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**SECOND AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
MERCER'S PRESERVE AT LAKE COMANCHE
Comanche County, Texas**

The undersigned Declarant previously caused to be recorded that certain Declaration of Covenants, Conditions and Restrictions for Mercer's Preserve at Lake Comanche in Volume 816, Page 261 of the official records of Comanche County, Texas (the "Original CCRs") and subsequently caused to be recorded that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions in Volume 816, Page 442 (the "Amended CCRs"). In its capacity as Declarant and pursuant to Paragraphs 6.A. and 7.D. of the Original and Amended CCRs, Declarant intends to and does hereby amend, replace and restate the Amended CCRs in its entirety as set forth below and this instrument shall for all purposes, amend, replace and restate the Amended CCRs previously recorded.

THIS DECLARATION is made by Texas Land and Ranches, Inc., a Texas corporation, as to Mercer's Preserve at Lake Comanche, acting in its capacity as Owner and Developer, along with its successors and designees.

This Declaration is being recorded to establish a general plan for the development, sale, lease and use of the Project in order to protect and enhance the value and desirability of the Project. The Declarant declares that all of the property within the Project shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each person or entity, for him/herself or itself, his/her heirs, personal representatives, successors, transferees and assigns, binds him/herself, his/her heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the development, sale, lease and use of the Property and hereby evidences his/her interest that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the Association and all Owners. Declarant, its successors, assigns and grantees, covenants and agrees that the Parcels and the membership in the Association and the other rights created by this Declaration shall not be separated or separately conveyed, and each membership shall be deemed to be conveyed or encumbered with its respective Parcel even though the description in the instrument of conveyance or encumbrance may refer only to the Parcel.

1. DEFINITIONS

As used herein, the following terms have the following meanings:

- A. "Additional Property" means the real property owned by Declarant which is adjacent to or situated within the vicinity of the Property, together with all improvements situated thereon.
- B. "Association" means the Lake Comanche Property Owners Association, a Texas nonprofit corporation, as referred to in Paragraph 2 of this Declaration.
- C. "Boat Dock / Pier" means any structure extending into the lake where boats are docked.
- D. "Bona Fide First Deed of Trust" means any deed of trust or realty mortgage, or agreement for sale made in good faith and for value and properly executed and recorded so as to create a lien on any Parcel or Parcels that is prior to the lien of any other deed of trust or realty mortgage.
- E. "Declaration" means this Second Amended and Restated Declaration of Covenants, Conditions, and Restrictions.
- F. "Declarant" means Texas Land & Ranches, Inc., a Texas corporation.
- G. "Owner" shall mean and refer to the owner of record, whether one or more persons or entities, of fee or equitable or beneficial title to any Parcel, including Declarant. Owner shall include the purchaser of a Parcel under an executory contract for purchase. The foregoing definition does not include persons or entities that hold an interest in any Parcel solely as security for the performance of an obligation.
- H. "Parcel" or "Parcels" means a portion of the Project intended for independent ownership and use and designated as a Parcel on the Record of Survey, either individually or collectively as the case may be as such divisions maybe allowed by law.
- I. "Property" or "Project" means the real property described on Exhibit "A", attached to this Declaration, together with all improvements located thereon, and all Additional Property, together with all improvements located thereon, which is annexed and subjected to this Declaration by the Declarant pursuant to Paragraph 3 of this Declaration. The Property is comprised of the "Mercer's Preserve at Lake Comanche" Property.
- J. "Transition Date" means that date specified on or before which the Declarant transfers control of the Association to the Parcel Owners at such time as one hundred percent (100%) of the Parcels have been sold or earlier, at Declarant's option.

2. PROPERTY OWNERS ASSOCIATION.

A. The Property shall be subject to the Lake Comanche Property Owners Association. The purpose of the Association is: (1) To maintain and improve: (a) the roadways (including snow removal), gates, fences and roadway drainage facilities within the Property; (b) any wells and their appurtenances designated by Declarant as common area; and (c) any other common areas, ie. Lake Comanche, benefiting the Property and designated by Declarant for maintenance by the Association. (2) To maintain and improve roadways on land not within the Property that lie within public or private easements, but only if such roadways provide access to the Property from highways and roads maintained by public funds. Nothing stated in subpart 2.A(2) shall be construed to require the Association to maintain the roadways described in that subpart.

