

823

RECORDING REQUESTED BY
AND UPON RECORDING SHOULD
BE RETURNED TO:

Los Ranchitos Homeowners Association
c/o Ralston Management
41874 Sixth Street
Temecula, CA 92590

2018-0143467

04/13/2018 12:53 PM Fee: \$ 189.00

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Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder



(SPACE ABOVE LINE FOR RECORDER'S USE)

**2017 AMENDMENT TO
DECLARATION OF COVENANT, CONDITIONS AND RESTRICTIONS
FOR
LOS RANCHITOS HOMEOWNERS ASSOCIATION
A California Nonprofit Mutual Benefit Corporation
[LOT #33 OF TRACT MAP NO. 3646]
APN: 922-190-033**

**NOTICE
(Gov't 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.

**2017 AMENDMENT TO
DECLARATION OF COVENANT, CONDITIONS AND RESTRICTIONS FOR
LOS RANCHITOS HOMEOWNERS ASSOCIATION**

This 2017 Amendment to Declaration of Covenants, Conditions and Restrictions for Los Ranchitos Homeowners Association (this "Amendment") is dated _____, 2017, for reference purposes only, and is made and executed on the dates set forth on the signature page below, by Los Ranchitos Homeowners Association, a California nonprofit mutual benefit corporation (the "Association"), with reference to the following:

RECITALS

A. This Amendment 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 a document recorded on June 3, 2008, as Document No. 2008-0300969, and any other amendments, annexations or similar documents containing restrictions to which the Covered Property (defined below) is subject that may appear of record, all in the Official Records of Riverside County, California, hereinafter referred to collectively as the "Declaration" or the "CC&Rs," unless the context clearly indicates otherwise.

B. The legal description of the property that has been subjected to the terms of the Declaration (the "Covered 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 33, 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 1, 1968, as Document No. 74102, in Book 59, Pages 53 through 55, both inclusive, of Miscellaneous 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 Miscellaneous Maps, Records of Riverside County, California.

C. The owners of Covered Property (the "Owner(s)") and the members of the Association (the "Member(s)") wish to modify the Declaration as to the Subject Property (defined below) by amending the Declaration as set forth in this Amendment.

D. The "Subject Property" is commonly known as _____, Temecula, CA 92592, and is legally described as Lot #33 of Tract Map No. 3646, in City of Temecula, county of Riverside, State of California as per Map filed in Book 57, page(s) 86-87 in Riverside County, APN: 922-190-033, as more particularly described in **Exhibit A** attached

hereto. Temecula Valley Hospitality, LLC, a California limited liability company, the Owner of the Subject Property (“Subject Property Owner”) desires to use the Subject Property for the commercial use, more particularly as shown on the Development Agreement.

E. The Board of Directors (the “Board”) and the Members have agreed to support this Amendment and to allow the commercial use of the Subject Property including any reasonable accessory purposes allowed by applicable zoning laws and regulations and subject to the terms, conditions and restrictions set forth in herein.

F. This Amendment has been adopted under 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 the Secretary of the Board to certify the approval of this Amendment, and the President’s and Secretary’s certification is attached hereto as **Exhibit B**.

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. The Association and the Subject Property Owner are parties to that certain Development Agreement dated _____, 2017, for reference purposes only (the “Development Agreement”), which is attached hereto as **Exhibit C**, is thereby and hereby made a part of this Amendment.
3. 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 the commercial use referenced in the Development Agreement, including any reasonable accessory purposes allowed by applicable zoning laws and regulations and subject to the terms, conditions and restrictions set forth in herein.
4. With respect to the Subject Property only, the following Article X is added to the Declaration:

ARTICLE X

ASSESSMENTS

10.01 Creation of Lien and Obligation of Assessment.

After this Amendment is recorded in the Official Records of Recorder of Riverside County, California, the Subject Property Owner shall pay, or cause to be paid, for as long as the amended CCRs remain in effect an annual assessment (the “Annual Assessment(s)”) to the Association. The

calculation of the Annual Assessment(s) is set forth with specificity in paragraph 6 of the Development Agreement (Exhibit C). The initial baseline annual assessment (i) shall be the amount of \$5,000/each for the first year. These yearly assessments shall be subject to annual increases of the greater of the following: 3% or as prescribed by the year-over-year (“YOY”) percent increase in annual average CPI-U (Consumer Price Index, All Items, for All Urban Consumers, not seasonally adjusted) for Los Angeles, Riverside and Orange Counties as reported for the last full calendar year. At such time as permits are pulled for any development of Planning Area 2 (1 or 2 structures), its yearly dues will match the same scale as that of PA1. If PA2 is developed as 2 separate structures - operated as 2 separate entities - it will incur an additional yearly assessment equal to that described above .

10.02 Purpose of Assessment.

The Annual Assessments shall be used exclusively by the Association to promote the economic interests, recreation, health, safety and welfare of all Members (including the Subject Property Owner).

10.03 Capital Contribution Assessment.

TVH will pay to the Association Capital Contribution Assessments as follows: \$40,000 upon recordation of the CC&R Amendment and an additional \$40,000.00 upon the granting of permits for the construction of any development project on PA2. These shall be one-time payments. If PA2 is subdivided within the first 5 years it will be subject to an additional \$40,000 Capital Contribution Assessment plus the HOA yearly membership dues as described in Section 6. If subdivision occurs after the 5 year mark the Capital Contribution Assessment will increase by 5% each year beyond the 5 year window. PA2 is limited to (1) one subdivision. .

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 – currently July 1. 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 the maximum rate permitted by law.

10.05 Enforcement and Remedies.

If any Annual Assessment is delinquent, the Association may record an assessment lien against the Subject Property which assessment lien shall be subordinate to the lien of any mortgage or deed of trust encumbering

the Subject Property and may be enforced in accordance with, and using as a model, the provisions of California Civil Code §5660 et seq, as amended from time to time. The assessment lien shall be signed by an officer of the Association or any agent designated by the Board.

5. With respect to the Subject Property only, the following Article XI is added to the Declaration:

ARTICLE XI

ADOPTION AND ENFORCEMENT OF RULES

11.01 Adoption and Enforcement.

The Board may adopt reasonable operating rules for the Subject Property specifically to protect the quiet enjoyment of adjacent and nearby residential Owners. Such rules may supplement the provisions of this Amendment and the Declaration, provided that such rules shall not contradict, or be more restrictive than, the provisions of this Amendment or the CCRs.

6. The Board is authorized to execute the Development Agreement attached as **Exhibit C** on behalf of the Members and the Association. By approval of this Amendment in accordance with the CCRs and the Bylaws of the Association, the Members hereby ratify each and every provision contained in the Development Agreement.
7. Except as expressly amended by this Amendment, the CCRS is hereby ratified, reaffirmed and approved as to the Subject Property.

