

Section 7. Right of De-Annexation. Declarant (and each Merchant Builder with Declarant's consent) shall have the right to revoke a Notice of Annexation, provided and on condition that each and all of the following conditions are satisfied: (i) no escrow has closed for the sale of a Lot or Condominium in the Phase being deannexed; (ii) Declarant has not exercised any vote attributable to any Lot or Condominium in the Phase being deannexed; (iii) Assessments have not commenced as to any Lot or Condominium in the Phase being deannexed; (iv) no Master Association Property in the Phase being deannexed has been conveyed to the Master Association; and (v) a Revocation, Notice of De-annexation or other similar instrument is executed by Declarant (and the Merchant Builder, if applicable) and recorded with the County Recorder.

ARTICLE XVII

ENFORCEMENT OF BONDED OBLIGATIONS

Section 1. Enforcement of Bonded Obligations. In the event that the Improvements to the Master Association Property have not been completed prior to the issuance of a Final Subdivision Public Report by the DRE for a Phase of the Community, and the Master Association is the obligee under a bond or other arrangement (hereinafter referred to as the "Bond") to secure the performance of a commitment by Declarant or a Merchant Builder to complete such Improvements, the following provisions shall apply:

(a) Board Action. 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 Improvements for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified for such Improvements in the Planned Construction Statement appended to the Bond. If the Master Association has given an extension in writing for the completion of any Master Association Property, the Board shall consider and vote on the

question if a Notice of Completion has not been filed within thirty (30) days after the expiration of the extension.

(b) Meeting of the Members. In the event that the Board determines not to initiate action to enforce the obligations under the Bond, or in the event the Board fails to consider and vote on such question as provided above, the Board shall call a special meeting of the Members for the purpose of voting to override such decision or such failure to act by the Board. Such meeting shall be called according to the provisions of the ByLaws dealing with meetings of the Members, but in any event, such meeting shall be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a petition for such meeting signed by Members constituting five percent (5%) of the total voting power of the Master Association.

(c) Vote by the Members. The only Members entitled to vote at such meeting shall be the Members, other than Declarant and the Merchant Builders. A vote at such meeting by a majority of the voting power of the Master Association, other than the Declarant and the Merchant Builders, 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 such decision by initiating and pursuing appropriate action in the name of the Master Association.

ARTICLE XVIII

GENERAL PROVISIONS

Section 1. General Rights of Enforcement.

(a) Enforcement of Protective Covenants. The Declarant, each Merchant Builder, the Master Association, each Sub-Association (if any), and/or any Owner of a Lot or Condominium in the Community shall have the right to enforce, by proceedings at law or in equity, all of the Protective