. 82856, in Book 57, Pages 86 through 87, both inclusive, of Miscellaneous Maps, Records of Riverside County, California.

Lots 1 through 23, inclusive, and 26 through 49, inclusive, of Tract 3752, as shown on a map recorded July 31, 1968 as Document No. 74102, in Book 59, Pages 53 through 55, both inclusive, of Maps, Records of Riverside County, California.

Lots 1 through 4, inclusive, of Tract 3750, as shown on a map recorded October 2, 1968 as Document no. 95104, in Book 59 Page 100, of Maps, Records of Riverside County, California.

C. The Owners and Members of the Association wish to modify the Declaration by amending Article III of the Declaration entitled Subdivision Restriction; Article IV of the Declaration entitled Regulation of Improvements and Uses; Article V of the Declaration

entitled Enforcement; Article VI of the Declaration entitled Architectural and Environmental Control Committee; Article VII of the Declaration entitled Regulation of Operations and Uses; Article X of the Declaration entitled Assessments; and, Article XII of the Declaration entitled Adoption and Enforcement of Rules.

- D. Lot 26 of Tract Map 3752, as more fully described in Exhibit "A" attached hereto (the "Subject Property") is no longer desirable for residential development as a result of changed circumstances since the initial recordation of the Declaration, and the owner ("Subject Property Owner") of the Subject Property wishes to develop and use the Subject Property as commercial condominiums for commercial or office purposes and any reasonable accessory purposes.
- E. The Association's membership and Board of Directors have agreed to support this Amendment and to allow the Subject Property to developed as commercial condominium project used for commercial or office purposes and any reasonable accessory purposes allowed by zoning and subject to the terms, conditions and restrictions set forth herein and those contained in the Development Agreement attached hereto as Exhibit "B" and incorporated herein by this reference.
- F. This amendment has been adopted under the provision of Article VIII, Section 8.02 of the Declaration which requires approval by the written consent of owners of at least fifty-one percent (51%) of the Property.
- G. The Association has designated the President and Secretary to certify the approval of this amendment, and the President's and Secretary's certification is attached hereto as Exhibit "C."

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, the Declaration is hereby amended as follows:

- 1. This Amendment shall apply only to the Subject Property and to no other portion of the Covered Property.
- 2. With respect to the Subject Property only, Article III, Section 3.01 of the Declaration is deleted in its entirety and in its place is inserted the following:
 - 3.01 No portion of any lot shall be sold if said portion sold or the remaining portion of said lot contains less than two and one-half (2.5) acres gross, unless said lot was smaller than two and one-half acres on the date of recordation of this amendment, in which case, the minimum size for that lot shall be the area shown in the records of the Riverside County Assessor's Office as of that date. Notwithstanding the foregoing, the Association acknowledges (i) that the Subject Property will be developed and constructed as a commercial condominium project containing three total parcels and numerous condominium units, and (ii) that the development of the Subject Property in that manner

does not violated this Section 3.01.

3. With respect to the Subject Property only, Article IV of the Declaration is revised as follows:

4.02 Completion of Construction.

As indicated above, the Association acknowledges that the Subject Property Owner intends to construct three buildings on the Subject Property and anticipates completing the construction of the buildings in three phases with one building being built in each phase. After commencement of construction of each phase on the Subject Property, the work on the building being constructed in that phase shall be diligently prosecuted to the end such that the building shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. All buildings and improvements of any kind shall be properly finished by paint, stain or other appropriate finishes immediately after completion.

4.04 Excavation.

No excavation shall be made except in connection with the construction of improvements and, upon completion thereof, exposed openings shall be backfilled and disturbed ground shall be graded and leveled.

4.05 Signs.

Signage on the Subject Property must receive prior written approval from the Architectural and Environmental Control Committee before it is installed. Signage on the Subject Property shall not be above the roofline of any buildings on the property and shall be consistent with the signage regulations of the City of Temecula.

4.06 Landscaping.

Prior to completion of construction, Subject Property Owner shall install, at its cost, landscaping as required by the City of Temecula and as reasonably approved by the Association.

4.07 Building Regulations.

Any building or structure of whatever type shall be properly maintained. No building or other structure shall be built or erected unless the building or other structure is of a good quality usual and customary for that type of building or structure and of good quality and design. No building, structure or improvement shall be built or erected until the plans for such building or structure have been approved in writing by the Architectural and Environmental Control Committee as provided in Article 6.02. No temporary buildings, tents, trailers or shacks shall

be erected, placed or maintained on the property except as needed in the original development or reconstruction of the Subject Property, and then only in locations and of specifications approved by the Architectural and Environmental Control Committee.

