

ARTICLE XI

MISCELLANEOUS

Section 11.1. Term: The covenants, conditions and restrictions of this Master Declaration as they may be amended from time to time, shall run until December 31, 2035, unless a written instrument executed by the Delegates holding at least seventy-five percent (75%) of the voting power of the Master Association has been recorded within one (1) year prior to such date agreeing to terminate such restrictions in whole or in part, and such written instrument is recorded with the Orange County Recorder. After December 31, 2035, such covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years each, unless extinguished by a written instrument executed by the Delegates holding at least seventy-five percent (75%) of the voting power of the Master Association, and such written instrument is recorded with the Orange County Recorder.

Section 11.2. Amendment:

(a) By Declarant and Participating Builders. Until the Close of Escrow for the sale of any portion of the Properties to a Participating Builder, the provisions of this Master Declaration may be amended or terminated by recordation of a written instrument signed only by Declarant setting forth such amendment or termination. Following Close of Escrow for the sale of any portion of the Properties to a Participating Builder but prior to the sale of a Lot or Condominium to a member of the public in accordance with a Final Subdivision Public Report issued by the California Department of Real Estate, the provisions of this Master Declaration may be amended or terminated by recordation of a written instrument signed by Declarant and each Participating Builder setting forth such amendment or termination.

(b) By Owners. Except Paragraph D of the Preamble hereto, Sections 3.1, 5.5 and 8.6, and Articles IX and X (which provisions may not be amended without the written consent of Declarant only so long as Declarant owns a Lot or Condominium in the Properties), the provisions of this Master Declaration, other than Article VI and this Section 11.2, may be amended by an instrument in writing signed and acknowledged by the president and secretary of the Master Association certifying that such amendment has been approved by the vote or written assent of the Delegates holding at least fifty-one percent (51%) of the total voting power of the Master Association and at least fifty-one percent (51%) of the voting power of the Master Association excluding votes attributable to property

owned by Declarant and any Participating Builders, and such an amendment shall be effective upon its recordation with the County Recorder. Any amendment to Section 6.12 or to this Section 11.2 shall require the vote or written assent of the Delegates holding at least sixty-seven percent (67%) of the voting power of the Master Association and a majority of the voting power of the Master Association, excluding the votes attributable to property owned by Declarant or any Participating Builders, and Declarant, for so long as Declarant may appoint a Delegate to the Master Association.

(c) Veto By County. Notwithstanding anything contained herein to the contrary, so long as any property subject to this Master Declaration lies outside the boundaries of an incorporated city, the County of Orange shall have the power to veto any purported amendment or termination of this Master Declaration, based upon whether the Properties, after such termination or amendment, will continue to enjoy adequate provisions for preservation and maintenance of the Master Association Maintenance Areas and the Association Property. No amendment or written agreement purporting to terminate or modify the maintenance provisions of this Master Declaration shall be effective without the mailing of written notice thereof, return receipt requested, to the Assistant Director, EMA - Regulation and the County Counsel of Orange County. If no veto has been exercised by the Assistant Director or the County Counsel within fifteen (15) days of the receipt of such notice, such amendment or termination shall thereafter become effective.

Section 11.3. Mortgage Protection: Notwithstanding any other provision of this Master Declaration, no amendment of this Master Declaration shall operate to defeat and render invalid the rights of the Beneficiary under any Deed of Trust upon a Lot or Condominium made in good faith and for value, and recorded prior to the recordation of such amendment, provided that after the foreclosure of any such Deed of Trust such Lot or Condominium shall remain subject to this Master Declaration, as amended. Notwithstanding any and all provisions of this Master Declaration to the contrary, in order to induce the Federal Home Loan Mortgage Corporation ("FHLMC"), the Government National Mortgage Association ("GNMA") and the Federal National Mortgage Association ("FNMA") to participate in the financing of the sale of Lots or Condominiums within the Properties, the following provisions are added hereto (and to the extent these added provisions, pertaining to the rights of Mortgagees, FHLMC, FNMA, GNMA, VA and FHA, conflict with any other provisions of

this Master Declaration or any other of this Master Declaration, these added restrictions shall control:

(a) Notice of Default. Each first Mortgagee of a Mortgage encumbering any Lot or Condominium, upon filing a written request for notification with the Board, is entitled to written notification from the Master Association of any default by the Mortgagor of such Lot or Condominium, in the performance of such Mortgagor's obligations under this Master Declaration, the Articles or the Bylaws (collectively referred to as the "Project Documents"), which default is not cured within sixty (60) days after the Master Association learns of such default.