IN WITNESS WHEREOF, the undersigned have executed this Amendment and certified to its approval on the dates set forth in the attached acknowledgments.

“ASSOCIATION”

LOS RANCHITOS HOMEOWNERS
ASSOCIATION, a California nonprofit mutual
benefit corporation

By: 
Name: Jeffrey Tomaszewski

Its: President

Date: March 14, 2018

By: 3/14/18
Name: Neal Ziff

Its: Secretary

Date: 

EXHIBIT C
DEVELOPMENT AGREEMENT

[See attached]

EXHIBIT A

LEGAL DESCRIPTION

APN 922-190-033

Lot 33 of Tract No. 3646, as per Map filed in Book 57, Pages 86 and 87 inclusive of Maps, in the office of the County Recorder of said County,

EXCEPTING therefrom that portion described in the deed to the County of Riverside recorded May 31, 1996, as Instrument No.202053, Official Records.

APN: 922-190 033

Address: _____, Temecula, California

EXHIBIT B

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


The undersigned do hereby certify the following:

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 503.78 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 fifty-six and ninety-three hundredths (256.93) 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 the Original Mailing was December 6, 2017; the Association received the required number of ballots on March 1, 2018)	259.77	16.82

5. Since these totals reflect that the amendments outlined more fully in Exhibit "A" of the ballot mailed on December 6, 2017 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 March 14, 2018 at Temecula, California.


Name: Jeffrey Tomaszewski
Title: President of Los Ranchitos Homeowners Association

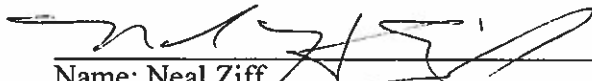

Name: Neal Ziff
Title: Secretary of Los Ranchitos Homeowners Association

EXHIBIT C
DEVELOPMENT AGREEMENT

[See attached]

DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”), dated and effective as of _____, 2017, (“Effective Date”) is between the Los Ranchitos Homeowners Association, a California Non-profit Mutual Benefit Corporation (hereinafter referred to as “Association”), and Temecula Valley Hospitality, LLC. - 640 Lambert Road, Brea California 92821 - a California limited liability company owner of interest in Lot #33, of Tract Map No. 3646 (hereinafter referred to as “Subject Property”) in City of Temecula, County of Riverside, State of California as per Map filed in Book 57, page(s) Pages 86 and 87 inclusive of Maps in the office of the County Recorder of the said County Assessor’s Parcel Number 922-190-033

RECITALS

- A. The Association is authorized to negotiate this Agreement on behalf of itself and the membership of Los Ranchitos Homeowners Association with regard to the commercial development of the Subject Property.
- B. Temecula Valley Hospitality, LLC (“TVH”) has made a request to the Board of Association (hereinafter referred to as “Board”) and membership to support and adopt an amendment to the CC&Rs which would permit commercial development on Subject Property. Under terms and conditions of the CC&Rs as they existed on the date of execution of this Agreement, commercial activity anywhere in the Association was prohibited – except as exempted pursuant to the various Amendments as recorded in the Official Records of the County of Riverside.
- C. TVH and the Board have negotiated the following Agreement which will not be binding on any parties unless and until the members of the Association approve a CC&R amendment (“Amendment”), and this Agreement, permitting commercial use of Subject Property. In the event that this CC&R amendment and Development Agreement is approved by the membership, this Development Agreement will be attached as an exhibit to that Amendment and become a covenant running with the land and be fully binding on all parties. In the event the CC&R amendment is not approved by the membership, then this Agreement shall have no force or effect.
- D. This Agreement is predicated on the execution of a separate agreement between TVH and the City of Temecula which will include, but not be limited to, the following:
 - a. Cross lot access agreement for Assessor’s Parcel Number 922-19-0035 immediately adjacent to the subject parcel to the West.
 - b. Agreement with the City to reimburse expenses for traffic control measure and street improvements to Temecula Pkwy and Vallejo Ave., including the permanent closing of the temporary Park and Ride access point on Vallejo, rural street improvements along Vallejo including horse trail as specified in this agreement.

- c. These agreements with the City must be fully executed prior to the CC&R Amendment, of which this Development Agreement is an attachment, being distributed for a vote to the Association.
- E. Commencement of Construction definition – as referenced in this document, “Commencement of construction of the development project” shall be defined as the issuance of a grading permit for the site.

AGREEMENT

In consideration of the mutual promises made herein, the parties agree as follows:

1. Commercial Use: Endorsement of CC&R Amendment. The Subject Property will remain within the Los Ranchitos Homeowners Association (“LRHOA”). Board will recommend to the membership that a CC&R Amendment be approved allowing commercial use of the Subject Property, with certain enumerated terms and conditions consistent with this Agreement, which will be part of the Amendment. While Board will endorse the Amendment; it will not be responsible for securing the votes for passage. It will cooperate with TVH in that respect.
2. Change of Address. TVH will use its best efforts to change its street address from Vallejo Ave to Temecula Parkway promptly after the Commencement of Construction. LRHOA agrees to take such actions as needed to facilitate the address change.
3. Membership Voting Privileges. Master Property Owners Association, if formed at a later date, will be limited to 1 vote as pertains to Bylaw procedures and commensurate votes per acreage as pertain to CC&R procedures.
4. Subject development project. This Agreement is based upon those plans submitted attached here as Exhibit A. The project will be divided into 2 Planning Areas – PA1 and PA2. If subdivided, both areas will be managed by a master property owners association whose internal CC&Rs must be approved by LRHOA. This Association will be considered a single member and therefore entitled to vote only as one (1) block per Section 3 above. TVH, will be assuming the management roll for all common elements of the entire project.
 - a. PA1 is designated as Dunkin Donuts, or similar coffee/donuts shop, per **Exhibit A**. Any change from this business must be approved by unanimous consent of the LRHOA Board of Directors.
 - b. PA2 is designated as potential Professional Office/Retail and subject to those restrictions as described in Section 11 below and **Exhibit B**. In consideration of development concerns regarding the Blue Line Stream, PA2 will be limited to 10,000 sf of structure which may be divided into 2 separate buildings.