4.08 Maintenance and Storage.

- (a) The Subject Property shall be properly maintained. Weeds shall be kept down on the Subject Property. Rubbish and debris shall be promptly removed.
- (b) No materials, supplies or equipment including inoperable motor vehicles shall be stored in any area of the Subject Property except inside a closed building, or behind a visual barrier screening such areas from the view of adjoining property, including any public street(s); provided, however, that a construction trailer will be allowed during any original development or reconstruction of any improvement on the Subject Property or on any public street adjacent to the Subject Property.
- (c) No boats, trailers, horse trailers, or house trailers or trucks larger than one-half (1/2) Ton capacity shall be stored in any roadway or street on or adjacent to the Subject Property or on any portion of the Subject Property visible from any roadway or street or adjoining lot.

4.09 Utilities.

All utilities and services to any building or improvements on the Subject Property shall be installed underground.

- 4. Article V shall apply fully to the Subject Property with the addition that the Los Ranchitos Homeowners Association has the standing to enforce any breach or exercise any right granted the Declarant or the individual owners set forth in Article V or elsewhere in the Declaration.
- 5. Each and every provision of Article VI shall apply to the Subject Property with the exception of the first paragraph of Section 6.02, which shall apply as modified, as follows:

6.02 Committee Approval.

The Committee's approval or disapproval as required in these covenants shall be in writing. In the event the Committee or its designated representatives fail to approve or disapprove plans and specifications within thirty (30) days after such plans and specifications have been submitted to it, the Subject Property Owner

shall notify the committee in writing, via Certified Mail with Return Receipt (signature required), that it has failed to approve or disapprove the plans which have been submitted. If the Committee fails to approve or disapprove the plans within fifteen (15) days after receipt of said notice, approval will not be required and such plans and specifications shall be deemed and approved as submitted, so long as such plans and specifications reasonably comply in all respects with the Declaration, rules, and all other governing documents of the Association. The Association shall have the right to retain an architect or other appropriate professional(s) for the purpose of reviewing such plans and specifications, the cost of which review shall be considered a cost of application for which the Subject Property Owner shall be responsible to pay. Notwithstanding the foregoing, the cost of such review shall not exceed Five Thousand Dollars (\$5,000.00).

6. With respect to the Subject Property only, Article VII of the Declaration shall be deleted in its entirety. The regulation of operations and permitted uses on the Subject Property shall be limited to those listed in the Development Agreement. The terms and condition of the Development Agreement shall have the same force and effect as if those provisions were included herein and shall be a covenant running with the land.
7. With respect to the Subject Property only, Article X shall be added to the Declaration, which will provide as follows:

ARTICLE X
ASSESSMENTS

10.01 Creation of Lien and Personal Obligation of Assessment.

The Subject Property Owner shall pay to the Los Ranchitos Homeowners Association an annual assessment, which shall (i) be in the amount of \$1,000.00 for the first year, increasing by five percent (5%) per year every year thereafter, (ii) commence on the Subject Property at such time as this Amendment is recorded in the Official Records of Riverside County, California, and (iii) with the first year's assessment of \$1,000.00 due and payable upon approval and recording of this Amendment, with subsequent years' assessments thereafter due and payable on the first day of July each year or such other day as the Association elects upon ninety days written notice to the Subject Property Owner. This annual assessment, together with interest, costs and reasonable attorney's fees shall be a charge on the Subject Property and shall be a continuing lien upon the Subject Property against which the assessment is made, the lien to be effective upon recordation of a Notice of Assessment pursuant, as a model, to the requirements in California Civil Code § 1367.1, as amended from time to time.

10.02 Purpose of Assessment.

The annual assessment levied by the Association shall be used exclusively to promote the economic interest, recreation, health, safety and welfare of all the residents in the entire association.

10.03 Capital Contribution Assessment.

The Subject Property Owner shall pay to the Association a one-time charge of \$18,276.04 all due and payable as a capital contribution assessment upon the recordation of this Amendment.

10.04 Effect of Nonpayment of Assessment.

Assessments are delinquent fifteen (15) days after they become due. The Board of Directors shall set the date upon which the annual assessment is due. A late charge of ten percent (10%) of the delinquent assessment shall be imposed upon any delinquent payment. Interest on delinquent assessments and late charges shall be imposed at an annual percentage rate of twelve percent (12%) interest commencing thirty (30) days after the assessments become due. Late charges and interest on past due amounts may be modified by the Board in accordance with any changes permitted by State law.

