

Section 38. Windwood Restrictions. "Windwood Restrictions" shall mean this Declaration and the Windwood Rules and Regulations of the Association from time to time in effect.

Section 39. Windwood Rules and Regulations. "Windwood Rules and Regulations" shall mean the rules and regulations adopted by the Board pursuant to the By-Laws, as such rules and regulations may be amended from time to time.

## ARTICLE II

### ANNEXATION OF ADDITIONAL PROPERTY

Additional real property may be annexed to Phase 1 of the Project and such additional real property may become subject to this Declaration by any of the methods set forth hereinafter:

Section 1. Additions by Grantor. If Grantor, its successors or assigns, shall develop, or cause to be developed, additional real property ("Annexed Property") within the area located in the City of Santa Ana, County of Orange, State of California, which is more particularly described in Exhibit "A" which is attached hereto and by this reference incorporated herein, Grantor or its successors or assigns shall have the right from time to time to add such Annexed Property or any portion or portions thereof to the Project and to bring such Annexed Property within the general plan and scheme of this Declaration without the approval of the Association, its Board of Directors, or Members; provided that such a right of Grantor and its successors and assigns shall terminate on the third anniversary of the original issuance of the most recently issued Final Subdivision Public Report for a phase of the development of the Project. As each phase of development is developed, Grantor may, with respect thereto, record a Supplemental Declaration which may supplement this Declaration with such additional covenants, conditions, restrictions, reservations and easements as Grantor may deem appropriate for that phase of development of the Project. A "phase of development" for purposes of this Declaration means a portion of subdivided real property for which a Notice of Addition of Territory shall be recorded and for which a Final Subdivision Public Report is sought by Grantor from the California Department of Real Estate, and Phase 1 shall consist of all of the real property described in Paragraph A of the Preamble of this Declaration.

Section 2. Other Additions. In addition to the provision for annexation specified in Section 1 above, additional real property may be annexed to the Project and brought within the general plan and scheme of this Declaration upon the approval by vote or written consent of Members entitled to no less than two-thirds (2/3rds) of the voting power of both Classes of Members.

Section 3. Title to Association Properties. Prior to the conveyance of any Condominium within the Annexed Property to a purchaser thereof pursuant to a Final Subdivision Public Report, whether such annexation was accomplished by either method set forth in Sections 1 and 2 above, title to the Association Properties, if any, within said Annexed Property shall be conveyed to the Association, free and clear of any and all encumbrances and

liens, subject to reservations, easements, covenants, conditions and restrictions then of record, including those set forth in this Declaration.

Section 4. Notice of Addition of Territory. The additions authorized under Sections 1 and 2 of this Article II shall be made by filing of record a Notice of Addition of Territory, or other similar instrument (which Notice or Instrument may contain the Supplemental Declaration, if any, affecting each such addition), with respect to the additional property which shall be executed by Grantor or the Owner thereof and shall extend the general plan and scheme of this Declaration to such Annexed Property. The filing of record of said Notice of Addition shall constitute and effectuate the annexation of the Annexed Property described therein, and thereupon said Annexed Property shall become and constitute a part of the Project, become subject to this Declaration and encompassed within the general plan and scheme of covenants, conditions, restrictions, reservation of easements and equitable servitudes contained herein, and become subject to the functions, powers and jurisdiction of the Association; and the Unit Owners of Condominiums in said Annexed Property shall automatically become Members of the Association. Such Notice of Addition may contain such additions and modifications of the covenants, conditions, restrictions, reservation of easements and equitable servitudes contained in this Declaration as may be necessary to reflect the different character, if any, of the Annexed Property, or as Grantor may deem appropriate in the development of the Annexed Property, and as are not inconsistent with the general plan and scheme of this Declaration. In no event, however, shall such Notice of Addition revoke, modify or add to the covenants, conditions, restrictions, reservation of easements, or equitable servitudes established by this Declaration as the same shall pertain to the real property originally covered by this Declaration. No addition of territory shall substantially increase assessments or substantially increase the burden upon the facilities of the Association Properties.

Section 5. Deannexation. Grantor may delete all or a portion of a phase of development of the Project from coverage of this Declaration and the jurisdiction of the Association, so long as Grantor is the owner of all of such Annexed Property, and provided that a Notice of Deletion of Territory is recorded in the Office of the Orange County Recorder in the same manner as the applicable Notice of Addition was recorded.

### ARTICLE III

#### WINDWOOD FOREST HOMEOWNERS ASSOCIATION

Section 1. Organization of Association. The Association is or shall be incorporated under the name of WINDWOOD FOREST HOMEOWNERS ASSOCIATION, as a corporation not for profit under the General Nonprofit Corporation Law of the State of California.

Section 2. Duties and Powers. The duties and powers of the Association are those set forth in the Articles, together with its general and implied powers of a nonprofit corporation, generally to do any and all things that a corporation organized under the