B. Each and every Parcel Owner, in accepting a deed or contract for any Parcel, whether or not it is so expressed in such deed or contract, automatically becomes a member of the Association, and agrees to be bound by such reasonable rules and regulations as may, from time to time, be established by the Association. Membership shall be appurtenant and may not be separated from ownership of the Parcel. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon transfer of ownership of such Parcel, whether in testate succession, by testamentary disposition, foreclosure of a deed of trust or a mortgage, or such other legal processes as are now in effect or an may be hereafter established pursuant to the laws of the State of Texas. The Association shall be operated and conducted on a strictly cooperative and nonprofit basis. Each Parcel Owner as a member shall have such voting rights as set forth in this Declaration.

C. The Association shall take necessary and appropriate action for the maintenance, repair, replacement, and management of the facilities referred to in subpart 2.A(1) above, and shall have the right to enter upon a Parcel, if reasonably necessary, in order to take such action. The Association may take such action as the Association deems appropriate to maintain or repair the facilities referred to in subpart 2.A(2), above.

D. The Association shall have the power to borrow and encumber its assets and in all respects, shall have the powers set forth herein, including the power to enter into contracts with third parties to perform all or part of its functions, and to hire its own employees to do so. The Association shall have the power to obtain appropriate insurance, to create reserves, and to issue rules and regulations.

E. Each Parcel Owner shall pay: (1) Regular assessments for normal maintenance and repair and reserves along with insurance and operating costs; (2) Special assessments for capital improvements with such assessments to be established by the Association. For each Parcel the applicable regular and any special assessments, late payment penalties and charges, if any, together with interest, (all as set by the Association) costs, and reasonable attorney's fees shall be a lien on a Parcel. Each Parcel

Owner shall be personally responsible for his or her share of assessments imposed by the Association. This personal obligation or delinquent assessments shall not pass to the Owner's successor, PROVIDED HOWEVER, the obligation to pay the same shall be a continuing lien on the applicable Parcel, excepting for the provisions of Paragraph 2.L. below, relating the beneficiaries of deeds of trusts and realty mortgages.

F. The Association shall, on an annual basis, make a determination of the estimated costs of insurance, operating costs and the repair and maintenance of the roadways and any other designated common areas as shown on the Record of Survey or otherwise so designated, including any reserves necessary for future capital expenditures and maintenance. The Association shall furthermore allocate such estimated costs for roadway and common areas servicing the Property. Regular annual assessments shall include the cost of roadway and any other common area maintenance and repair within the Project. Assessments shall be charged to each applicable Owner on a per Parcel, per year basis. The assessments may be collected monthly, quarterly, annually, or by any combination of same as determined by the Association. The Association shall prepare an annual budget and also an annual accounting of monies received and disbursed.

G. Each Owner, other than Declarant, shall be responsible to pay the regular assessment which will be assessed as of the date of recordation of the deed or purchase contract wherein the Owner acquired legal, beneficial or equitable title to the Parcel. The Parcel Owner acquiring his or her interest from Declarant during the calendar year shall be obligated for a pro rata portion thereof. The Declarant shall not be responsible for comparable assessments on each Parcel owned by it. However, Declarant may be responsible for providing labor, material and/or monies in sufficient amounts, not to exceed the amount of the normal Parcel assessment for each Parcel owned by it, if necessary in Declarant's opinion, to properly fulfill the Association's maintenance responsibilities until the Transition Date or earlier, at Declarant's option.

The amount of regular assessments shall be set by the Association on an annual calendar year basis. The Association shall fix the amount of the regular assessments at least thirty (30) days prior to the end of the calendar year. Written notice of the assessments shall be sent to every Owner and shall state the payment due date as established by the Association. The initial regular assessment shall be \$245.00 per Parcel per year. Said payment is to be paid within 30 days of the assessment due date.