10.05 Enforcement and Remedies.

If any assessment is delinquent, the Association may record an assessment lien against the Subject Property Owner. The assessment lien provided for herein shall be subordinate to the lien of any mortgage or deed of trust upon the Subject Property. The lien shall be recorded and may be enforced in accordance with, and using as a model, the provisions of California Civil Code § 1367.1, as amended from time to time. The lien shall be signed by any officer of the Association or any agent designated by the Association.

8. With respect to the Subject Property only, Article XI shall be added to the Declaration, which will provide as follows:

ARTICLE XI
ADOPTION AND ENFORCEMENT OF RULES

11.01 Adoption of Rules.

The Board of Directors shall have the power to adopt reasonable operating rules for the Subject Property specifically directed to protect the quiet enjoyment of adjacent and nearby residential property owners. These rules may supplement the provisions contained in this Amendment and the Declaration. Rules adopted by

the Association shall not contradict, or be more restrictive than, any of the provisions expressly contained in the above referenced documents.

11.02 Subject Property Association Voting and Enforcement of Rule Violations.

The Association hereby acknowledges that the Subject Property Owner intends to develop the Subject Property as commercial condominiums having its own master property owners association (the "Subject Property Association"). The Subject Property Owner shall be responsible for the payment of the Annual Dues until the Subject Property Association is formed at which time the Subject Property Association shall pay the Annual Dues to the Association. For voting purposes, the Subject Property shall be deemed to constitute one lot (as that term is used in Declaration) and the Association shall be deemed the owner of that lot (regardless of whether the Subject Property is subdivided after the date of this Amendment). Voting rights attributable to the Subject Property shall be voted as determined by the Subject Property Owner until the Subject Property Association is formed at which time the voting rights will be voted as determined by the Subject Property Association's Board of Directors. Members of the Subject Property Association shall have no individual voting rights relating to the Declaration or the Association. In addition to other enforcement rights described herein, the Association shall have the right to impose fines upon the Subject Property Association and/or any individual owner therein for their violation of rules adopted by the Board of Directors. Prior to the imposition of any fine, the party upon which the fine is to be imposed shall be entitled to a notice and a hearing before the Board of Directors.

11.03 Leases.

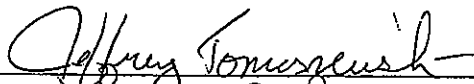
Any lease entered into between the Subject Property Owner and a lessee shall require compliance by the lessee with all the covenants, conditions and restrictions contained in the Declaration along with any rules and regulations adopted by the Board of Directors. The Association shall have a right of action directly against any lessee as well as the Subject Property Owner for nonperformance or of any of the provisions of the Declaration or rules and regulations of the Association. All leases shall specify that failure to abide by such provisions shall be a default under the lease agreement.

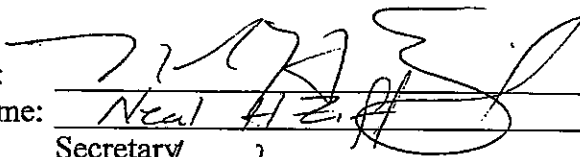
9. The Board of Directors has the right, power and all authority necessary to execute the Development Agreement on behalf of the members and Los Ranchitos Homeowners Association. By passage of this Amendment, the membership hereby ratifies each and every provision contained within the Development Agreement.
10. Except as herein expressly amended, the Declaration is hereby ratified, reaffirmed and approved as to the Subject Property.

IN WITNESS WHEREOF, the undersigned have executed this 2012 Amendment to the Declaration of Covenants, Conditions and Restrictions and certified to its approval on the dates indicated in the attached acknowledgment.

“ASSOCIATION”

LOS RANCHITOS HOMEOWNERS ASSOCIATION,
A California non-profit corporation

By: 
Name: JEFFREY TOMASZEWSKI
Its: President
Date: November 30 2012

By: 
Name: Neal H. Eff
Its: Secretary
Date: 11/30/12

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 County of Riverside }
 On 11/30/12 before me, TKS Larimore notary public
Date Here Insert Name and Title of the Officer
 personally appeared Jeffrey Tomaszewski & Neal H Ziff
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~(are)~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature [Handwritten Signature]
Signature of Notary Public

OPTIONAL

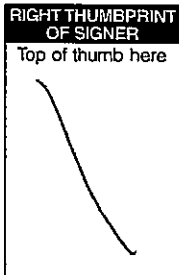
Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: 2012 Amendment to Declarations of CCR's
 Document Date: Number of Pages: 10
 Signer(s) Other Than Named Above: none