- c. Construction of any project within PA2 must break ground within 10 years of recordation of the Amendment; otherwise it shall be resubmitted to the greater Association as a new CC&R Amendment and Development Agreement.
 - d. Any change in project will still need to conform to limitations re height (not to exceed 35 feet tall, except as approved by the ACC to provide architectural relief), lighting, signage, hours of operation, operational specifics, etc.
5. Architectural Control. Subject Property will be subject to the Association's Architectural Control Committee ("ACC") approval requirements, including site design, lighting, architectural design, and landscape design. Signage on Subject Property shall be acceptable as long as it, only faces Temecula Pkwy, is not above the eave line of any buildings on Subject Property and is consistent with the sign ordinances and regulations of the City of Temecula.
6. Regular Assessment. Each of the Planning Areas will be assessed and pay dues to the Association on an annual basis a regular assessment, which (i) shall be in the amount of \$5,000/each for the first year. These yearly assessments shall be subject to annual increases of the greater of the following: 3% or as prescribed by the year-over-year ("YOY") percent increase in annual average CPI – U (Consumer Price Index, All Items, for All Urban Consumers, not seasonally adjusted) for Los Angeles, Riverside and Orange Counties as reported for the last full calendar year. As of the time of the writing of this Agreement this data is available at: http://data.bls.gov/pdq/SurveyOutputServlet?series_id=CUURA421SA0,CUUSA421SA0 . By way of example, the annual assessment will be adjusted on July 1, 2017 by the year-over-year in percent increase in annual average CPI-U from 2015 to 2016. (The 2016 annual average CPI-U was 249.246, up from 244.632 in 2015, resulting in a year-over-year percent increase of 1.88 %.) Therefore, the resulting annual assessment will be 3%. The resulting annual assessment will be the baseline upon which the following year's annual increase will be applied. (i.e., Year 1 – baseline assessment, subject to proration = \$5,000. Year 2 – The greater of either, 3% or the YOY percent increase in annual average CPI-U of 1.88%, multiplied by the previous year's baseline assessment of \$5,000 equals \$5,150. Year 3 – the previous year's assessment of \$5,150 would again be multiplied by the greater of either, 3% or the YOY percent increase in annual average CPI-U, 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. At such time as Commencement of Construction for any development of PA2 (1 or 2 structures), its yearly dues will match the same scale as that of PA1. If PA2 is subdivided, or if PA2 is developed as 2 separate structures - operated as 2 separate entities – (not subdivided), it will incur an additional yearly assessment equal to that described above.
7. Effect of Non-Payment 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 – currently July 1. 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 the maximum rate permitted by law.

8. Capital Contribution Assessment. TVH will pay to the Association Capital Contribution Assessments as follows: \$40,000 upon recordation of the CC&R Amendment and an additional \$40,000.00 upon the granting of permits for the construction of any development project on PA2. These shall be one-time payments. If PA2 is subdivided within the first 5 years it will be subject to an additional \$40,000 Capital Contribution Assessment plus the HOA yearly membership dues as described in Section 6. If subdivision occurs after the 5 year mark the Capital Contribution Assessment will increase by 5% each year beyond the 5 year window. PA2 is limited to (1) one subdivision.
9. Compliance with Governing Documents. Owner agrees further 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.
10. City Zoning. Owner and Lessees of the Subject Property must comply with the land uses and those requirements as specified by the City of Temecula; subject however to any more restrictive requirements as set forth in this Development Agreement. If the land uses and requirements within the City of Temecula's pertinent Planned Development Overlay are later changed, then Owner and Lessees shall be required to comply with whatever land uses and requirements are the most restrictive whether found in the revised Planned Development Overlay, or as later amended, or as otherwise expressly set forth in this Development Agreement.
11. Use Restriction. PA1 is initially restricted to be developed as Dunkin donuts or similar coffee/donuts shop. Otherwise PA1 and PA 2 are subject to those uses permitted (P), conditionally permitted (C), or not allowed (blank) by the specific Planned Development Overlay attached herein as Exhibit B. For PA2, any conditional use (C) of the property must be approved by a majority of the Board. Unless specifically authorized in the original Development Agreement, Owner(s) and/or Lessee(s) will not be allowed to engage in changes of use without written approval from the Association. That said, the following activities, whether listed or not in the PDO, are specifically prohibited to the extent allowed by law: Alcohol or drug treatment facilities; Alcohol or drug treatment (outpatient); Community care facilities; Congregate care housing for the elderly; Automobile dealers (new and used); Automobile repair services; Automobile painting and body shop; Automobile service stations; Tattoo/Piercing Parlors; Hookah parlors, Vapor lounges and/or Marijuana dispensaries; Parking lots and parking structures (except as may be incidental to other authorized uses, contiguous properties, and as required by the City of Temecula). It is also understood that no liquor store or liquor sales as part of a retail store are permitted, but that liquor as part of a restaurant are acceptable.

12. Change in project. Any change in the project to another use will be subject to majority Board Approval as to site and use restrictions including, but not limited to, hours of operation, delivery hours, type(s) of business, etc.
13. Lease Provisions. All leases shall have provisions which require tenants to follow rules and regulations of Association to be promulgated for the limited purpose of protecting the quiet enjoyment of Association member's property in the immediate area, so long as such rules and regulations do not contradict, or are more restrictive than this Development Agreement and the CC&Rs, Bylaws and other governing documents of the Association
14. Fines; Quiet Enjoyment. Both TVH and lessees of Property shall be subject to the imposition of reasonable fines, as per that document titled: ENFORCEMENT POLICY AND FINE SCHEDULE FOR VIOLATIONS OF THE GOVERNING DOCUMENTS OF LOS RANCHITOS HOMEOWNERS ASSOCIATION [Applicable to Non-Residential Lot Owners Only] as maintained and modified by the Board at its discretion, and included herein as **Exhibit D** as determined by the Board of Directors, for uncured violation of the provisions contained herein, Association rules directed specifically to protect the quiet enjoyment of adjacent and nearby property owners within the Association, or Association governing documents applicable to the Subject Property.
15. Building Compatibility with Nearby Property. All buildings shall be of scale to be compatible with the adjacent and/or nearby residences and businesses on Vallejo Avenue and Temecula Pkwy, within the Association, and shall not exceed two stories in height (not to exceed 35 feet tall, except as approved by the ACC to provide architectural relief), with tile roofs and no exposed mechanical equipment. The trash enclosures shall be enclosed on all four sides. Exterior lighting on the buildings and parking lots shall be low profile, and shielded downward and subject to ACC approval. The ambient acoustic noise signature of any use and/or equipment shall not exceed the ambient noise level of Vallejo Ave.
16. Street and Property Line Mitigations. TVH must apply the "Rural Street Section" as attached herein **Exhibit C** and executed by the Gateway Project to the West of La Paz.
 - a. Right-of-way improvements – horse trail, fencing, street work must be completed within six (6) months after recordation of the CC&R Amendment.
 - i. Horse trail fencing must be installed from La Paz to eastern property line of project parcel.
 - ii. TVH is responsible to maintain the DG multi-purpose trail and equestrian fencing from La Paz to parcel's eastern property line. Maintenance responsibility will commence upon commencement of construction of development project.

