

Section 1.44. Residential Lot: "Residential Lot" shall mean a Lot located within a Residential Area, together with the improvements, if any, thereon intended for use as a single-family residence.

Section 1.45. Residence: "Residence" shall mean a dwelling on a Residential Lot intended for use and occupancy by a single Family.

Section 1.46. Rules and Regulations: "Rules and Regulations" shall mean such rules and regulations as adopted by the Board governing the use and occupancy of the Properties or any portion thereof.

Section 1.47. Special Assessment: "Special Assessment" shall mean a charge against a particular Owner and his Lot or Condominium, directly attributable to the Owner, equal to the cost incurred by the Master Association or those acting under its direction for corrective action, pursuant to the provisions of this Master Declaration.

Section 1.48. Sub-Association: "Sub-Association" shall mean a non-profit mutual benefit California corporation, or unincorporated association, or its successors in interest, organized and established or authorized pursuant to or in connection with a Declaration of Annexation and of which the Membership is composed of Owners of Lots or Condominiums within a portion of the Properties.

Section 1.49. Sub-Association Maintenance Areas: "Sub-Association Maintenance Areas" shall mean any portion of the Properties owned separately by individual Owners (within a Planned Development) over which a Sub-Association has an easement for maintenance purposes.

Section 1.50. Subdivision: "Subdivision" shall mean a parcel of real property which has been divided or separated into Lots, or a single Lot, as shown on a recorded Subdivision Map or recorded Parcel Map.

ARTICLE II FIRST SUBDIVISION

Section 2.1. Property Description: Declarant hereby declares that the following described real property is hereby made subject to this Master Declaration (the "First Subdivision"), and is more particularly described as follows:

Tract 12675 as shown on Map recorded in Book 572, Pages 1, 2 and 3 of Miscellaneous Maps, Official Records of Orange County, California.

Section 2.2. Land Classification: All that real property described above as the First Subdivision shall be and is hereby designated as the Master Association Maintenance Area.

Section 2.3. Conveyance to Master Association: Declarant hereby covenants for itself, its successors and assigns that fee simple title to the First Subdivision shall be conveyed to the Master Association prior to the Close of Escrow for the sale of the first Lot or Condominium of any Subdivision in the Annexable Area to an Owner. In the event that fee simple title to such property is conveyed to the Master Association, such title shall be conveyed free and clear of all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and except dedications, easements, conditions and reservations then of record including those set forth in this Master Declaration. For purposes of this section, easements for utilities and any easement in favor of the general public over sidewalks or bicycle pathways conveyed to the Master Association for ingress to and egress from any sales office or model home complex of Declarant, shall not constitute a lien or encumbrance, and shall not preclude the conveyance to the Master Association of such property. As each Subdivision in the Properties is developed by Declarant or by a Participating Builder, Declarant covenants for itself, its successors and assigns that it will similarly convey, or cause to be conveyed to the Master Association, an easement over, or title to, any Master Association Maintenance Areas within that Subdivision, prior to or concurrently with the Close of Escrow for the sale to an Owner of the first Lot or Condominium, as the case may be, in that Subdivision.

ARTICLE III ANNEXATION

Section 3.1. By Declarant/Consents: Declarant may, but shall not be required to, from time to time, add to the real property which is covered by this Master Declaration all or any portion of the real property described above as the Annexable Area by recording a Declaration of Annexation with respect to the real property to be annexed ("Annexed Land"). If any proposed annexation under this Section 3.1 shall not be effected prior to the third (3rd) anniversary of the original issuance of the most recently issued Final Subdivision Public Report from the California Department of Real Estate for an increment in the Annexable Area ("Third Anniversary"), then such annexation shall further require the vote or written consent of Delegates representing at least two-thirds (2/3rds) of the total voting power of the Master Association plus two-thirds (2/3rds) of the votes of Members excluding Declarant and all Participating Builders; provided, however, that if any