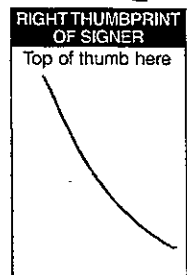
Capacity(ies) Claimed by Signer(s)

Signer's Name: Jeffrey Tomaszewski
 Individual
 Corporate Officer — Title(s): President
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other:



Signer Is Representing: Los Ranchitos HOA

Signer's Name: Neal H. Ziff
 Individual
 Corporate Officer — Title(s): Secretary
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other:



Signer Is Representing: Los Ranchitos HOA

EXHIBIT "B"

DEVELOPMENT AGREEMENT

[ATTACHED]

DEVELOPMENT AGREEMENT

PARTIES

This Development Agreement ("Agreement), dated and effective as of 11/30/12, 2012 ("Effective Date") is entered into in Temecula, Riverside County, California, by and between the Los Ranchitos Homeowners Association, a California Non-profit Mutual Benefit Corporation (the "Association"), and Deportola Temecula, LLC, a California limited liability company ("Owner"). The Association and Owner may be referred to herein individually as a "Party" hereto or together as the "Parties" hereto.

RECITALS

- A. Owner owns Lot 26 of Tract 3752, located at the southwest corner of Margarita Road and De Portola Road in Temecula, California, consisting of approximately 2.7 acres and legally described as set forth in Exhibit "A" attached hereto and incorporated herein by this reference (the "Subject Property").
- B. The Subject Property is subject to that certain Declaration of Covenants, Conditions and Restrictions dated September 30, 1966 and recorded on October 11, 1966 as Instrument No. 100757 in the Official Record of Riverside County, as amended from time to time thereafter (collectively, as amended, the "CC&Rs").
- C. Owner has made a request to the Board of Directors of the Association ("Board") for Board and Association membership support to adopt an amendment to the CC&Rs that would permit commercial development of the Subject Property. Under the terms and conditions of the CC&Rs as they existed before execution of this Agreement, commercial activity upon the Subject Property was prohibited.
- D. Owner has made a request to the Board of Directors of the Association ("Board") for Board and Association membership support to adopt an amendment to the CC&Rs that would permit commercial development of the Subject Property. Under the terms and conditions of the CC&Rs as they existed before execution of this Agreement, commercial activity upon the Subject Property was prohibited.
- E. Owner has made a request to the Board of Directors of the Association ("Board") for Board and Association membership support to adopt an amendment to the CC&Rs that would permit commercial development of the Subject Property. Under the terms and conditions of the CC&Rs as they existed before execution of this Agreement, commercial activity upon the Subject Property was prohibited.
- F. The Board has the right, power and all necessary authority to negotiate, execute, perform and bind itself and the collective membership of the Association to this Agreement, and agrees to recommend approval of the CC&Rs amendment permitting commercial

development on the Subject Property (the "Amendment") to the Association membership on the terms and conditions set forth herein.

AGREEMENT

In consideration of the mutual promises made herein and for other good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, the Parties agree that:

1. Incorporated Provisions. The preceding Parties and Recitals sections are material parts of this Agreement and are incorporated herein as through set forth in full.
2. Commercial Use; Endorsement of CC&R Amendment. The Subject Property will remain within Association. The Board will (a) recommend to the Association membership that the Amendment be approved to allow commercial use of the Subject Property with certain enumerated terms and conditions to be included in the Amendment (b) and vote, unanimously in favor of adoption of the Amendment if and when the issue is presented to is for decision and vote. While the Board agrees to endorse the Amendment, it does not represent, warrant or covenant, nor is it responsible, to secure the votes necessary for passage, but will cooperate fully with Owner's efforts to obtain the necessary approval from the Association's membership. In that regard, it will cooperate fully with the Owner.
3. Regular Assessment. After the Amendment has been fully adopted, approved and ratified by the Association and the Board, and successfully has been recorded in the Official Records of Riverside County, California ("Recording"), then once per year, the Association shall assess the Subject Property a regular assessment, as follows: (a) the first payment (i) shall be for One Thousand Dollars (\$1,000.00); (ii) includes, the period starting on the Recording Date and ending on June 30, 2013; and (iii) is due and payable to the Association not more than ten (10) business days after the Recording date; and (b) subsequent assessments shall be payable to the Association on the first business day of each July, starting on July 1, 2013, and shall be in an amount equal to One Hundred Five Percent (105%) of the assessment payable for the previous year (i.e.; \$1,050.00; \$1,102.50, etc.). The Association may change the payment date to a later date, but may not advance it, upon no less than ninety (90) days' written notice given to Owner.
4. Capital Contribution Assessment. Owner agrees pay to the Association a one-time payment of Eighteen Thousand Two Hundred Seventy Six Dollars and Four Cents (\$18,276.04) upon recordation of the Amendment. This one-time payment is a capital contribution assessment and is in addition to the Regular Assessments payable hereunder.
5. Architectural Control. The Subject Property will be subject to the Association's Architectural and Environmental Control Committee (the "Committee") existing standard approval requirements, including site design, lighting, architectural design, and landscaping design. The Board agrees that signage on the Subject Property is and will be acceptable to the Association as long as it is not above the roof line of any building on the Subject Property and otherwise is consistent with the sign ordinances and regulations of the City of Temecula. The Board and the Association shall not unreasonably withhold,