- b. Berming, screening wall, and landscaping shall be divided into 2 phases. First phase will be from western property line to the western edge of the blue-line stream as it intersects Vallejo Avenue. Second phase will complete these mitigations along Vallejo to the eastern property line. These mitigations will not be required until Commencement of Construction of each PA development project. If PA1 is developed at an earlier time than PA2, the remainder of the 2 property lines shall have temporary 6 ft chain link fencing.
 - c. TVH is responsible to work with the City to complete the closing of the temporary access on Vallejo with the designated mitigations already existing on either side, Work must be completed within 2 months of the Temecula Pkwy access opening.
 - d. TVH shall construct an 8' high masonry wall along the eastern property line of the parcel – from Vallejo right-of-way to Temecula Pkwy right-of-way. This work is not required until Commencement of Construction of any development project on PA2
 - e. LRHOA acknowledges and agrees that TVH is not providing, and TVH hereby disclaims, any guarantees, representations, warranties, agreements or promises, of any work performed by City and its agents, contractors, subcontractors and all of their agents, employees and representatives related to the street improvements being undertaken by the City pursuant to Access Agreement entered into between TVH and the City.
17. Access onto Vallejo Ave. Except as set forth herein, absolutely no access, either pedestrian or vehicular, is permitted onto Vallejo Ave.
18. Emergency Ingress/Egress. Only if required by the City, an ingress/egress access gate can be installed on Vallejo Ave, but used for emergency access only, will remain closed, and will be controlled by a Knox Box. The Emergency gate will be 8' high and per design as shown in **Exhibit E**.
19. Perimeter Landscaping and Hardscape Screening. The entire perimeter along Vallejo Rd, with the exception of the emergency only ingress/egress point (if required by City) shall conform to those landscape plans as submitted and approved by the ACC. A berm of varied heights will run the full length of Vallejo, but without exception, berm shall be no smaller than 24" in height with a masonry wall to be built upon it to be no shorter than 6' at any point. The berm will diminish to 0' high on both sides of the emergency gate (if required by City), but wall will increase in height to 8'. The decomposed granite (dg) trail which is scheduled to run the entire length of Vallejo shall be multi-purpose. The trail will be at least 8 feet wide and will be flanked on both sides with a 2 rail fence. All maintenance of the trail as well as all other common areas of the project shall be the responsibility of Temecula Valley Hospitality, LLC. This trail will conform to City trail requirements and those specifications listed here in section 20.

20. Continuation, Connection and Specifications of Equestrian trail. The equestrian trail which is scheduled to run along Vallejo Ave is to be completed immediately, along with street improvements, upon recordation of this document. The horse trail shall be fenced on both sides by a 2-rail, 30" high, white polyvinyl fence. It shall be 8 feet wide between fence posts and shall be composed of a minimum of 4" of compacted decomposed granite, edged with a ¾" thick weed border between the posts and running along both sides, the full length of the trail. This trail shall be designed so as to connect to, and be consistent with, the horse trail to be constructed along the Vallejo side of the Park and Ride and the Gateway Project across La Paz to the West. All maintenance of the trail and fencing, from La Paz to the eastern property line, shall be the responsibility of Temecula Valley Hospitality as soon as construction begins on either PA1 or PA2
21. Additional Restrictions. Additional restrictions with regards to the actual construction upon the Site will be composed and become part of that separate Development Agreement which will govern the actual building(s) to be constructed upon the site. These restrictions will include, but not be limited to, (i) the diligent effort to complete approved construction, (ii) construction hours, (iii) conduct of construction personnel (iv) stockpiles and storage of materials (v) trash (vi) dust control and (vii) construction fencing.
22. Documents. Owner shall provide to the Association, at the Owner's expense, the following documents. 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.
 - d. Color boards showing all exterior surface colors and combinations.
23. No Precedent. Except as otherwise provided herein, should this Development Agreement be reached with regard to commercial development of Subject Property, it will not be considered a precedent or open the possibility of any other land in the Association being considered for commercial development.
24. Indemnification; Maintenance; Warranties. Owner shall indemnify and hold Association, its members, Board, employees, servants, agents, attorneys, successors and assigns ("Indemnitees") 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 an Indemnitee's own 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.

25. Hold Harmless. The Owners shall indemnify and hold the Association and its Members, Board, employees, agents, successors and assigns (collectively, the "Association Agents") harmless from all claims, demands, liability and/or expenses (including, without limitation, attorneys' fees) related to the Owners' use and/or lease of the Subject Property.
26. Release and Covenant not to Sue. The Owners agree (i) that the Association and the Association's Agents shall be released from any claim or liability for damage or injury that Owners may suffer as a direct or indirect result of Association's failure to obtain approve of the Amendment (collectively, "Damages"), and (ii) not to sue the Association or the Association Agents for such Damages. Notwithstanding the foregoing, if the Amendment and this Agreement are approved, the Association shall provide the original, executed and notarized Amendment and this Agreement to the Owners and the Owners shall record the same or cause the same to be recorded in the Official Records of the Riverside County Recorder.
27. Binding. This Agreement is binding upon, inure to the benefit of, and be enforceable by each Party and its respective legal representatives, successors, and assigns, and upon recordation, the Amendment shall be a covenant running with the land.
28. Entire Agreement; Amendment. This Agreement (including all exhibits referred to in this Agreement) and the Amendment contain the entire agreement of the Parties with respect to the matters contained herein and therein, and no prior or contemporaneous agreement, oral or written pertaining to such matters shall effective for any purpose. This Agreement may be modified, waived or amended only upon the written agreement of the Parties, which shall be subject to any prior approval of the Association, the Board and/or the Members required by the CC&Rs or the other Governing Documents, and any amendment of the CC&Rs that may be

required. The Association, the Board and/or the Members are not obligated to endorse and/or approve any further amendment to the CC&Rs with respect to the Subject Property, except as provided in this Agreement and/or the Amendment.

29. Attorneys' Fees. In any legal or equitable proceeding between the Parties related to this Agreement, the prevailing Party in such proceeding, as determined by the final arbiter thereof, shall be awarded, in addition to any applicable damages, injunctive or other relief, its reasonable attorneys' fees.
30. Mediation. Prior to commencement of any proceeding or litigation by either Party, the Parties shall first attempt to settle any dispute or claim by mediation in accordance with the then-current rules of the Judicial Arbitration and Mediation Service ("JAMS") at a JAMS location nearest to Temecula, California, unless the Parties mutually agree otherwise. A demand for mediation shall be made by written notice within a reasonable time after the dispute or claim arises or is discovered but in no event later than the date on which the dispute or claim would be barred by the applicable statute of limitation.
31. Authority. Each of the Parties represents and warrants to the other that the individual signing this Agreement on its behalf is duly authorized by such Party to execute and deliver this Agreement and such execution is binding on such Party. The signature of each such individual shall be acknowledged as set forth in the acknowledgements attached hereto.
32. Governing Law. This Agreement is governed by California law without regard to conflicts of laws principles. Jurisdiction for any dispute or claim arising in connection with this Agreement shall be in only in and with the courts of the State of California, and venue shall be exclusively in Riverside County, California.
33. Construction of Agreement. This Agreement has been negotiated at arm's-length by the Parties and shall not be construed for or against any Party on the grounds that such Party drafted the Agreement or any specific provision.
34. Gender; Headings. All references to any gender shall include all other genders and the singular shall include the plural and vice versa. All headings of articles, paragraphs and subparagraphs are for convenience only and do not limit or amplify such provisions.
35. Notices. Any notices or other communications between the Parties shall be in writing and may be mailed by U.S. certified mail, return receipt requested, postage prepaid, and deposited with the U.S. Postal Service, or may be delivered by hand or by any other method or means permitted by law. For purposes hereof, a notice shall be deemed delivered upon the first to occur of the following: (i) personal delivery thereof, (ii) delivery by courier or a nationally-recognized overnight delivery service, (iii) delivery refusal, or (iv) 48 hours following deposit of such notice with the U.S. Postal Service.
36. Severability. Whenever possible, each provision of this Agreement including exhibits shall be interpreted in a manner as to be effective and valid under