DECLARANT SHALL MAINTAIN THE ROADWAYS UNTIL THE TRANSITION DATE OF THE ASSOCIATION.

H. In addition to the regular assessments as set forth above, the Association may set special assessments if the Association determines that such is necessary to meet the primary purposes of the Association. Special assessments shall be established by two-thirds (2/3) of the number of votes cast by members representing a twenty-five percent (25%) quorum. Any special assessments shall be allocated and charged on the same basis per Parcel as regular assessments.

I. All sums assessed by the Association chargeable to a Parcel, but unpaid, shall constitute a lien on such Parcel prior to all other liens excepting only ad valorem liens in favor of a governmental assessing unit or special assessment district. The Association lien may be foreclosed by the Association in a like manner as a foreclosure of a real property deed of trust or realty mortgage. The Association shall have the power to bid on the delinquent Parcel at a foreclosure sale, and acquire, hold, lease, encumber and convey the same. A suit to recover a money judgment for unpaid assessments and charges shall be maintainable by the Association without foreclosing or waiving the lien securing the same.

J. The total number of votes in the Association shall be on the basis of one (1) vote per Parcel, except that the Declarant shall have four (4) votes for each such Parcel it owns. The total number of Parcels and therefore the total number of votes may also be increased or decreased from time to time by the annexation of Additional Property or the de-annexation of Property, pursuant to Paragraphs 3 and 4 of this Declaration. Unless otherwise specifically provided herein, all Association matters shall be determined by a majority vote (i.e., a majority of the votes cast) so long as the quorum requirements are met. If more than one party is the Owner of a Parcel, there must be unanimous agreement among those who own an interest, otherwise the vote(s) attributable to that Parcel shall not be counted. Any action requiring a vote of the members that the Association may take at any annual, regular or special meeting may take place one of three ways: (1) In person at a meeting; (2) By written proxy at a meeting; and (3) By written ballot in lieu of a meeting according to the terms stated in the Bylaws. Subject to Paragraphs 2.H, 7.D, and 7.E and of this Declaration, members present at a meeting of the members or represented by proxy, holding one-tenth of the votes entitled to be cast (10%), shall constitute a quorum. If written ballot is used, the number votes cast must equal or exceed the number of votes required to approve the matter at a meeting.

K. Subject to Paragraph 6 herein, the members of the Association shall elect the board of directors who shall have the power to adopt Bylaws and appoint officers, as well as promulgate reasonable rules and regulations relating to the matters within its purpose. Unless otherwise stated herein, the directors shall conduct the affairs and exercise the powers of the Association.

L. Where the holder of a Bona Fide First Deed of Trust, including Declarant, obtains title to the Parcel as a result of a trustee's sale, or deed in lieu of foreclosure, of said Bona Fide First Deed of Trust, such acquirer of title, its successors and assigns, shall not be liable for the share of the assessments by the Association chargeable to such Parcel which became due prior to the acquisition of title to such Parcel by such acquirer. Such acquirer shall be responsible, as any Owner, for assessments charged subsequent to the acquisition.

M. In the event the Association determines that any Parcel Owner has not complied with the provisions of this Declaration, the Association may, at its option, give written

notice to the Owner of the conditions complained of. The Owner shall correct same or, if not readily correctable within fifteen (15) days after notice from the Association, the Owner shall submit corrective plans proposing its remedy to the condition complained of with fifteen (15) days after notice from the Association. The Association shall approve or disapprove any plans submitted by the Owner and set forth a reasonable time for correction of the condition complained of. In the event such condition is not corrected according to the approved plans within the allotted-time, the Association shall have the right to undertake to remedy such condition or violation complained of. The cost thereof shall be deemed to be an assessment to such Owner and enforceable by the Association in the same manner as any other unpaid assessment. The Association is hereby granted the right of entry onto the affected Parcel to so correct the condition or violation complained of.

3. ANNEXATION OF ADDITIONAL PROPERTY.

A. Declarant, its successors and designees reserve all present and future rights to utilize all private roads and easements within the Project to comparably develop lands within or adjacent to the Project. Any such expansion to be included within this Declaration shall be subject to the terms and conditions of this Declaration but may include reasonable variances.