(b) Right of First Refusal. Every Owner, including every first Mortgagee of a Mortgage encumbering any Lot or Condominium, which obtains title to such Lot or Condominium, pursuant to the remedies provided in such Mortgage, or pursuant to foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal."

(c) Foreclosure. Each first Mortgagee of a Mortgage encumbering any Lot or Condominium, which obtains title to such Lot or Condominium, pursuant to judicial foreclosure or the powers provided in such Mortgage, shall take title to such Lot or Condominium free and clear of any claims for unpaid assessments or charges against such Lot or Condominium which accrued prior to the time such holder acquires title to such Lot or Condominium.

(d) Mortgagee Approval. Except as provided by statute in case of condemnation or substantial loss, unless at least sixty-seven percent (67%) of the first Mortgagees (based upon one vote for each Mortgage owned) or sixty-seven percent (67%) of the Members other than Declarant and any Participating Builders have given their prior written approval, neither the Master Association or the Owners shall:

(i) Subject to the provision of the California General Non-profit Corporation Law to the contrary, by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Association Property or the Improvements thereon which are owned, directly or indirectly, by the Master Association (the granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Master Association shall not be deemed a transfer within the meaning of this clause);

(ii) Change the method of determining obligations, assessments, dues or other charges which may be levied against any Owner, or the method of allocating distributions of hazard insurance proceeds or condemnation awards;

(iii) By act or omission, dissolve this Master Association, terminate the Project, or change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of the dwelling units on the Lots, the exterior maintenance of the dwelling units on the Lots or Condominiums, the maintenance of the Association Property and any Improvements thereon, including, but not limited to, walks, fences and driveways, or the upkeep of lawns and plantings on the Properties;

(iv) Fail to maintain Fire and Extended Coverage on insurable Association Property on a current replacement cost basis in an amount at least one hundred percent (100%) of the insurable value (based on current replacement cost);

(v) Use hazard insurance proceeds for losses to any Association Property for other than the repair, replacement or reconstruction of such Association Property;

(vi) Change the pro rata interest or obligations of any individual Lot or Condominium for the purpose of: (aa) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (bb) determining the pro rata share of ownership of each Lot or Condominium in the Common Area, if any;

(vii) Terminate professional management and assume self-management of the Master Association;

(viii) Amend a material provision of this Master Declaration, the Bylaws or the Articles; for purposes herein, the term "material provision" shall mean and refer to those provisions affecting the following:

(aa) The percentage interest of the Owners in the Common Area;

(bb) The fundamental purpose for which the project was created (such as a change from residential use to a different use);

- (cc) Voting;
- (dd) Assessments, assessment liens, and subordination thereof;
- (ee) The reserve for maintenance, repair and replacement of Association Property, Master Association Maintenance Area, Common Area and Common Area facilities;
- (ff) Property maintenance obligations;
- (gg) Casualty and liability insurance;
- (hh) Reconstruction in the event of damage or destruction;
- (ii) Rights to use the Common Area, Association Property or Master Association Maintenance Areas;
- (jj) Rights to annex additional property; and
- (kk) Any provision, which by its terms, is specifically for the benefit of first Mortgagees, or specifically confers rights on first Mortgagees.

(e) Books, Records and Notice of Meetings. First Mortgagees, upon written request, shall have the right to (i) examine the books and records of the Master Association during normal business hours, (ii) require from the Master Association the submission of audited annual financial reports and other financial data, (iii) receive written notice of all meetings of the Owners, (iv) designate in writing a representative to attend all such meetings.

(f) Notice to Mortgagees. All first Mortgagees shall be given (i) thirty (30) days written notice prior to the effective date of any proposed material amendment to this Master Declaration or the Articles or Bylaws, and prior to the effective date of any termination of an agreement for professional management of the properties following a decision of the Owners to assume self-management of the Properties; and (ii) immediate written notice as soon as the Board receives notice or otherwise learns of any damage to other Association Property whenever the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000.00), and as soon as the Board receives notice or otherwise learns of any condemnation or eminent

domain proceedings or other proposed acquisition, with respect to any portion of the Properties.

