Amended Covenants & Restrictions On and for the Tres Lagos Development

THE STATE OF TEXAS, COUNTY OF FRANKLIN.

KNOWN ALL MEN BY THESE PRESENTS:

WHEREAS, Tres Lagos Property Owners Association Inc. A Texas non-profit corporation (Hereinafter referred to as the "Association")

All lots in the TRES LAGOS Development according to the Map and Plat Records of Franklin County, Texas.

(Such plat, and any revisions, supplements or additions thereto are incorporated herein by reference for all purposes); and

WHEREAS, Governing body in order to create and carry out a uniform plan for the improvement, development and use of the Tres Lagos Development (including, but not limited to, preserving the natural beauty of the property; minimizing the erection of poorly designed unproportioned or unsuitable structures; encouraging harmonious architectural schemes; and advancing the highest and best development use of the property for the benefit of the present and future owners of lots in said subdivision) caused to be filed certain covenants and restrictions on and for Tres Lagos subdivision; and

WHEREAS, the Board of Directors of the Tres Lagos property owners association, Inc. desires to amend and replace the covenants recorded in the Map and Plat Records of Franklin County, Texas.





Article One Definitions ASSOCIATION OR TRES LAGOS POA

1.0 "Association" or "Tres Lagos POA" shall mean and refer to Tres Lagos Property Owners Association, a non-profit incorporated organization which is comprised of the Owners of the Development. Membership in this organization shall be compulsory and shall be a condition under any deed and/or assignment of any lot within the Development. Membership in the Association shall pass with the title to a lot. The Association shall be governed by the Articles of Incorporation adopted & filed with the Secretary of State of Texas August 3, 1984 and by the Covenants & Restrictions and Bylaws of the Association pursuant thereto and the amendments thereto. All sections of the Development shall function through one Association.

The directors shall be selected and serve according to the provisions of the Bylaws. All administrative control over the Development shall be through the Board of Directors and the committees selected by the Board and shall henceforth bind all Owners of lots within the development to the extent allowed by law.

OWNER

1.1"Owner" shall mean and refer to the person or persons or entity holding deed to any lot(s) or portion of a lot which there is or/may be a detached single family dwelling. Owner must be current on all maintenance dues, assessments or late fees to be eligible to vote on all matters or elections and must be of legal voting age.; Owners will be billed for all maintenance dues and assessments based on the name and address as recorded in the public records of Franklin Country, Texas. Owner includes a contract lessor but excludes those having an interest/merely as security for the performance of an obligation. Any tenant renting a dwelling or otherwise renting any property within the development shall be subject to all of the use restrictions and conditions imposed herein. Any lessor shall be responsible for all actions of these tenants as those actions pertain to the Covenants & Restrictions.

DECLARATION

1.2 "Declaration" shall mean and refer to: Any and all restricted covenants running with the land directly or indirectly pertaining to the Properties, as recorded in the public records of Franklin Country, Texas.

Any further or subsequent supplements, amendments, additions or modifications to the forgoing instruments, all of which are incorporated herein by reference for all purposes and any additions brought within the jurisdiction of the Association.

PROPERTIES

1.3 "Properties" shall mean and refer to: The land and premises located in Franklin County, State of Texas known as Tres Lagos Subdivision

BOARD

1.4 "The Board" shall mean and refer to The Board of Directors of Tres Lagos Property Owners Association.

Revised 6/20/09 to replace covenants and restrictions dated November 16. 1987

DEVELOPMENT / SUBDIVISON

1.5 "The Development" and/ or "Subdivision" shall mean and refer to that certain real property described previously herein as all of the lots within the Tres Lagos Development shown in the referenced plats or known as the Tres Lagos Subdivision.

LOT(s)

1.6 "Lot" shall mean and refer to that portion of any of the plots of land shown upon the plat of the Development as now recorded in the Map and Plat Records of Franklin County, Texas.

COVENANTS or RESTRICTIONS/ COVENANTS AND RESTRICTIONS

1.7 "The Covenants" and/ or "Restrictions" shall mean and refer to this Declaration of Covenants, Conditions, Reservations and Restrictions pertaining to Tres Lagos Development.