applicable law, but if any provision, paragraph, section, sentence, clause or phrase herein or any exhibit hereto becomes, or is held by any court of competent jurisdiction to be, illegal, null or void, against public policy, or otherwise unenforceable for any reason, the remaining provisions, paragraphs, sections, sentences, clauses or phrases herein or any exhibit hereto shall not be affected thereby and shall remain in full force and effect.

- 37. Ballot and Voting Costs. The Owners are responsible for all costs associated with the creation of this Agreement. The Owners shall pay 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 the Association by the Owners shall be made prior to the recordation of the CC&R Amendment with the County.
- 38. Further Assurances. The parties shall take such actions and execute such other and further documents as reasonably required to effectuate this Agreement.
- 39. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. Electronically reproduced or displayed signatures are valid as original signatures for all purposes of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below.

ASSOCIATION

LOS RANCHITOS HOMEOWNERS
ASSOCIATION, a California nonprofit
mutual benefit corporation

By: _____
Jeffrey Tomaszewski
President
Date: _____

By: _____
Neal Ziff
Secretary
Date: _____

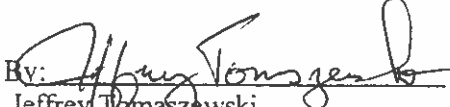
OWNERS

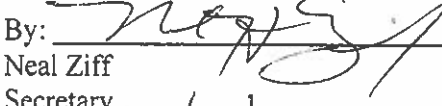
Temecula Valley Hospitality, LLC, a
California limited liability company
640 Lambert Road
Brea CA 92821

By: _____
Bharat (Bob) Bhagat
Member
Date: _____


By: _____
Kirit (Ken) Pansuria
Member
Date: _____

LOS RANCHITOS HOMEOWNERS
ASSOCIATION, a California nonprofit
mutual benefit corporation

By: 
Jeffrey Tomaszewski
President
Date: 3/14/18

By: 
Neal Ziff
Secretary
Date: 3/14/18

Temecula Valley Hospitality, L LC, a
California limited liability company
640 Lambert Road
Brea CA 92821

By: 
Bharat (Bob) Bhagat
Member
Date: _____


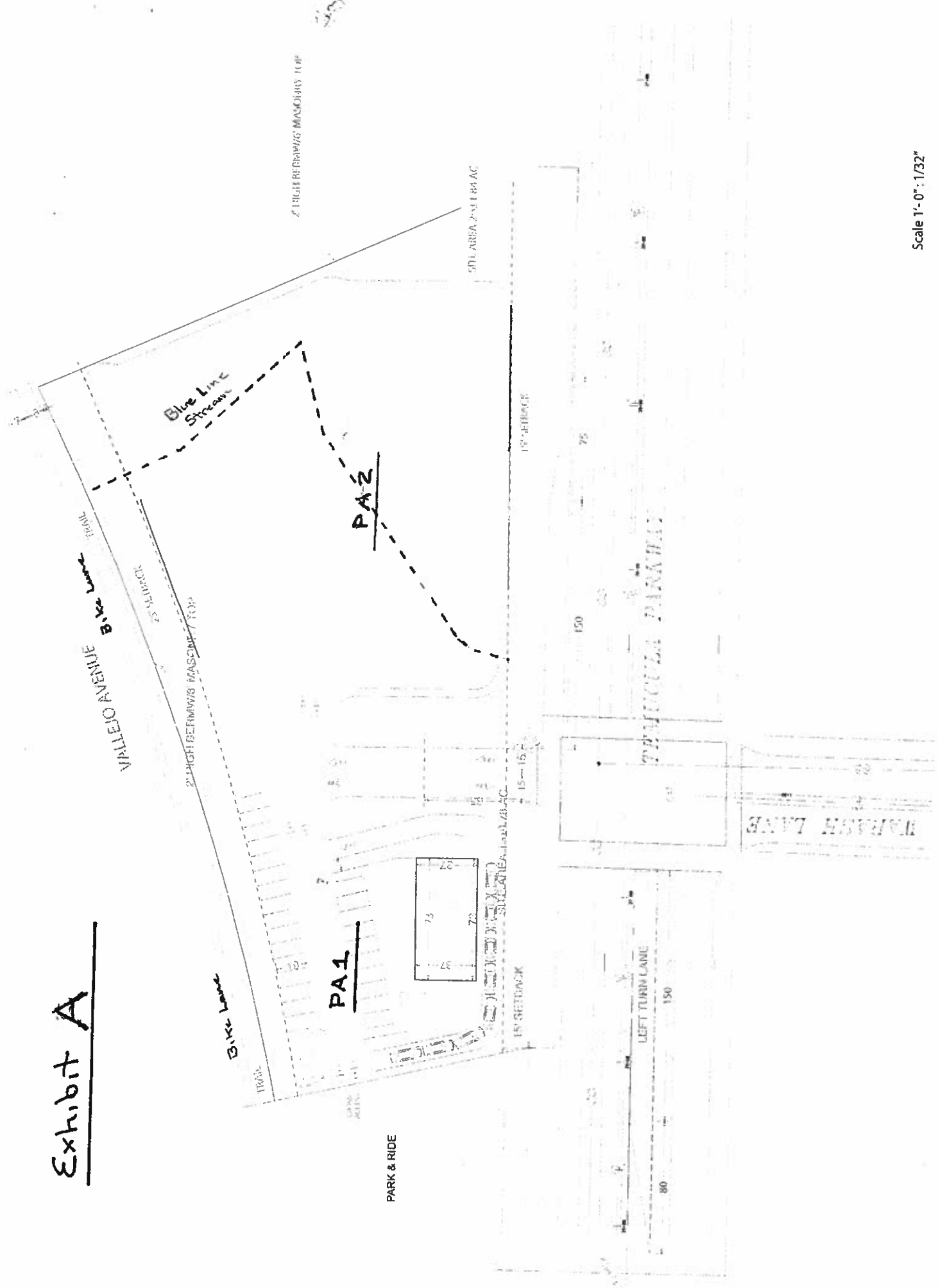
By: 
Kirit (Ken) Pansuria
Member
Date: 11/2/17

