

future phase which is affected by such easements. No such relocation, modification or termination shall, however, prevent access to any Lot or Association Maintenance Areas in the Project.

ARTICLE 17

ANNEXATION OF ADDITIONAL PROPERTY

Additional property may be annexed to and become subject to this Declaration by any of the methods set forth in this Article.

17.1 Phased Development of the Project. Declarant intends to develop and complete the Project in a series of Phases. However, Declarant is under no obligation to continue development and buildout of the Project. Declarant reserves the right to annex future Phases in any given order, provided that the requirements of Section 17.2 and Section 17.3 below are satisfied.

17.2 Annexation Pursuant to Declarant's Development Plans. All or any part of the real property described as Annexation Property herein, may be annexed to the Project and added to the scheme of this Declaration, and subjected to the jurisdiction of the Association without the assent of the Association or its Members, provided and on condition that:

a. The development of the Annexation Property shall be in substantial conformance with the overall general plan of development for the Project originally submitted to and approved by the County, the DRE and VA/FHA; and

b. A Notice of Annexation, as described in Section 18.3 of this Article, shall be recorded covering the Annexation Property.

Prior to any annexation under this Section 18.2, detailed plans for the development of the additional property to be annexed must be submitted to VA, and VA must determine that such plans are in accordance with the development plan for the Project, and so advise Declarant.

17.3 Notice of Annexation. The annexation of additional property authorized under this Article shall be signed by Declarant and by each Owner of the property to be annexed. The Notice of Annexation shall include at least the following:

a. A reference to this Declaration, which shall include the date of recordation hereof and the instrument number, or other relevant recording data of the Office of the County Recorder;

b. A statement that this Declaration shall apply to the Annexation Property as set forth herein;

c. A description of the Annexation Property; and

d. A description of the Common Property, if any, located in the Annexation Property.

The Notice of Annexation may contain such complementary additions to and modifications of the Covenants set forth in this Declaration which are necessary to reflect the different character, if any, of the Annexation Property and which are not inconsistent with the general scheme of this Declaration. Except as set forth in this Section, no Notice of Annexation shall add, delete, revoke, modify or otherwise alter the Protective Covenants set forth in this Declaration.

17.4 Effective Date of Annexation. A Notice of Annexation shall become effective immediately upon the recordation thereof in the Office of the County Recorder of Los Angeles County.

17.5 Right of De-Annexation. Declarant hereby reserves the unilateral right to de-annex any property which may be annexed to the Project pursuant to this Declaration, and to delete said property from the scheme of this Declaration and from the jurisdiction of the Association, provided and on condition that the deannexation shall be made prior to the first close of an escrow for the sale of a Lot in the property to be de-annexed, and provided that: (a) Declarant has not exercised any voting rights with respect to such Phase; (b) Assessments have not commenced with respect to such Phase; (c) the Association has not made any expenditures or incurred any obligations with respect to such Phase; and (d) the Notice of Deannexation is recorded in the Official Records of the County.

Merchant Builders may amend a Notice of Annexation or delete all or any portion of a Phase from the scheme of this Declaration and the jurisdiction of the Association, so long as Merchant Builders, or Declarant and such Merchant Builders together, are the Owners of all of such Phase, and provided further, that all of the requirements of items (a) through (d) set forth in the immediately preceding paragraph have been satisfied, and Declarant has consented in writing to such amendment or deletion by executing the appropriate Notice of Deannexation or amendment, as applicable.

17.6 Amendments to Notices of Annexation. Notwithstanding any other provisions in this Declaration to the contrary, a Notice of Annexation may be amended by the requisite affirmative vote of Members (and first Mortgagees, if applicable), as set forth in the Article herein entitled "General Provisions," in only the annexed property described in said Notice of Annexation, rather than all Members (and first Mortgagees, if applicable) in the Project, on the following conditions:

a. Such amendment applies only to the annexed property described in said Notice of Annexation;

b. Such amendment shall in no way contradict, revoke or otherwise alter any of the Protective Covenants set forth in this Declaration.

17.7 Reciprocal Cross-Easements Between Phases. Subject to the annexation of additional property as set forth in this Article:

a. Declarant hereby reserves for the benefit of and appurtenant to the Lots hereafter located in each Phase annexed to Phase 1, and their respective owners, nonexclusive easements to use the Common Property (other than Residences) in Phase 1 pursuant to and in the manner set forth in this Declaration, and to the same extent and with the same effect as each of the Owners of the Lot in each Phase annexed to Phase 1 owned a Lot in Phase 1; and

b. Declarant hereby grants, for the benefit of and appurtenant to each Lot in Phase 1 and their Owners, a nonexclusive easement to use the Common Property (other than the Residences) pursuant to and in the manner set forth in this Declaration to the same extent and with the same effect as if each of the Owners of a Lot in Phase 1 owned a Lot in each such Phase.

These reciprocal cross-easements shall be effective as to each Phase annexed to Phase 1 and as to Phase 1, only upon the first Close of Escrow and for the purchase and sale of a Lot in such Phase. Prior to the first Close of Escrow in Phase 1, neither Phase 1 nor the Phases annexed to Phase 1 shall be affected by these reciprocal cross-easements.

17.8 Failure to Annex Annexation Property. If any Annexation Property is not annexed as provided herein, and the real property within the Annexation Property requires ingress, egress and access over private streets, if any, in the Project, and access to and use of the Common Property within the Project, valid easements shall exist for reasonable vehicular and pedestrian traffic and for reasonable use of the Common Property, provided, however, that the owner(s) of said property shall be obligated to pay their equitable share of the cost of maintenance and repair of said private streets and facilities, and shall be subject to a lien or liens for the maintenance and repair costs, as may be provided in a separate agreement between the Association and the owner(s) of said property.

ARTICLE 18

GENERAL PROVISIONS

18.1 Enforcement.

a. Subject to Sections 1354, 1366.3(c) and 1375 of the California Civil Code, and Section 18.2 below, the Association and any Owner, Declarant and Merchant Builders (so long as Declarant or a Merchant Builder owns a Lot in the Project, or is entitled to annex any Annexation Property to the Project), shall have the right to enforce, by proceedings at law or in equity, all of the protective covenants now or hereafter imposed by the provisions of the Association management documents, or any amendments thereto, including, without limitation, the right to prosecute a proceeding at