condition or delay approval of duly submitted and complete applications for improvements upon the Subject Property consistent with this Agreement and/or the Amendment.

6. Compliance with Governing Documents. Owner further agrees to abide by Association's governing documents as they apply to the Subject Property, including, but not limited to, the CC&Rs, bylaws, rules and regulations.
7. Documents. Owner, at Owner's expense, shall provide to the Association the following documents (and agrees the Association reserves the right to request and require additional documents consistent with the Association's architectural control requirements):
 - a. Copies of all plans and applications submitted to the City of Temecula and/or County of Riverside pursuant to the construction described herein, including without limitation building plans, architectural plans, landscaping plans, development agreements and use permits, etc., at the time such are submitted to the City and/or County;
 - b. Copies of marketing materials;
 - c. Copies of all bonds or letters of credit issued in favor of the project, regardless of whether or not the Association is the named beneficiary, including but not limited to, Completion Bonds; and
 - d. Color boards showing all exterior surface colors and combinations.
8. City Zoning. Owner and lessee ("Lessee") of the Subject Property must comply with the land uses and requirements specified in the City of Temecula's De Portola Road Planned Development Overlay District-8, in effect and as amended December 9, 2008 (as amended, the "Overlay District"), subject, however, to any more restrictive requirements set forth in this Agreement. If the land uses and requirements within the Overlay District are hereafter changed in a manner that under law would make the new requirements applicable to the Subject Property, then Owner and any Subject Property Lessee shall be required to comply with the most restrictive land uses and requirements, whether found in the Overlay District, or as otherwise expressly set forth in this Agreement.
9. Use Restriction. While the following uses are expressly permitted (P) or permitted by conditional use permit (C) within the Overlay District, Owner and any Lessees will not be allowed to engage in certain specified activities upon the Subject Property without written approval from the Association, which shall not unreasonably be withheld, conditioned or delayed. Those activities include: (a) alcoholism or drug treatment facilities (C); (b) alcohol and drug treatment (outpatient) (C); (c) banks and financial institutions with drive through ATM facilities (C); (d) community care facilities (P); (e) dry cleaners (C); (f) hospitals (P); and (g) parking lots and parking structures (except as may be incidental to other authorized uses, and as required by the City of Temecula) (C).
10. Restaurants; Entertainment. Owner agrees for itself, its successors, assigns, and Lessees

that no restaurants with live entertainment, night club or establishment having a drive through lane for the sale of any food or beverage on the Subject Property will be permitted.