(g) Defaults. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Association Property and may pay any overdue premiums on hazard insurance policies or secure new hazard insurance coverage for such property in case of lapse of a policy, and first Mortgagees making such payments shall be owed immediate reimbursement therefor from the Master Association.

(h) Professional Management. The Board shall contract for professional management of the Properties with a professional Manager. The agreement between the Master Association and its agent for such professional management shall provide that the management contract may be terminated by either party thereto, without cause, and without payment of a termination fee, upon ninety (90) days written notice, and the term of such contract shall not exceed three (3) years.

(i) Fidelity Bond. The Board shall secure and cause to be maintained in force at all times a fidelity bond for any person or entity handling funds of the Master Association, including, but not limited to, employees of the professional Manager.

(j) Leases. Any agreement for the leasing or rental of a Lot or Condominium shall provide that the terms of such agreement shall be subject in all respects to the provisions of this Master Declaration, the Articles and the Bylaws. All such agreements shall be in writing and shall provide that any failure by the lessee to comply with the terms of this Master Declaration, the Articles and the Bylaws shall be a default under the agreement.

(k) Agreements for Financing. In addition to the foregoing, the Board may enter into such contracts or agreements on behalf of the Master Association as are required in order to satisfy the guidelines of the VA, the FHA, the FHLMC, the FNMA or the GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first Mortgages encumbering Condominiums or Lots with dwelling units thereon. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Lot or Condominium.

Section 11.4. Notices: Any notice permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Master Association for the purpose of service of such notice, or to the residence of such Person if no address has been given to the Master Association. Such address may be changed from time to time by notice in writing to the Master Association.

Section 11.5. Enforcement and Non-Waiver:

(a) Right of Enforcement. Except as otherwise expressly provided herein, Declarant, the Board, any Owner of any Lot or Condominium within the Properties, and the County Flood Control District (but only for purposes of enforcing maintenance of flood control facilities as set forth in Section 5.1(k) herein), shall have the right to enforce any or all of the provisions of this Master Declaration against any property within the Properties and the Owners thereof. Such right shall include an action for damages, as well as an action to enjoin any violation of the Master Declaration.

(b) Violations and Nuisance. Every act or omission whereby any provision of this Master Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action by Declarant or the Master Association or any Owner or Owners of Lots or Condominiums within the Properties. However, any other provision to the contrary notwithstanding, only Declarant, the Master Association, the Board or a duly authorized agent of any of them, may enforce by self-help any of the provisions of this Master Declaration, and only if such self-help is preceded by reasonable Notice and Hearing.

(c) Violation of Law. Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Properties is hereby declared to be a violation of this Master Declaration and subject to all of the enforcement procedures set forth in this Master Declaration.

(d) Remedies Cumulative. Each remedy provided by this Master Declaration is cumulative and not exclusive. The Master Association may, at its option, without

waiving the right to enforce its lien against the Condominium or Lot, bring a suit at law to enforce each assessment obligation.

(e) Non-Waiver. The failure to enforce any of the provisions of this Master Declaration at any time shall not constitute a waiver of the right thereafter to enforce any such provision or any other provisions of this Master Declaration.

(f) Attorneys' Fees. Any judgment rendering in any action or proceeding hereunder shall include a sum for attorneys' fees in such amount as the Court may deem reasonable in favor of the prevailing party, as well as the amount of delinquent payment (if applicable), interest thereon, late charges (if any) and court costs.

Section 11.6. FHA/VA Approval: As long as Declarant or a Participating Builder has effective voting control of the Master Association, and provided they are insuring or guaranteeing loans, as the case may be, on a portion of the Properties, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation or deannexation of additional real property to the Properties pursuant to Article III of this Master Declaration; dedication of the Master Association Maintenance Area to any public agency; grants of additional easements, rights-of-way, or licenses by Declarant in the Properties; establishment of additional reservations by Declarant in the Properties; amendment of this Master Declaration; and mergers or consolidations of the Master Association.

Section 11.7. Interpretation:

(a) Restrictions Construed Together. All of the provisions of this Master Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the Properties as set forth in the Preamble to this Master Declaration. This Master Declaration shall be construed and governed by the laws of the State of California.

