

(a) Vehicular access into portions of the Properties may be controlled by electronically operated entry gates located at the private alleyway entrances into certain Dwelling Units. These entry facilities may have controlled access pedestrian gates.

(b) Declarant reserves the right to limit the operation of any such vehicular entry gates during the marketing period for the sale of Lots in the Properties when Declarant or Merchant Builders are offering Lots for sale.

(c) The entry gates, if any, are not intended to provide security for persons, personal property or Lots within the Properties. Declarant, the Merchant Builders and the Association do not undertake to provide security for the Properties nor do they make any representations or warranties whatsoever concerning the effect the gates may have on vehicular and pedestrian access through the Properties or the privacy and safety of the Properties.

(d) Each Owner of a Lot in the Properties acknowledges by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other instrument, that Declarant has a substantial interest in assuring unrestricted access to the Properties to accommodate the construction and marketing of the Lots and development of the Properties. Therefore, notwithstanding any other provisions of the Restrictions, until (i) the Close of Escrow has occurred for the sale of all Residences in the Properties, and (ii) Declarant and Merchant Builders are no longer entitled to add Annexable Territory to the Properties without the vote of the other Owners pursuant to Article XIV, Declarant is entitled to control the operation of any entry gates which provide vehicular access to the Properties. During the marketing period Declarant may establish and change the hours of gate operation in its sole discretion without notice, and require that any entry gates be open to the general public to accommodate construction and marketing activities.

ARTICLE XIV

14. Annexation of Additional Property. Additional real property may be annexed to Phase 1A and Phase 1B and such additional real property may become subject to this Declaration by any of the following methods:

14.1 Additions by Declarant or Merchant Builders. Declarant, or a Merchant Builder or their successors or assigns may add the Annexable Territory, or any portion or portions thereof (including any Common Area located therein), to the Properties and bring such added territory within the general plan of this Declaration without the approval of the Association, the Board, or Owners; provided that such right of Declarant, Merchant Builders, and their successors and assigns will terminate on the third (3rd) anniversary of the original issuance of the most recently issued Final Subdivision Public Report for the most recent Phase. As each Phase is developed, Declarant or a Merchant Builder, as applicable, may, with respect thereto, Record a supplemental declaration ("Supplemental Declaration") which may supplement this Declaration with such additional covenants, conditions, restrictions, reservations and easements as Declarant or the Merchant Builder may deem appropriate for that Phase.

14.2 Other Additions. In addition to the provisions for annexation specified in Section 14.1 above, additional real property may be annexed to the Properties and brought within the general plan of this Declaration upon the approval by vote or written consent of Owners entitled to exercise no less than two-thirds (2/3rds) of the Association's voting power. Notwithstanding

the foregoing, so long as there are Class B Members and if VA or FHA have issued a "project approval", as defined in Section 14.5, below, for the Initial Closing Phase, any such annexation shall require the prior approval of the VA and FHA, as applicable.

14.3 Rights of Added Territory Owners. Subject to the provisions of Section 14.4, upon the Recording of a Notice of Addition containing the provisions as set forth in this Section, all provisions contained in this Declaration will apply to the real property described in such Notice of Addition (the "added territory") in the same manner as if it were originally covered by this Declaration. Thereafter, the rights, powers and responsibilities of the parties to this Declaration with respect to the added territory will be the same as with respect to the property originally covered hereby, and the rights, powers and responsibilities of the Owners, lessees and occupants of Lots within the added territory, as well as within the property originally subject to this Declaration, will be the same as if the added territory were originally covered by this Declaration. From and after the first day of the first month following the first Close of Escrow in the added territory, the Owners of Lots located in the added territory shall share in the payment of assessments to the Association to meet Common Expenses of the entire Properties as provided in Section 6.6.2 hereof. Voting rights attributable to the Lots in the added territory do not vest until Annual Assessments have commenced as to such Lots.

14.4 Notice of Addition. The additions authorized under Sections 14.1 and 14.2 must be made by Recording a Notice of Addition, or other similar instrument (which notice or instrument may contain the Supplemental Declaration, if any, affecting each such Phase), with respect to the added territory ("Notice of Addition") which will extend the general plan of this Declaration to such added territory. The Notice of Addition for any addition under Section 14.1 must be signed by Declarant or both Declarant and the Merchant Builder which owns such added territory. The Notice of Addition for any addition under Section 14.2 must be signed by at least two (2) officers of the Association to certify that the requisite Member approval under Section 14.2 was obtained. The Recordation of said Notice of Addition effectuates the annexation of the added territory described therein, and thereupon said added territory will constitute a part of the Properties, become subject to this Declaration and encompassed within the general plan of covenants, conditions, restrictions, reservation of easements and equitable servitudes contained herein, and become subject to the Association's functions, powers and jurisdiction; and the Owners of Lots in the added territory will automatically become Members. Such Notice of Addition may contain a Supplemental Declaration with 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 added territory, or as Declarant or both Declarant and the Merchant Builder which owns such added territory deems appropriate in the development of the added territory, and as are not inconsistent with the general plan of this Declaration. In no event, however, may such Notice of Addition or Supplemental Declaration revoke, modify or add to the covenants, conditions, restrictions, reservation of easements, or equitable servitudes established by this Declaration as the same pertain to the real property originally covered by this Declaration.

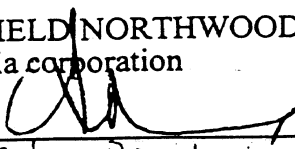
14.5 Deannexation and Amendment. Declarant or a Merchant Builder may amend a Notice of Addition or delete all or a portion of a Phase from coverage of this Declaration and the Association's jurisdiction so long as Declarant or such Merchant Builder, as applicable, is the owner of all of such Phase and provided that (a) an amending instrument or a Notice of Deletion of Territory, as applicable, is Recorded in the same manner as the applicable Notice of Addition was Recorded (including execution by both Declarant and Merchant Builder if Merchant Builder is the Owner of the Phase), (b) Declarant or the Merchant Builder has not exercised any Association vote with respect to any portion of such Phase, (c) assessments have not yet commenced with respect to any portion of such Phase, (d) Close of Escrow has not occurred for the sale of any Lot in such Phase, (e) the Association has not made any expenditures or incurred any obligations with respect to any portion of such Phase, and (f) if VA or FHA has issued a

"project approval" for such Phase (i.e., has agreed to guarantee or insure loans secured by mortgages on Lots located in such Phase), VA, FHA or other, as applicable, have approved such deannexation or amendment.

This Declaration is dated for identification purposes August 28, 1997.

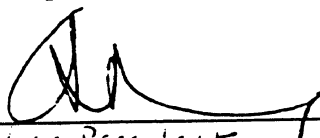
"DECLARANT"

BROOKFIELD NORTHWOOD 2 INC.,
a California corporation

By: 
Its Vice President

"BN2"

BROOKFIELD NORTHWOOD 3 INC.,
a California corporation

By: 
Its Vice President

"BN3"