11. Hours of Operation. The primary activity of users on the Subject Property shall commence no earlier than 7:00 a.m. terminate daily by 11:00 p.m. Ancillary activity to close up restaurants and business establishments will be permitted until midnight, after which time no revenue-generating activity on the part of users or their customers will be permitted. This paragraph does not and shall not apply to the primary activity of users engaged in professional health care office or related ancillary uses (including, without limitation, urgent care facilities) activity expressly permitted by right in the Overlay District; however, Owner agrees to inform the Association in writing a minimum of ninety (90) days in advance of commencement of each such use, including a description thereof.
12. Lease Provisions. The Association may require provisions to be added to leases to require tenants to follow reasonable rules and regulations of the Association to be promulgated for the limited purpose of protecting the quiet enjoyment of Association's Members' property in the immediate area, provided such rules and regulations do not contradict this Agreement, the superseding CC&Rs, Bylaws or other governing Association documents.
13. Fines; Quiet Enjoyment. Owner shall be subject to (i) the imposition of reasonable fines for violation of the provisions contained herein to the same extent that such fines are permissible under the CC&Rs; (ii) Association rules directed specifically to protect the quiet enjoyment of adjacent and nearby property owners within the Association (so long as such rules do not contradict the superseding terms of this Agreement or the CC&Rs; and (iii) Association governing documents applicable to the Subject Property.
14. Landscaping. Before completing construction, Owner shall install, at its cost, landscaping as required by the City of Temecula and as reasonably approved by the Association.
15. Building Compatibility With Nearby Property. All buildings (i) shall be of a scale to be compatible with the adjacent and/or nearby residences on De Portola Road within the Association (specifically authorizing, without limitation, building heights that do not appear to exceed two stories in height as viewed from street level on De Portola Road); (ii) shall include tile roofs; and shall not have any exposed mechanical equipment. All trash enclosures shall be completely enclosed. All exterior lighting on buildings and in the parking lots shall be low profile, low-pressure sodium, shielded downward or equivalent, as technology advances. Except during construction, the ambient acoustic output of any use and/or equipment shall not exceed the ambient noise level of Margarita Road.
16. Diligent Efforts to Complete Approved Construction. Owner agrees upon approval and Recording, once construction of a building is started, it shall make diligent efforts to complete construction of that building in a reasonable time, following a reasonable construction schedule. The Parties acknowledge and agree Owner intends to construct 3 buildings on the Subject Property and will complete the construction of the buildings in 3 phases, one building per phase. Until such time as the Amendment is approved and recorded, Owner shall not break ground in furtherance of development upon the Subject

Property, with the exception of such actions which may be required by law or for the purposes of health, safety and the general maintenance of the Subject Property.

17. Construction Hours.

- a. All construction work or preparation for construction work of any kind occurring on any portion of the Subject Property, including the arrival of workers, equipment maintenance and refueling, deliveries, and starting of equipment, shall be done only between the hours from 7:00 a.m. and 5:00 p.m., Mondays through Saturdays, inclusive. On-site work or work preparation may not be conducted on any Sunday or any holiday observed by the City of Temecula, or at any other times proscribed by the City of Temecula. All workers must be off the Subject Property and outside of the Association's boundaries within 45 minutes after completion of workday.
- b. Conduct of Personnel. On the site and adjacent areas: (1) no drug (other than pursuant to a prescription) or alcohol will be used; (2) no pets or animals of any kind will be permitted; (3) all personnel will exhibit reasonable decorum in dress with recognition of the work to be performed; (4); no loud music will be allowed.

18. Stockpiles and Storage of Materials. Owner agrees it shall not stockpile or store dirt, soil, construction materials, or any other kind of material or substance on any portion of the Association's property, except the Subject Property. Said materials or substances stored on the Subject Property during construction shall be maintained in a clean and neat manner, and shall not be allowed to constitute a nuisance. Owner and its contractors must complete reasonable clean up at end of each day. All construction materials shall be secured at cessation of daily activity, and stored in enclosures as is reasonably feasible.

19. Trash. Trash containers for construction activities must not be overflowing and lids must be secured. All debris must be regularly removed, and in no event less than twice weekly.

20. Dust Control. Owner shall provide adequate dust control to preclude causing a nuisance to the homeowners living in the Association. If adequate dust control measures are not implemented within forty-eight (48) hours of notice to Owner, Association may order a water truck to provide adequate dust control, and Owner shall reimburse Association for its actual costs incurred within ten (10) days after written request therefor.

21. Fencing. Before starting construction, Owner shall install construction fencing on west side of the Subject Property to prevent debris from migrating onto adjacent property.

22. Horse Trail. The Subject Property shall maintain a decorative equestrian trail as set forth in the plans and specifications submitted to the City of Temecula Planning Commission for its approval on February 15, 2012.

23. Indemnification; Maintenance; Warranties. Owner shall indemnify and hold Association, its members, Board, employees, servants, agents, attorneys, successors and assigns harmless from all claims, demands, liability and/or expenses (including without limitation

attorneys' fees) arising out of or encountered in connection with the performance of work performed by Owner, its agents, employees and/or vendors, pursuant to its development of the Subject Property, whether such claims, demands, liability and/or expenses are caused by Owner, or its officers, agents, employees, contractors, or subcontractors, or others employed by same, or products installed on the project by said persons/entities, excepting only such injury or harm as may be caused by Association's negligence (whether active or passive) or willful misconduct. Such indemnifications shall extend to claims, demands, expenses and/or liabilities occurring after completion of development of the Subject Property as well as during the work's progress. Further, Owner, expressly covenants, warrants and agrees that all grading, design, construction, maintenance and continued use of the improvements on the Subject Property shall be in accordance with generally accepted design, construction, maintenance and repair practices and in compliance with all local, state and federal regulations, ordinances, laws and building codes. Association's consent to the terms of this Agreement shall not be construed as an acknowledgement that the development and/or improvements comply with applicable laws, and Owner shall be obligated to obtain any necessary building and grading permits and inspections and to verify compliance with all requirements imposed by law.