Exhibit List

- A – Planning Areas
- B – Table 1 - PDO – Schedule of Permitted Uses
- C – Rural Street Section (aka Vallejo Right Of Way Section)
- D – Enforcement Policy and Fine Schedule
- E – Emergency Gate
- F – Internal CC&Rs

Exhibit A

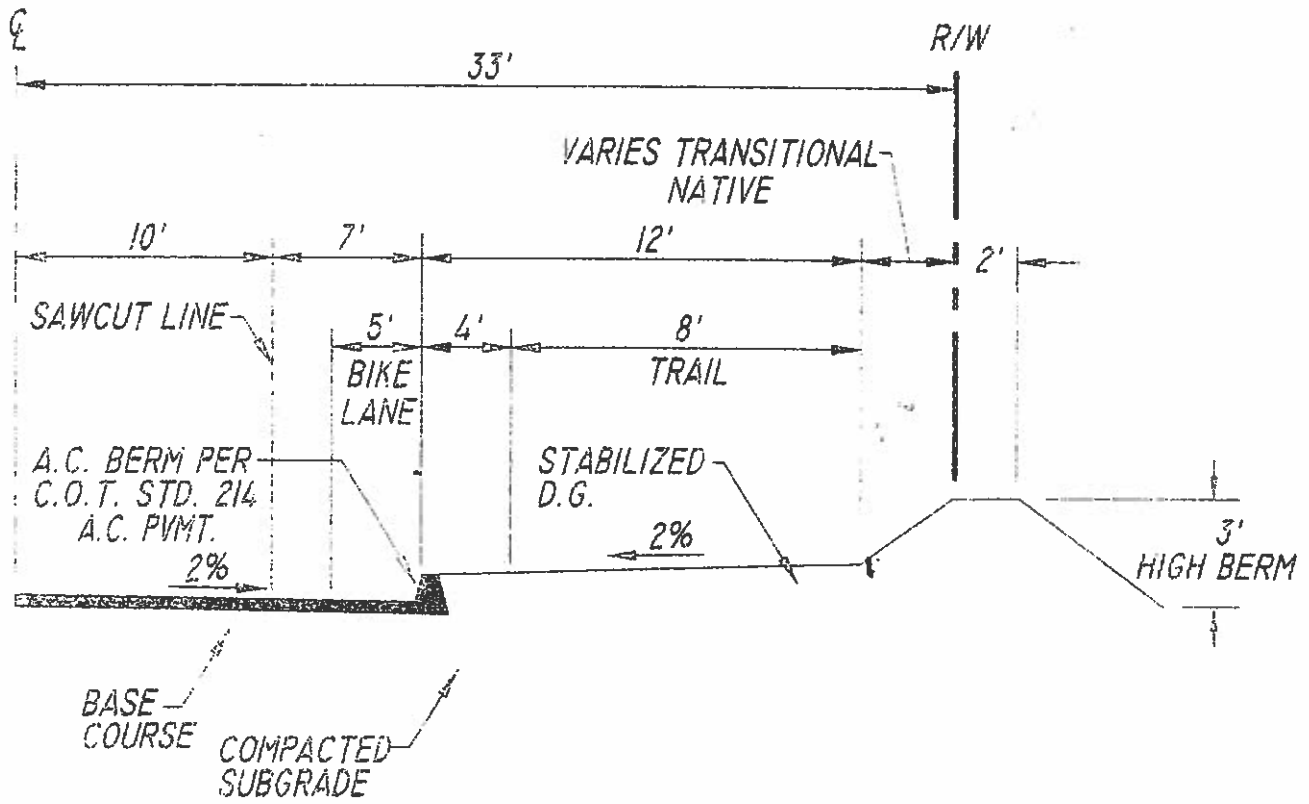


Scale 1" = 0' : 1/32"

EXHIBIT B

Table 1 - PDO			
Schedule of Permitted Uses			
P = Permitted C = Conditional Blank = Not Allowed			
Description of Use	City Guide	Planning Area 1 Dunkin Donuts	Planning Area 2 Professional Office/Retail
A			
Aerobics/dance/gymnastics/martial arts (<5,000sf)	P		P
Antique sales	P		P
Apparel and accessory shops	P		P
Automobile service stations/car wash/convenience store ¹	C		
B			
Bakery retail	P	C	C
Banks/financial ¹	P		P
Barber/beauty shops	P		C
Bicycle (sales, rental, services)	P		P
Bookstores	P		P
C			
Candy/confection	P	C	C
Clothing sales	P		P
Computer sales/service	P		P
Congregate care housing for the elderly ²	P		
Convenience market (with the sale of alcoholic beverages) ¹	C		
D			
Daycare centers	P		P
Delicatessen	P	C	P
Drug store/pharmacy	P		P
Dry cleaners	P		P
F			
Financial/insurance/real estate offices	P		P
Floor covering sales	P		P
Florist	P	P	P
G			
General merchandise/retail store (<10,000sf)	C		
Grocery store, retail	C		
H			
Health and exercise clubs	C		P
Health food store	C		P
Health care facility	P		
Hotel/motel	P		C
I			
Ice cream parlor	P	C	P
Interior decorating service	P		P
L			
Locksmith	P	P	P
M			
Medical equipment sales/rental	P		P
O			
Office equipment/supplies/services			
Offices, administrative, corporate headquarters and professional services including, but not limited to, business law, medical, dental, veterinarian, chiropractic, architectural, engineering, real estate and insurance	P		P
P			
Parcel delivery services	P		P
Personal service shops	P		C
Pet grooming/pet shop	P		P
Photography studio	P		P
Postal services	P		P
R			
Restaurant, drive-thru/fast food	C	C	
Restaurants and other eating establishments (with or without the sale of alcohol)	P		P
S			
Specialty market	P		P
Sports and recreation facility	C		
Swimming pool supplies/equipment sales	P		
T			
Tailor	P		P
Tattoo/Piercing Parlor			
W			
Wine tasting shop with or without product sale for off-site consumption (Department of Alcoholic Beverage Control Type 02 only)	C		P
Wine tasting shop with or without product sale for off-site consumption (Department of Alcoholic Beverage Control License Types other than Type 02)			P

Exhibit C



**ENFORCEMENT POLICY AND FINE SCHEDULE
FOR VIOLATIONS OF THE GOVERNING DOCUMENTS
OF LOS RANCHITOS HOMEOWNERS ASSOCIATION
[Applicable to Non-Residential Lot Owners Only]**

1. Applicable Documents. The policies stated below apply to violations of any of the Governing Documents, as amended from time to time, of Los Ranchitos Homeowners Association ("Association"), including the Articles of Incorporation; Bylaws; Covenants, Conditions, and Restrictions ("CC&Rs"), Rules and Regulations ("Rules"), and any Development Agreement specific to the Lot in question.