(b) Restrictions Severable. Notwithstanding the provisions of the foregoing subparagraph (a), each of the provisions of this Master Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

(c) Singular Includes Plural. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

(d) Captions. All captions and titles used in this Master Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

Section 11.8. Reservation of Easements: Declarant expressly reserves for the benefit of all Properties reciprocal easements for access, ingress and egress for all Owners to and from their respective Lots and Condominiums, for installation and repair of utility services; for encroachments of Improvements constructed by Declarant for drainage of water over, across and upon adjacent Lots and Condominiums, and Association Property resulting from the normal use of adjoining Lots, Condominiums or Association Property, and for necessary maintenance and repair of any Improvement. Such easements may be used by Declarant, its successors, purchasers, the Master Association, and all Owners, their guests, tenants and invitees, residing on or temporarily visiting the Properties, for pedestrian walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Lot, Condominium or the Association Property.

Section 11.9. No Representations or Warranties: No representations or warranties of any kind, express or implied, have been given or made by Declarant or its agents or employees in connection with the Properties or any portion of the Properties, or any Improvement thereon, its physical conditions, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof as a Planned Development, except as specifically and expressly set forth in this Master Declaration and except as may be filed by Declarant from time to time with the California Department of Real Estate, the County, the VA, the FHA, the FLMC, the FNMA, the GNMA or any other government agency.

Section 11.10. Special Provision for Enforcement of Certain Bonded Obligations: In the event that (a) any Improvements on any Master Association Maintenance Area located on any phase of development of the Properties are not completed, prior to the issuance of a Final Subdivision Public Report for that phase by the California Department of Real Estate ("DRE"), and (b) the Master Association is obliged under a bond or other arrangement ("Bond") required by the DRE to secure performance of the commitment of Declarant to

complete the Improvements, the following provisions of this section will be applicable:

(a) The Board shall consider and vote on the question of action by the Master Association to enforce the obligations under the Bond, with respect to any such Improvement for which a Notice of Completion has not been filed, within sixty (60) days after the completion date specified for that Improvement in the Planned Construction Statement appended to the Bond. If the Master Association has been given an extension in writing for the completion of any such Improvement, the Board shall be directed to consider and vote on the aforesaid question, if a Notice of Completion has not been filed, within thirty (30) days after the expiration of the extension.

(b) A special meeting of Delegates, for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the Bond or on the failure of the Board to consider and vote on the question, shall be held no fewer than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a petition for such a meeting signed by Delegates representing five percent (5%) or more of the total voting power of the Master Association. A vote of a majority of the voting power of the Master Association residing in Members other than Declarant to take action to enforce the obligations under the Bond shall be deemed to be the decision of the Master Association, and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Master Association.

IN WITNESS WHEREOF, Declarant has executed this Declarant of Covenants, Conditions, Restrictions and Reservation of Easements as of the date first above written.

TAYLOR WOODROW HOMES CALIFORNIA
LIMITED, a California corporation

By: 
Gordon Tippell, President

By: 
Carsten Schnepel, Secretary

87-502874

EXHIBIT "A"

A parcel of land in the unincorporated territory of the County of Orange, State of California, being a portion of Parcel 1 of Parcel Map No. 83-117 as per map filed in Book 201, pages 11 through 14, inclusive, of Parcel Maps in the Office of the County Recorder of said County described as follows:

Beginning at a point on that certain curve in the Northeasterly boundary of said Parcel 1, said curve shown on said map as being concave Southerly, having a radius of 1850.00 feet, a central angle of 24°06'13" and a length of 778.27 feet, said point being distant thereon Easterly along said certain curve through a central angle of 15°25'54", a length of 498.27 feet from the Westerly terminus thereof; thence, along the boundary of said Parcel 1 through the following courses: Westerly along said certain curve through a central angle of 15°25'54", a length of 498.27 feet, N.17°15'54"W. 100.00 feet, N.32°47'00"W. 779.73 feet, S.54°49'00"W. 740.59 feet, S.68°28'00"W. 1790.00 feet, South 200.00 feet, West 345.00 feet and S.45°51'00"W. 1256.06 feet to the most northerly corner of Tract No. 12675 as per map filed in Book 572, pages 1 through 3, inclusive, of Miscellaneous Maps in the Office of the County Recorder of said county; thence along the boundary of said Tract No. 12675, through the following courses: S.11°00'00"E. 251.11 feet, N.77°05'00"E. 301.64 feet, S.77°57'00"E.