24. Not a Precedent. The Association wishes to make it clear that should agreement be reached with regard to commercial development of the Subject Property, it will not be considered a precedent or open up the possibility for any other land in the Association which may not or in the future be considered for commercial development.
25. Release and Covenant Not to Sue. Owner agrees and promises for itself and its successors and assigns, that Association and its members, directors, employees, servants, agents, attorneys, successors and assigns shall be released from any claim or liability for damage or injury that Owner may suffer as the direct or indirect result of the failure of the Association to obtain approval and subsequent recording of the Amendment. Owner further promises and covenants for itself and for its successors and assigns, that it will not sue Association or any other person or entity entitled to benefit from this section's release.
26. Restoration. If approval and recording of the Amendment does not occur, Owner agrees and promises that it shall use diligent efforts to repair and restore the Subject Property to a condition at least as good as it was in as of the date of this Amendment.
27. Binding on Successors. All rights, duties, and terms of this Agreement are binding upon, inure to the benefit of, and be enforceable by each party and its respective legal representatives, heirs, successors, and assigns. If several owners own the Subject Property or portions thereof, each is jointly and severally bound by the duties, obligations and liabilities provided for herein. This Agreement is binding on all assigns and successors in interest to Owners and the Amendment will be a covenant running with the land.
28. Entire Agreement; Amendment. This Agreement and the corresponding Amendment contain the entire agreement of the Parties with respect to the matters contained herein and therein and no prior or contemporaneous agreement or understanding, oral or written, pertaining to such matters shall be effective for any purpose. No provision of this

Agreement may be modified, waived, amended or added to except by a signed writing expressly stating that modification is intended. Such modification of this Agreement may also require additional amendment to the CC&Rs, which amendment would require approval of the Association membership and subsequent recording. The Association and its Board are under no obligation to endorse further amendment of the CC&Rs with respect to the Subject Property, except as provided in this Agreement.

29. Attorneys' Fees. In any legal proceeding between the Parties seeking enforcement of or attempting to construe any of the terms and provisions of this Agreement, the prevailing party in such action, as determined by the final arbiter, shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, including, without limitation, service of process, filing fees, court and court reporter costs, investigation costs, expert witness fees, the cost of any bonds, and reasonable attorneys' fees.
30. Mediation. In addition to and prior to litigation, the Parties must first attempt to settle any claim by mediation in accordance with the current rules of the Judicial Arbitration and Mediation Service ("JAMS") location nearest to Temecula, unless the Parties agree to another set of rules or approach to mediation. Demand for mediation shall be filed in writing with the other party to this Agreement and with JAMS. A demand for mediation shall be made within a reasonable time after the claim has arisen. In no event shall the demand for mediation be made after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitations.
31. Authority. Each of the undersigned Parties represents and warrants that each person executing this Agreement on its behalf is duly authorized to execute and deliver this Agreement and that such execution is binding upon the entity for which he or she is executing this document. The signature of each undersigned person shall be acknowledged on an acknowledgement attached to this Agreement.
32. Governing Law. This Agreement shall be governed by, interpreted under, construed, and enforced in accordance with the laws of the State of California without regard to conflicts of laws principles. Venue for any dispute resolution exclusively shall be in Riverside County, California, with any court proceedings only in the courts of the State of California.
33. Construction of Agreement. This Agreement is a negotiated agreement. If any construction is made of any provision of this Agreement, it shall not be construed for or against either Party on the grounds that such party was the drafter of the Agreement or any particular provision.
34. Gender; Headings. All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders and the singular shall include the plural and vice versa. Headings of articles, paragraphs and subparagraphs are for convenience only, and neither limits nor amplifies the provisions of this Agreement.
35. Delivery of Notices. Notices or other communications between the parties to this Agreement may be mailed by United States certified mail, return receipt requested,

postage prepaid, and may be deposited in a United States Post Office or a depository regularly maintained by the Post Office. Such notices may also be delivered by hand or by any other receipt method or means permitted by law. For purposes of this Agreement, notices shall be deemed to have been "given" and "delivered" upon the first to occur of (a) personal delivery thereof; (b) courier delivery; (c) delivery refusal; or (d) forty-eight (48) hours after having been deposited in the United States mails as provided herein.