2. Actions Prior to Initiation of Formal Disciplinary Process. The Board of Directors ("the Board"), an Owner of a separate interest ("Member"), or any resident of the Association has the authority to request in any reasonable manner that a Member, resident, tenant, or invitee thereof cease or correct any act or omission which appears to be in violation of the Governing Documents of the Association. Complainants are encouraged to attempt such informal resolution before the formal process is initiated. However, if a Member or resident cannot or will not initiate informal resolution, or if the informal resolution is not successful, the following procedure will apply.

3. Written Complaint. Disciplinary proceedings will be initiated upon the receipt of a written complaint ("Complaint") from any Member or resident to the Board or its designated agent on an Association complaint form or by letter, setting forth, in ordinary and concise language, the acts or omissions with which the alleged offender ("Respondent") is charged. Complaints may also be initiated directly by any member of the Board of Directors or by the management agent. Although it will not invalidate the Complaint if the following are missing, the Complaint should include the specific provisions of the CC&Rs or Rules which the Respondent is alleged to have violated, and should consist of more than charges phrased in the general language of such provisions. The Complaint should contain as many specific and supporting facts as are available, such as time, date, location, person(s) involved, and other relevant details so that the Complaint may be evaluated and investigated by the Board. Complaints initiated by a member of the Board of Directors or management agent may be in any form which provides a record of the Complaint. A copy of the Complaint will not be provided to the Respondent except as required by law.

4. First Notice. Upon the filing of the Complaint, to the extent the Board deems appropriate, the Board shall reasonably investigate the Complaint to verify that, if true, the allegations constitute violation(s) of the Governing Documents. If so (and if the Board, in its sole discretion, determines that enforcement is appropriate in the case in question), the Board shall send a written First Notice (warning letter) to the Respondent, summarizing the Complaint and requesting compliance with the Governing Documents. Such First Notice shall be served by first-class mail or by personal delivery to the owner of record (or entity responsible for administering the subject Lot and/or Development Agreement. Notice may also be given to a residential or commercial tenant at the discretion of the Association. No penalty shall be assessed to the owner in this First

Notice. If compliance occurs as a result of sending this First Notice, the Board need take no further action on the Complaint.

In situations where the Board of Directors, in its sole discretion, determines that the alleged offense is sufficiently serious including, but not limited to, unapproved in-progress architectural modifications, and outrageous conduct, the Board can authorize the omission of the First Notice and proceed directly to the actions described in Paragraph 5, hereof, or other enforcement actions authorized by the Governing Documents and/or California law.

5. Second Notice. If the violation described in the First Notice is not corrected within fifteen (15) days, or if the violation is repeated, a second notification letter will be sent to the offender ("Second Notice"). The Second Notice will advise the offender that a hearing before the Board of Directors will be held. The Second Notice will provide a general summary of the allegations in the Complaint; the date, time, and location of the hearing; a statement that the Respondent may attend the hearing and address the Board; and may also contain the penalties that may be assessed at the hearing. The Board shall fix a hearing date and mail or serve the Second Notice on the Owner of the separate interest at least ten (10) days prior to the date of the hearing. The Second Notice shall be served by personal delivery or first-class mail.

The Respondent shall have the right to attend the hearing with any material witnesses, and may offer evidence and/or make representations to the Board subject to the provisions of Section 6 below. If the Respondent wishes to attend the hearing but cannot conveniently attend on the date scheduled or wishes a postponement for any other cause, the Respondent may request a continuance of the hearing. Any such request must include the reasons therefore. The decision of whether to grant the continuance shall be made by the Board, and its decision shall be final. If a continuance is granted, the Respondent will be given notice of the new hearing date. If a continuance is not granted, the hearing shall proceed in accordance with Section 6 below.

Whether or not the Respondent wishes to attend the hearing, he or she may deliver to the Board a written statement, setting forth the Respondent's answer to the allegations in the Complaint. If the Respondent submits a written response, it must be delivered to the Board of Directors, or the Board's authorized representative, at least seventy-two (72) hours prior to the hearing. This will ensure that the Board has the opportunity to consider the response prior to any decision on the Complaint being made.

6. Hearing.

(a) Neither the Complainant nor the Respondent is obliged to be in attendance at the hearing, although such attendance is encouraged. All hearings will generally be held in executive session, although the Board reserves the right to schedule the hearing in open session. If requested by the Respondent, the hearing will be conducted in executive session. The executive session will normally be held on the same day as a regular open meeting of the Board or may be postponed to such date and time as the Board shall determine. Any request for the hearing to be held in executive session must be submitted

to the Board in writing at least four (4) days in advance of the hearing to allow the executive session to be properly noticed and scheduled. If the notice required by this paragraph is not given, the hearing will be held as determined by the Board.

(b) At the beginning of the hearing, or at any appropriate time during the hearing, the Board will explain the rules and procedures by which the hearing is to be conducted. The Board is entitled to exercise its discretion as to the specific manner in which the hearing will be conducted. Technical and specific rules of evidence or procedure will not generally be applicable to the hearing except that the Board shall have full discretion to impose specific rules where it considers such rules to be appropriate and to refuse to admit evidence not reasonably relevant to the issues. Formal questioning of witnesses by the Respondent will generally not be permitted.

(c) The Board will consider any written or oral statements of the parties and witnesses together with such other information and/or evidence then before it which the Board reasonably determines to be material and relevant.

(d) Should the Respondent and/or Owner of the separate interest fail to appear at the hearing and fail to submit a written statement in defense of the allegations, the Board may consider such failures to be an admission of the allegations.

(e) The Respondent and any relevant witnesses will be entitled to attend the hearing, but when the hearing is held in executive session, they may be excused after presentation of the evidence. The Board reserves the right to deliberate the issue and reach its decision out of the presence of the Complainant or the Respondent or any witnesses.

7. Decision. After all evidence and/or representations have been presented to the Board, the Board shall vote upon the matter. The decision may be made at the conclusion of the hearing, or may be postponed to no later than fifteen (15) days thereafter. A written decision will be mailed to the Respondent as soon as practicable thereafter, but in no event more than fifteen (15) days after the hearing. Disciplinary action, if any is imposed, and unless otherwise ordered by the Board, shall become effective no fewer than five (5) days after the Board's decision is mailed to the Respondent. All decisions of the Board shall be final unless the Board, in its sole discretion, agrees to rehear the matter due to the availability of new evidence or information of an overriding nature.