July 17, 1987
Page 1 of 3
W.O. 042-12086X
H & A Legal No. 1522
BFH

S.79°18'54"W. 109.71 feet, Westerly along a tangent 6746.00 foot radius curve, concave Southerly, through a central angle of 3°56'53" a length of 464.84 feet, S.18°38'00"W. 271.48 feet, S.84°28'00"W. 105.76 feet, Southwesterly along a 1100.00 foot radius curve, concave Northwesterly, through a central angle of 42°01'45" a length of 806.90 feet, S.40°34'11"W., 655.95 feet, Southerly along a tangent 2000.00 foot radius curve, concave Easterly, through a central angle of 53°35'16" a length of 1870.57 feet, S.13°01'05"E. 571.47 feet, Southerly along a tangent 1800.00 foot radius curve, concave Westerly, through a central angle of 20°02'24", a length of 629.58 feet, S.7°01'19"W. 408.71 feet, N.86°21'15"E. 47.83 feet, N.7°01'19"E. 399.86 feet, Northerly along a 1847.00 foot radius curve, concave Westerly, through a central angle of 13°53'27" a length of 447.79 feet, N.71°32'33"E. 279.64 feet, N.58°53'00"E. 460.11 feet, N.42°42'19"E. 758.09 feet, N.60°31'53"E. 776.79 feet, N.53°55'01"E. 756.86 feet, S.89°12'34"E. 624.73 feet, N.85°18'50"E. 1006.30 feet, S.89°59'06"E. 245.00 feet, N.46°11'28"E. 1205.87 feet, N.8°13'39"W. 1081.17 feet and N.21°02'42"E. 1439.00 feet to the Southwesterly terminus of that certain course in the Easterly boundary of Parcel A of Lot Line Adjustment No. LL 85-19 as per Instrument No. 85-350781, Official Records of said county; thence along said boundary N.50°34'00"E. 359.72 feet and N.17°03'00"E. 827.95 feet to the Point of Beginning.

July 17, 1987
Page 3 of 3
W.O. 042-12086X
H & A Legal No. 1522
BFH

87-502874

148.00 feet, N.12°03'00"E., 100.00 feet, S.77°57'00"E. 40.46 feet,
Southeasterly along a tangent 17.00 foot radius curve, concave
Southwesterly, through a central angle of 88°33'07" a length of 26.27
feet, Southerly along a tangent reverse 578.00 foot radius curve, con-
cave Easterly, through a central angle of 8°55'33" a length of 90.04
feet, S.88°19'26"E., 56.00 feet, Northerly along a 522.00 foot radius
curve, concave Easterly through a central angle of 13°23'02" a length
of 121.93 feet, Easterly along a 386.00 foot radius curve, concave
Northerly, through a central angle of 39°15'35" a length of 264.49
feet, N.75°59'47"E. 191.03 feet, S.87°55'00"E., 142.30 feet,
Northeasterly along a 250.00 foot radius curve, concave Northwesterly
through a central angle of 62°10'00", a length of 271.25 feet,
N.5°25'00"E. 78.61 feet, S.84°06'36"E. 116.41 feet, S.53°55'00"E.
46.71 feet, S.66°48'00"E. 58.15 feet, S.78°20'00"E. 54.15 feet,
S.88°40'00"E. 48.67 feet, N.41°25'00"E. 9.95 feet, S.12°50'00"E. 97.70
feet, S.17°21'45"E. 57.00 feet, Westerly along a 1807.00 foot radius
curve, concave Northerly, through a central angle of 8°48'25" a length
of 277.75 feet, S.81°26'40"W. 709.71 feet, S.8°33'20"E. 43.00 feet,
S.81°26'40"W. 200.00 feet, S.36°26'40"W. 24.04 feet, S.81°26'40"W.
56.00 feet, S.8°33'20"E. 33.00 feet, S.81°26'40"W. 530.14 feet and
N.9°30'39"W. 46.87 feet to the Northeasterly terminus of that certain
course in the Northerly boundary of said Parcel 1 shown on said Parcel
Map No. 83-117 as "N.79°18'54"E., 109.71 feet"; thence, along the
boundary of said Parcel 1 through the following courses:

July 17, 1987
Page 2 of 3
W.O. 042-12086X
H & A Legal No. 1522
BFH