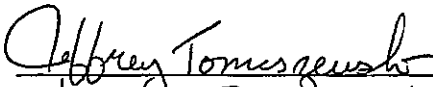
36. Severability. Whenever possible, each provision of this Agreement, including any and all exhibits, shall be interpreted in a manner as to be effective and valid under applicable law. If any paragraph, section, sentence, clause, or phrase contained in this agreement shall become illegal, null or void, against public policy, or otherwise unenforceable for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void, against public policy, or otherwise unenforceable, the remaining paragraphs, sections, sentences, clauses, or phrases contained in this Agreement shall not be affected thereby and shall be construed in a manner consistent with the Parties shared intent as expressed herein.
37. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument. Electronically reproduced or displayed signatures are as valid as original signatures for all purposes of this Agreement.
38. Ballot and Voting Costs. Owner shall initially pay up to \$5,000 to Association for any out-of-pocket expenses actually paid by Association in connection with the preparation of this Agreement or in connection with voting process, including, without limitation, the ballot, postage, legal fees, etc. (collectively, the "Voting Costs"). The reimbursement to Association by Owner shall be made within thirty (30) days receipt of a written invoice by Owner with proper back-up documents (invoices, etc.). Association shall not incur more than \$5,000 in Voting Costs reimbursable to Association pursuant to this Section without Owner's express prior written approval.

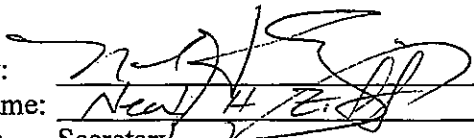
[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

"ASSOCIATION"

Los Ranchitos Homeowners Association,
a California Non-profit Mutual Benefit Corporation

By: 
Name: JEFFREY TOMASZEWSKI
Its: President
Date: NOVEMBER 30th 2012

By: 
Name: Nancy H. Ziff
Its: Secretary
Date: 11/30/12

"OWNER"

Deportola Temecula, LLC,
a California limited liability company

By: Tate Diversified Development, Inc.,
a California corporation, its Manager

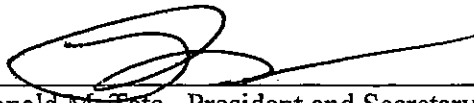
By: 
Name: Ronald M. Tate, President and Secretary
Date: 11/27/2012

EXHIBIT "C"

**CERTIFICATION OF PRESIDENT AND SECRETARY
AS TO APPROVAL OF AMENDMENT**

We, JEFFREY TOMASZEWSKI
Neal H. East, declare and state as follows:

1. We certify that we are the President and Secretary, respectively, of Los Ranchitos Homeowners Association, a California non-profit corporation (hereafter "Association").
2. This document is executed for the purpose of certifying the foregoing amendment to the Declaration and to certify that the amendment requirements of the Declaration have been met.
3. We certify that there are currently 516.78 acres in the Association. Thus, according to the requirements of Article VIII, Section 8.02, of the Declaration, the owners of at least fifty-one percent (51%) of the property subject to the Declaration must give their written consent to approve an amendment, thus the owners of at least two hundred sixty-three and fifty-six hundredths (263.56) acres must approve the amendment.
4. We further certify that, as of the date this document is executed, the following represents the written consent of the owners of the acreage cast for and against the amendment:

Owner Votes Cast For and Against the Amendment		
Section(s) Amended	Votes For	Votes Against
Pursuant to Exhibit "A" of Ballot (Date of Mailing April 30, 2012)		

5. Since these totals reflect that the amendments outlined more fully in Exhibit "A" of the ballot mailed April 30, 2012 was approved by the written consent of the owners of at least fifty-one percent (51%) of the property subject to the Declaration, we certify that the amendment was approved.

On behalf of the Association, we declare under penalty of perjury under the laws of the State of California that the foregoing facts are true and correct. Executed on 11/30, 2012 at Temecula, California.

By: Jeffrey Tomaszewski
Printed Name: JEFFREY TOMASZEWSKI President

By: Neal H. East
Printed Name: Neal H. East, Secretary

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF ~~SAN DIEGO~~ Riverside) ss.

On 11/30, 2012 before me, TKS LARIMORE, Notary Public, personally appeared Jeffrey Tomaszewski, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraphs is true and correct.

Witness my hand and official seal.

[Signature]
Notary Public



[SEAL]

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF ~~SAN DIEGO~~ Riverside) ss.

On 11/30, 2012 before me, TKS LARIMORE, Notary Public, personally appeared Neal H. Ziff, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraphs is true and correct.

Witness my hand and official seal.

[Signature]
Notary Public



[SEAL]