B. At any time the Declarant shall have the right to annex and subject to this Declaration all or any portion of the Additional Property without the consent of any other Owner or person. The annexation of all or any portion of the Additional Property shall be effected by the common area or any other area which will be maintained, repaired and replaced by the Association. Unless a later effective date is set forth in the Declaration of Annexation annexing Additional Property, the annexation shall become effective upon the recording of the Recorded Survey Plat(s) of the Additional Property.

Additional Property being annexed into separate phases shall provide for a separate effective date with respect to each phase. The voting rights of the Owners of Parcels annexed pursuant to this section shall be effective as of the date the annexing such property is recorded. The Parcel Owner's obligation to pay assessments shall commence as provided in Paragraph 2 of this Declaration. If Declaration of Annexation annexing a portion of the Additional Property divides the annexed portion of the Additional Property into phases, the Declarant shall have the right to amend any such Declaration of Annexation to change the description of the phases within the annexed Project, except that the Declarant may not change any phase in which a Parcel has been conveyed to an Owner.

C. Declarant makes no assurances as to the exact number of Parcels that will be added to the Project by annexation or if all or any portion of the Additional Property will be annexed.

D. The Additional Property may be annexed as a whole, at one time or in one or more portions at different times, or it may never be annexed, and there are no limitations

upon the order of annexation or the boundaries thereof. The Additional Property annexed by the Declarant pursuant to this Paragraph 3 need not be contiguous with other Property in the Project, and the exercise of the right of annexation as to any portion of the Additional Property shall not bar the further exercise of the right of annexation as to any other portion of the Additional Property.

E. DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER THAT: 1) The Project will be completed in accordance with the plans for the Project as they exist on the date of this Declaration; 2) Any Property subject to this Declaration will be committed to or developed for a particular use or for any use; and 3) The use of any Property subject to this Declaration will not be changed in the future.

4. DE-ANNEXATION

Notwithstanding any other provision of this Declaration, Declarant shall have the right from time to time, at its sole option and without the consent of any Owner or any other person, to delete from the Property and remove from the effect of this Declaration one or more portions of the Property, so long as (a) the portion of the Property to be removed and deleted is owned by Declarant, or the Owner of such portion of the Property executes and records an instrument approving such deletion and removal; and (b) such deletion and removal would not deprive Owners of other parts of the Property of easements or rights-of way necessary to the continued use of their respective parts of the Property (unless Declarant at the same time provides for reasonably adequate replacement easements or rights-of way). Declarant may exercise its rights of de-annexation in each case by executing and causing to be recorded an instrument which identifies the portion of the Property to be so deleted and removed and which is executed by each Owner of such portion of the Property to be so deleted and removed (if other than Declarant) and the deletion and removal of such portion of the Property shall be effective upon the date such instrument is recorded, whereupon the portion of the Property so deleted and removed shall thereafter for all purposes be deemed not a part of the Property. No such deletion and removal of a portion of the Property shall act to release such portion from the lien for assessments or other charges hereunder which have accrued prior to the effective date of such deletion and removal, but all such assessments or other charges shall be appropriately prorated to the effective date of such deletion and removal. Each portion of the Property deleted and removed pursuant hereto shall thereafter be deemed to be a part of the Additional Property unless otherwise expressly provided to the contrary in the instrument recorded to effect such deletion and removal.

5. GENERAL RESTRICTIONS APPLICABLE TO ALL PARCELS

A. Single Family Residential and Recreational Use Only: All Parcels shall be used for single family residential and recreational purposes only provided, however, horses may be kept pursuant to paragraph 5.K. on parcels of 5 acres or greater.

Notwithstanding anything contained in this Paragraph this restriction shall not prohibit home offices in a residential property where business is conducted through telephone, computer, or other electronic means and where the business is not apparent from the exterior of the residence; does not create noise or congestion from traffic or parking; and preserves the residential nature of the Property. All uses shall be in compliance with Comanche County zoning regulations and permitted uses.

