

ARTICLE 12

ANNEXATION

If developed as planned, the La Costa Oaks Community will continue to grow and expand to include new property. This Article describes how this annexation process occurs. In certain situations, the Declarant may also de-annex some of the property already covered by this Declaration. That process is also covered in this Article.

12.1 Annexation. Any of the Additional Property may be annexed to and become subject to this Declaration by any of the methods set forth hereinafter in this Article. Declarant intends to sequentially develop the Additional Property on a phased basis. However, Declarant may elect not to develop all or any part of such real property, to annex such real property to this Declaration in increments of any size whatsoever, or to develop more than one such increment at any given time and in any given order. Moreover, Declarant reserves the right to subject this Declaration to one or more separate declarations of covenants, conditions and restrictions and to subject such property to the jurisdiction and power of a non-profit mutual benefit corporation or other entity with powers and obligations similar to the Community Association and which is not subject to the provisions of this Declaration. Although Declarant shall have the ability to annex the Additional Property as provided in this Article, Declarant shall not be obligated to annex all or any portion of such property, and such property shall not become subject to this Declaration unless and until a Supplementary Declaration covering it has been recorded.

12.2 Annexation Without Approval. All or any part of the Additional Property may be annexed to and become subject to this Declaration and subject to the jurisdiction of the Community Association without the approval, assent or vote of the Community Association or its Members.

12.3 Covenants Running with the Land. Declarant may transfer all or any portion of the Covered Property or the Additional Property to a builder under a grant deed wherein Declarant reserves the right to annex such property and subject it to this Declaration. The restriction on the Additional Property wherein it may be made subject to this Declaration upon the recordation of a Supplementary Declaration is hereby declared to be an equitable servitude upon the Additional Property in favor of the Covered Property and shall run with the land and be binding on and inure to the benefit of all parties having or acquiring any right, title or interest, in such Additional Property.

12.4 Supplementary Declarations. If not already annexed, the recordation of a Supplementary Declaration shall constitute and effectuate the Annexation of said real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Community Association, and thereafter said annexed real property shall be part of the Covered Property and subject to all of the terms and provisions of this Declaration. Supplementary Declarations may also be recorded by Declarant with respect to a Phase, which may further delineate any Community Association Property, Common Maintenance Area or Special Benefit Area or Special Benefit Maintenance Areas within such Phase or contain complementary additions and modifications as provided in this Section 12.4 or