

and (2) the Association is obligee under a bond or other arrangement ("Bond") required by the DRE to secure performance of the commitment of Grantor to complete the Improvements, the Board of Directors of the Association ("Board") shall consider and vote on the question of action by the 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 Association has given an extension in writing for the completion of any Improvement on the Common Areas or the Association Properties, 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.

Section 2. Consideration by the Members. A special meeting of Members, 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 fifteen (15) days nor more than thirty (30) days after receipt by the Board of a petition for such a meeting signed by Members representing ten percent (10%) of the total voting power of the Association. A vote by Members of the Association other than Grantor shall be taken at such special meeting. A vote of a majority of the voting power of the Association residing in Members other than Grantor to take action to enforce the obligations under the Bond shall be deemed to be the decision of the Association, and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

ARTICLE XVI

GENERAL PROVISIONS

Section 1. Legal Proceedings. The failure of any Unit Owner, his family, guests, employees, invitees or tenants to comply with any of the Windwood Restrictions, after Notice and Hearing as set forth in the By-Laws of the Association (except for the non-payment of any Assessments provided for herein), shall be grounds for relief which may include, without limiting same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision, or any other provision hereof. The Board, the City of Santa Ana, any Unit Owner (not at the time in default hereunder), or Grantor shall be entitled to bring an action for damages against any defaulting Unit Owner, and in addition may enjoin any violation of this Declaration. Any judgment rendered in any action or proceeding pursuant thereto 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 any delinquent payment, interest thereon, costs of collection and court costs. Each remedy provided for in this Declaration shall be cumulative and not exclusive or exhaustive.

Section 2. Violation of Restrictions. Without in any way limiting the generality of the foregoing, in the event that the Architectural Committee determines that an Improvement is in need of repair, restoration or painting, or that landscaping is in need of installation, repair, or restoration, or the Board of Directors determines that there is a violation of any provision of the

Windwood Restrictions, then the Board shall give written Notice to the Unit Owner of the condition or violation complained of. Unless the Architectural Committee has approved in writing corrective plans proposed by the Unit Owner to remedy the condition complained of within such period of time as may be determined reasonable by the Architectural Committee after it has given said written notice, and such corrective work so approved is completed thereafter within the time allotted by the Board, the Board, after giving such Unit Owner an opportunity for a Hearing as provided in the By-Laws, shall undertake to remedy such condition or violation complained of, and the cost thereof shall be charged to the Unit Owner and his Condominium whose Residence is the subject matter of the corrective work. Such cost shall be deemed to be a Special Assessment to such Unit Owner, and his Condominium, and shall be subject to levy, enforcement and collection by the Board in accordance with the assessment lien procedure provided for in this Declaration.

Section 3. Severability. The provisions hereof shall be deemed independent and severable, and a determination of invalidity or partial invalidity or unenforceability of any one provision or portion hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provisions hereof.

Section 4. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the creation and operation of a residential condominium development and for the maintenance of Common Areas, and any violation of this Declaration shall be deemed to be a nuisance. The Article and Section headings, titles and captions have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. As used herein, the singular shall include the plural and the masculine, feminine and neuter shall mean the same.

Section 5. Mergers or Consolidations. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions and restrictions established by this Declaration governing the Project and the Association Properties, together with the covenants and restrictions established upon any other property, as one plan.

Section 6. Use of Recreational Facilities. The Board of Directors shall have the right to limit the number of guests that a Unit Owner may permit to use the parking and recreational facilities on the Common Areas and the Association Properties, and the Board shall have the right to set further reasonable restrictions on the time and manner of use of said parking spaces and other recreational facilities, in accordance with the Windwood Rules and Regulations.

Section 7. No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Property or the Project to the public, or for any public use.

Section 8. No Representations or Warranties. No representations or warranties of any kind, express or implied, have been given or made by Grantor, or its agents or employees in connection with the Project, the Association Properties, or any portion thereof, their physical condition, 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 Condominium Project, except as specifically and expressly set forth in this Declaration and except as may be filed by Grantor from time to time with the California Department of Real Estate.

Section 9. Nonliability and Indemnification. No right or power conferred on the Board or the Architectural Committee by virtue of this Declaration or by the Articles or By-Laws shall be construed as a duty, obligation or disability charged upon the Board of Directors, the Architectural Committee, or upon any director or member thereof, and except for injuries arising out of their malicious acts, no member of the Board or the Architectural Committee, shall be liable to any Person for his decisions or failure to act in making decisions as a member of the Board or the Committee. The Association shall pay all expenses incurred by, and satisfy any judgment or fine rendered or levied against, any Person who is or has been a director, officer, employee or committee member of the Association in any action brought by a third party or the Association against such Person (whether or not the Association is joined as a party defendant) to impose a liability or penalty on such Person while a director, officer, employee, or committee member; provided, that the Board determines in good faith that such director, officer, employee or committee member was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the Association or its Members. Payments include amounts paid and expenses incurred in settling any such action or threatened action. This provision shall be construed to provide for such payments and indemnification to the fullest extent permitted by the provisions of the applicable laws.

Section 10. Notices. Except as otherwise provided in this Declaration, in each instance in which notice is to be given to a Unit Owner, the same shall be in writing and may be delivered personally to the Unit Owner, in which case personal delivery of such notice to one or more co-owners of a Condominium or to any general partner of a partnership owning a Condominium shall be deemed delivery to all co-owners or to the partnership, as the case may be. Personal delivery of such notice to any officer or agent for the service of process on a corporation shall be deemed delivery to the corporation. In lieu of the foregoing, such notice may be delivered by regular United States mail, postage prepaid, addressed to the Unit Owner at the most recent address furnished by such Unit Owner to the Association or, if no such address shall have been furnished, to the street address of such Unit. Such

notice shall be deemed delivered seventy-two (72) hours after the time of such mailing, except for notice of a meeting of Members or of the Board of Directors in which case the notice provisions of the By-Laws of the Association shall control. Any notice to be given to the Association may be delivered personally to any Member of the Board, or sent by United States mail, postage prepaid, addressed to the Association at such address as shall be fixed from time to time and circulated to all Unit Owners.

Section 11. Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the By-Laws of the Association, the terms and provisions of this Declaration shall prevail.

THIS DECLARATION has been executed on the date first written above.

THE WILLIAM LYON COMPANY,
A California corporation

By: *James E. McManis*
Its VICE PRESIDENT

(SEAL)

By: *James E. Bridley*
Its ASSISTANT SECRETARY

Approved by City of Santa Ana:

By: *[Signature]*
City Manager

Approved as to Form:

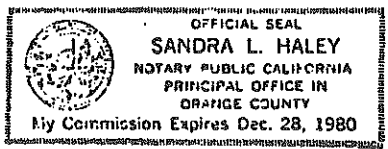
By: *Leith P. Smy*
City Attorney

By: *[Signature]*
Planning Director

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

On MAY 9, 1977, before me, the undersigned,
a Notary Public in and for said State, personally appeared
JAMES E. MC NAMARA, known to me to be the VICE
PRESIDENT, and JOYCE E. GRIGSBY, known to me
to be the ASSISTANT SECRETARY, of THE WILLIAM LYON COMPANY,
the corporation that executed the within instrument, known to me
to be the persons who executed the within instrument on behalf of
the corporation therein named, and acknowledged to me that such
corporation executed the within instrument pursuant to its By-Laws
or a resolution of its Board of Directors.

WITNESS my hand and official seal.



Sandra L. Haley
Notary Public in and for said State
SANDRA L. HALEY