B. Dwelling Type: No mobile homes or doublewide manufactured homes are allowed. A site built structure can be no more than two stories in height with a maximum height of 32 feet. Homes must contain a heated living space of not less than 1,200 square feet (not including garages). The finished exterior shall be at least eighty percent (80%) constructed of wood, glass, masonry or stone and shall be in harmony with its natural surroundings and of natural colors. Architectural designs are subject to the Lake Comanche Architectural Review Committee. Septic permits must be obtained and the septic system installed and completed prior to placement of home. Building permits will be required by Comanche County and the State of Texas. Construction must be completed within twelve (12) months from commencement. All security lighting must be downward shielded to avoid glare. All electric service drops to Parcels shall be buried and the sole responsibility of the Parcel Owner. Only one single family dwelling is allowed per Parcel, not including one guest cottage which must be a minimum of 500 square feet, or small livestock barn (on Parcels of 5 acres or greater). All barn, sheds, or utility buildings are subject to architectural review by the Committee and should be in keeping with the architecture of the dwelling. No metal sheds are allowed unless approved by the Architectural Review Committee.

C. Travel Trailers, RV'S: No travel trailers or recreational vehicles may be used as a residence on a Parcel. One travel trailer or recreational vehicle may be used for temporary use only if the use extends for not more than fourteen (14) consecutive days per month during any calendar year unless the occupant has been issued a building permit by Comanche County and is diligently proceeding to construct a permanent residence on a Parcel pursuant to Comanche County regulations. No permanent structures or attachments may be made to a travel trailer or RV.

D. Sanitary Facilities: All dwellings and/or living quarters shall be self-contained, connected to a septic system, waterless toilet, or other alternative waste disposal system which has been approved by the appropriate governmental agency

E. Additional Subdivisions: No further subdivision of a Parcel is allowed.

F. No Medical Facilities: Hospitals, clinics, and other professional facilities for the treatment or care of the physically or mentally ill or disabled are prohibited.

G. Churches or Clubs: Churches, clubs, or other institutions organized for religious worship or discussion are prohibited, as are buildings used primarily as clubhouses or meeting facilities.

- H. **Vehicles:** Any motor vehicle under repair or inoperable may not be parked on any roadway, driveway or other easement. When said vehicles are parked on a Parcel, such motor vehicles must be hidden by walls, fences, screens or foliage so as to prevent visibility of the vehicle from roadways or other Parcels. All vehicles, engines or motors must be operated with a muffler and/or spark arrestor.
- I. **Trash:** No Parcel may be used for temporary or permanent storage of rubbish or trash (collectively, garbage). No garbage may be kept on any Parcel except in covered containers and screened from view from adjacent Parcels.
- J. **Junkyards, Auto Repair, Second-Hand Business, Material Storage:** No junkyards, auto repair, second-hand businesses or other commercial uses that create a negative visual impact, excessive noise or congestion from traffic or parking shall be conducted on any Parcel. No storage of trucks, cars, buses, machinery, equipment or building materials shall be stored on any Parcel unless enclosed in a proper structure so as not to be visible from roadways or adjoining Parcels.
- K. **Livestock:** No swine, goats or cattle shall be raised, bred or kept on any Parcel. A Parcel of 5 acres or greater may be used for the keeping of horses but the number of horses shall not exceed one horse per every two (2) acres of the Parcel. Under no circumstances shall a stockyard, dairy, riding stable, kennel, poultry farm or any other commercial activity involving animals be permitted.
- L. **Nuisance Activities:** The unusual, unnecessary, prolonged, or indiscriminate creation of noise, dust, fumes, odors or any other offensive activity is prohibited, including, but not limited to, excessive road racing and loud music. The discharge of guns is prohibited for target practice or the hunting of game.
- M. **Signs:** No signs will be permitted (including, but not limited to, For Sale or For Rent signs) on Parcels until after two years from the date of sale EXCEPT for address signs that identify the address and/or the Owner of the Parcel, which signs shall not exceed four (4) square feet. All signs are to be in strict conformance with the laws and ordinances set forth by Comanche County. Permits may be required. Declarant reserves the right to remove any and all signs that are in violation of the provisions in this Declaration. None of the sign restrictions in this Declaration apply to the Declarant, its assigns or successors for the purpose of selling Property including locational, directional or street signs. Nothing in this provision shall prohibit an Owner from attempting to sell their Parcel in accordance with the provisions stated in this Paragraph and in Paragraph 5.E.
- N. **Structure Setbacks:** All structures shall be built at least fifty feet (50') from the front Parcel line and 50' from the water's edge or above the 1384 foot elevation line (whichever is greater). Structures must be built at least twenty-five feet (25') from side and rear Parcel boundary lines. If local governmental regulations provide for more restrictive setbacks, those regulations shall prevail. In any event, any construction on a Parcel must comply with all applicable Comanche County building regulations.