8. Fine Schedule. The following fine schedule shall apply where the Board finds a violation has occurred and, in its sole discretion, determines to assess a fine.

1st Offense

Generally: \$250.00 maximum fine

Violations Involving a Unauthorized Changes/Hazardous Activity*:

\$1000.00 maximum fine

2nd Offense

Generally: \$500.00 maximum fine
Violations Involving a Unauthorized Changes/Hazardous Activity *:
\$2000.00 maximum fine

3rd Offense

Generally: \$750.00 maximum fine
Violations Involving a Unauthorized Changes/Hazardous Activity *:
\$3000.00 maximum fine

4th Offense

Generally: \$1000.00 maximum fine
Violations Involving a Hazardous Activity*: \$4000.00 maximum fine

5th and Subsequent Offenses

Generally: \$1250.00 maximum fine
Violations Involving a Unauthorized Changes/Hazardous Activity *:
\$5000.00 maximum fine

* An "unauthorized change/hazardous activity" is any activity that could cause serious harm to persons or property, including, but not limited to, threats of physical violence; and in-progress, unauthorized architectural modifications. Warning letters shall not be required for hazardous violations. Instead, the Member may be immediately called to a hearing where he or she may be fined, or the Board may take any other enforcement actions authorized by the Governing Documents and/or California law.

Persistent, continuing, and uninterrupted violations

(a) In addition to the initial fines listed above, the Board may levy a maximum \$10.00 per day fine for each and every day that a violation of the Governing Documents that is of a persistent, continuing and uninterrupted nature is permitted to continue. An example of a persistent continuing and uninterrupted violation is an unapproved structure that will remain in place (and thus a violation of the Governing Documents) until affirmatively corrected by the Owner.

(b) Before imposing such a fine, the Hearing Notice shall clearly state that the Board may initiate daily fines if the violation is not cured.

(c) At the hearing, the Board shall provide the Member with a timeframe within which the violation must be cured and notice that if the violation is not cured within the stated timeframe, daily fining will commence without further notice and hearings. The Board may also levy an initial fine in accordance with the current Fine Schedule.

(d) If the Member fails to attend the noticed hearing, the notice contained in the hearing notice and the post hearing notice confirming the disciplinary action being taken, including the Board's intent to commence daily fining, shall suffice.

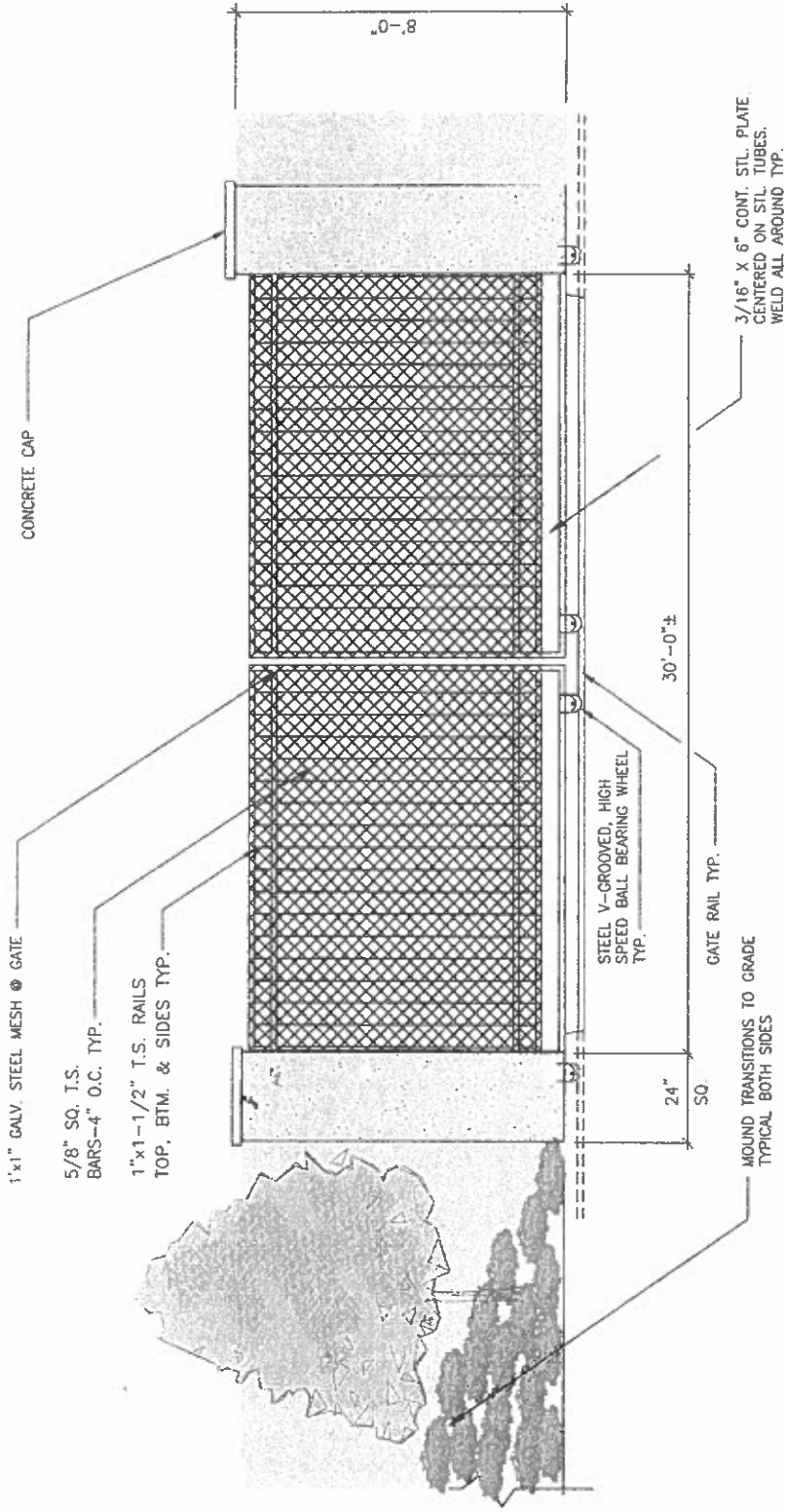
In addition to assessment of a fine, the Board may suspend the Respondent's membership rights pursuant to Section 7.02 of the Bylaws.

9. Legal Action. In appropriate circumstances, such as in the need for immediate action against an owner or resident in violation of the Governing Documents or in dangerous, hazardous or threatening situations, the Board of Directors, in its sole discretion, may bypass the above enforcement policy and refer the matter directly to legal counsel for such legal actions for injunctive or declaratory relief or monetary damages as may be necessary and lawful under the Governing Documents and California law.

This Rules Enforcement and Fine Schedule was adopted by the Board of Directors at its meeting held on the 2nd day of November, 2017.


Secretary

Exhibit E



Vallejo Fire Exit Gate