ENFORCEMENT

1.8 Enforcement of the Covenants shall be by proceeding at law or in equity against any person or persons violating or attempting to violate any of the Covenants either to restrain violation or to recover damages, and against the land to enforce any lien created by these articles, and failure or delay by the Association, its successors or assigns, or any owner, to enforce any of the Covenants shall in no event be deemed a waiver of their right to do so thereafter.

FAILURE TO ENFORCE

1.9 No right of action shall accrue, nor shall any action be brought or maintained by anyone whatsoever, against the Association for, or on account of, its failure to bring any action on account of any breach of the Covenants, or for imposing restrictions herein which may be unenforceable by the Association.

RESPONSIBILITY TO ENFORCE

1.10 Notwithstanding the foregoing it shall be the responsibility of the Board to address in a timely manner any violations of the Covenants which may be brought to its attention in writing, and to make every reasonable attempt to resolve any issue which prevents the quiet enjoyment of the property in the Development.



Article Two Lot Usage Restrictions RESIDENTIAL USE ONLY

- 2.0 All lots within the Subdivision shall be used, known and described as single-family residential lots except for those lots used to provide recreational facilities or utility services to owners of lots in the Subdivision and such lots that are designated as Drill Sites. No lot may be further subdivided, save and except lots:19-45, 59-80, 84-94, 297-323, which lots can be subdivided into two equal lots of equal size. No duplexes, apartments or other multi-family dwellings, structures or uses shall be permitted on any lot. No commercial activity or use shall be conducted on or from any lot within the Subdivision, however, sale or resale of lots within the Subdivision shall not be considered to be commercial activity.
- 2.1 All lots within the subdivision shall be designated as "combination lots." Each dwelling constructed on any lot within the Subdivision shall contain a minimum or six hundred fifty (650) square feet of covered floor area, exclusive of all porches, garages or breezeways attached to the main dwelling. Mobile homes less then (10) ten years of age (excluding, however, wrecked mobile homes or mobile homes in a dilapidated condition), prefabricated dwellings and modular homes may be brought upon or replaced on any lot within the subdivision, provided that prior to occupancy, any mobile home or dwelling shall be properly skirted, pinned and connected to the necessary utilities. Factory made recreational vehicles may be used on a temporary basis to camp on the lots within the Subdivision when clearing the lot or construction is in progress subject, however, to the prior approval of the Board. No homemade or converted vehicles or buses shall be permitted on any lot within the subdivision. Camping by tent longer then (7) seven consecutive days requires Board approval.
- 2.2 No building on any lot shall exceed two (2) stories in height. All dwellings must be properly connected to all necessary utilities, including a septic system, prior to occupancy. Septic tank installation and sanitary plumbing shall conform to any and all requirements of the Texas State Department of Health, the Franklin County Water District and Franklin County, Texas. No building, dwelling or permanent structures of any type shall be erected on any lot within ten feet (10') of the front property line, within five feet (5') of the side property lines, or within ten feet (10') of the rear property line. All construction must be of new materials, except stone, brick, inside structural material or other material used for antique decorative effect if such use is approved in writing. No bus or mobile home shall be used for storage purposes on any lot within the subdivision. No camping supplies or equipment (other than approved recreational vehicles) shall be left on any lot when camping is not taking place unless stored within a storage building which has been theretofore approved by the Board.

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- 2.3 No building, structure, fence or improvement of any nature shall be erected, placed or altered on any lot until the construction plans and specifications, and a plot plan showing the location thereof, have been submitted and approved. Cutting of trees shall be limited to the extent necessary for clearing a foundation site for construction, unless otherwise permitted in writing. No soil shall be removed from any lot for any commercial use. No sign or signs shall be displayed to the public view on any lot except those signs approved by the board. Any building, structure or improvement commenced upon any lot shall be completed as to exterior finish and appearance, within (18) eighteen months from the commencement date. All construction must comply with the rules and regulations of Franklin County and any State or Federal codes or regulations. Owner shall obtain the necessary permits as required by them.
- **2.4** No outside toilet, cesspool, or privy shall be erected or maintained on any lot within the subdivision. The dumping of holding tanks on any development property is expressly prohibited. Clotheslines, metal barrels and trash are prohibited.
- 2.5 The drilling of any water well within the subdivision is prohibited, save and except those drilled by the developer or the Property Owners Association for the subdivision's central water supply and distribution system.
- 2.6 When needed, culverts for driveways shall be a minimum of twelve (12') feet in length. Each culvert will be a minimum of twelve (12") inches in diameter, galvanized, corrugated steel or plastic. Other types of culverts will be permitted if they are commonly used by the Texas State Department of highways.
- 2.7 The perimeter fence of the development shall remain the property of the Property Owners Association. The removal of any portion of this fence (for driveways or any reason) is prohibited.
- 2.8 There is reserved a ten foot (10') wide utility and drainage easement along the front and rear lot lines, and a five foot (5') wide utility and drainage easement along the side lot lines of each and every lot within the subdivision. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with installation and maintenance of utilities or which may change obstruct or retard the flow of water through drainage channels in such easement. The easement area of each lot shall be maintained by the owner of the lot, except for those improvements for which a public authority or utility company assumes responsibility.