- O. **Easements:** No structure shall be constructed on easements as shown on the Recorded Survey Plat. Parcel Owners must provide access to the subject easements whenever requested by utility companies. There shall be no further granting of easements by Parcel Owners without the express written approval of the Association
- P. **Declarant's Exemption:** Nothing herein shall be construed as prohibiting Declarant from maintaining a sales or development office on any Parcel or engaging in activities which Declarant deems appropriate to its development or sales program.
- Q. **Mineral Rights:** In no event shall any Owner or lessee use or cause to be used any portion of the Property, including his or her own Parcel, for the purpose of drilling, exploring, mining or otherwise developing any deposits of oil, minerals or other natural resources lying on, above or under said Property with the exception of drilling and exploration by the Declarant or the Owner as may be necessary to produce an adequate water supply for the development of the Parcel involved.
- R. **Environmental Protection:** The beauty of the Property is in the mixture of trees, views and open space. Trees having a minimum trunk diameter of six inches and measuring two feet above ground level may only be cut if the following conditions are met: (a) are dead or dying; and (b) removal is required to clear land for building sites, access roads, fire prevention, enable installation of utilities, view corridors, or recreational open space.
- S. **Water Wells:** Parcel Owners are allowed one (1) well per Parcel for the purpose of providing water for domestic and livestock use. There is no commercial use or sale of the water allowed. Parcel Owners are encouraged to use low flow water devices and incorporate water saving practices. For outdoor use, low water landscaping techniques (xeroscaping) shall be promoted by the use of native plants and grasses. Irrigated turf shall not exceed 3,000 square feet in size on each Parcel. Swimming pools, landscape pools, gardens, ponds, etc. holding more than 1,000 gallons may not be filled with ground water from the Property. The initial filling of such features shall be done with water brought from a source other than the Property. Water harvesting features, including, but not limited to, rainwater cisterns etc., is encouraged. Lake water may not be used for irrigation, filling of pools or ponds, or diverted in any way.
- T. **Driveway Drain Pipes.** All Parcel Owners will be required to install a driveway crossing consisting of a minimum of a twelve inch diameter by twenty foot length (12" x 20') metal pipe.
- U. **Oak Wilt Prevention:** Oak Wilt is a very serious threat that could affect the natural beauty of the Property. Therefore, it is of the utmost importance that Parcel Owners understand that any trimming, cutting or removal of the actual oak tree or the undergrowth below the tree can not be undertaken in any way, prior to the second frost or after the first bud break (approximately mid-February). It is strongly recommended that a

qualified tree specialist be retained for the cutting and treating of trees in order to avoid the inadvertent spread of this highly contagious disease.

V. **BOATS, BOATDOCKS, AND PIERS:** Owners of Parcels fronting the lake may only construct a floating boat dock in the area of water fronting their own Parcel. Boat docks are limited to two slips and shall not extend more than thirty feet (30') into the water. Boat slips are for the use of Parcel Owners only and may not be sold, rented or otherwise used for any purpose other than Parcel Owners personal use. Boat docks must be constructed with fully encapsulated floats. Boaters are required to use good judgement at all times, including adhering to "No Wake" areas located at swimming, private and common dock areas. Hours of operation are to be in keeping with normal activity. Personal watercraft is prohibited.

W. **Waiver:** The Declarant and its successor shall have the right to allow variances where strict enforcement of these restrictions would cause undue hardship.

6. DECLARANT'S CONTROL OF THE ASSOCIATION AND MAINTENANCE OF THE COMMON PROPERTY.

A. The Declarant will maintain control of the Association and may act as its board of directors until its Transition Date. The Transition Date to be at such time as 100% of the Parcels are sold or earlier, at Declarant's option.

B. The Declarant shall notify the Association members in writing of the Transition Date on or about thirty (30) days prior to said Transition Date. The Declarant, as the Association's initial board of directors, shall call a meeting of the Owners (also referred to as members of the Association) for the purpose of taking over the operation of the Association. Prior to said meeting the Association members shall elect, by a majority of the votes cast by members meeting the 10% quorum requirement, a minimum of three (3) and a maximum of five (5) persons to the board of directors with the election results to be announced at the meeting. So long as Declarant owns any Parcel at the time of the Transition Date, it may exercise its voting rights by casting the number of votes it still retains at the time. The transition meeting shall also constitute an annual meeting as defined in the Bylaws. The newly elected directors may hold their first director's meeting immediately following the annual meeting for the purposes of electing officers and conducting any other business of the directors. Thereafter, all affairs of the Association shall be conducted by the board of directors and such officers that the board may elect or appoint in accordance with the Articles and Bylaws, as they may be amended from time to time.

C. The Association may employ or contract for maintenance of roadways and assess members for the cost thereof.

7. GENERAL PROVISIONS

- A. **Enforcement:** The covenants, conditions, and restrictions contained in this Declaration shall run with the land and shall be binding upon all persons owning, leasing, subleasing or occupying any Parcel after the date on which this instrument shall have been recorded in the Office of the Recorder of Comanche County, Texas. This Declaration may be enforced by the Declarant, by any Owner or lessee of a Parcel, by the holder of a Bona Fide First Deed of Trust on any Parcel, by the Association or by any one or more of said persons acting jointly; PROVIDED, HOWEVER, that any breach by reason thereof shall not defeat or adversely affect the lien of a Bona Fide First Deed of Trust upon any Parcel, but each and all said covenants, conditions, and restrictions shall be binding upon and effective against any Owner, lessee or occupant of said Parcel whose title thereto is acquired by foreclosure, or otherwise and FURTHER PROVIDED that the breach of any said covenants, conditions, and restrictions may be enjoined, abated or remedied by appropriate proceedings, notwithstanding the lien or existence of any such Bona Fide First Deed of Trust. All instruments of conveyance or assignment of any interest in all or any part of the Property may refer to this Declaration and shall be subject thereto as fully as though this Declaration were therein set forth in full.
- B. **Invalidity:** Invalidation of any of the covenants, conditions, and restrictions, contained herein by a court of competent jurisdiction, shall in no way affect the validity of any other provision of this Declaration, all of which shall remain in full force and effect.
- C. **Legal Fees and Costs:** The Declarant or the board of directors of the Association may cause a lawsuit to be commenced and maintained in the name of the Association against an Owner to enforce the payment of any delinquent assessment or to enforce any other pertinent provision of this Declaration. Any judgment rendered in any such action shall include the amount of the delinquency, interest at the rate of twelve percent (12%) per annum from the date of delinquency, the amount of damages proven, court fees, and reasonable attorney's fees which are incurred by the Association as fixed by the court.
- D. **Amendments:** After the Transition Date this Declaration may be amended by instrument approved by two-thirds (2/3) of the votes cast by those members meeting a twenty-five percent (25%) quorum requirement. Such amendment shall be recorded in the Office of the Comanche County Recorder only after approval by the Comanche County Commissioners, and become effective immediately thereafter. So long as it owns any Parcel, Declarant may amend this Declaration without approval of the Owners to correct any inconsistencies or to make non-substantive revisions or to comply with any law or regulation.
- E. **Term:** This Declaration may hereafter be amended in accordance with the terms hereof, and shall remain in full force and effect for a term of twenty (20) years from and after the date of recording of this Declaration. This Declaration shall be automatically renewed and extended for successive periods of ten (10) years each, unless terminated or amended changes are approved by the Comanche County Commissioners and by three-