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- 2.9 Unattended fires are strictly prohibited at all times. A properly constructed fire pit will be necessary for camp fires. You must always have water available for attended fires. Owner assumes all responsibility for any fire under this regulation. Care must be taken at all times. From time to time the Board and/or Franklin County authorities will prohibit all outdoor burning. (Burn Ban)
- **2.10** No lot(s) shall be used for the purpose of keeping, breeding, or raising animals or as a place for keeping horses, mules, cattle or other animals or poultry; provided, however, that the Owners may keep the usual and customary domestic or household pets. No commercial cat or dog kennel shall be permitted. Pets must be confined to the owner's premises or on a leash. No pets shall be permitted to run at large. The Board may assess fines against lot Owners who allow pet animals to run at large and may engage professional animal control organizations to capture and remove such animals at the expense of the Owner.

Hunting is strictly prohibited in the Development; this includes Firearms & Hunting Bows

2.11 No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon or any condition permitted to exist thereon which may be or become an annoyance, nuisance, or hazard to the neighborhood.

Discharging of firearms or aerial fireworks within the subdivision is prohibited.

- 2.12 Each lot shall be kept and maintained in a neat and orderly condition. No trash or refuse shall be allowed to accumulate and remain upon any lot within the subdivision. In the event any lot is not properly maintained the Board may send written notice of the violation to the Owner and the Owner will have fifteen (15) days from the date of mailing of such notice to bring the lot into compliance. If the Owner fails to do so, the Board shall have the right to direct entry upon any lot for the removal of trash or other unsightly objects or materials and to bring the lot into compliance with the Covenants at the expense of the Owner, and any such entry shall not be deemed as trespassing. The Board may maintain such lot at a minimum rate of \$150.00 per lot, per month plus additional costs as needed. Unpaid fees shall become a charge and lien upon such lot.
- 2.13 Unused automobiles, watercraft and or other vehicles without a current state registration shall not be stored or parked on any lot or roadside. Streets are not to be used for private parking of vehicles except by visitors. No trucks or commercial type vehicles shall be stored or parked on any lot nor parked on any residential street or road except while engaged in delivery to or transport from a residence. For the purpose of this covenant, a 1 ton or smaller vehicle (commonly known as a pick-up truck) shall not be deemed to be a commercial vehicle or truck. No vehicle of any size which normally transports flammable or explosive cargo may be kept in the Development at any time. This covenant does not preclude a lot owner from performing minor repairs upon such vehicles owned by him and located in his driveway for not more than two (2) consecutive days, nor shall this covenant preclude the temporary parking of such vehicles at or on any such lots by invited guests or visitors of such lot owner for periods not exceeding two (2) consecutive weeks.

In the event of violation of this regulation the Board may send written notice of the violation to the Owner and the Owner will have fifteen (15) days from the date of mailing of such notice to remedy any and all violations as described by the Board. Failure to comply will result in fines in the amount \$10.00 per day per violation.



2.14 No sale, transfer, lease or disposition of any lot within the subdivision shall be consummated unless and until the name and address of the purchaser or transferee has been properly recorded on the books and records of the Property Owners Association. Rental of any residence on a lot(s) for period of 6 months shall not be deemed commercial usage. Short term rental (i.e., weekend or periods of less than 6 months shall not be permitted. In any event, no short term use shall be permitted. The rental of more than one property or the rental of property on a short term basis (e.g. daily, weekly, monthly) will be considered commercial activity and therefore a violation of the covenants and restriction. The Supreme Court of Texas has upheld short-term rental as commercial activity. No lease/rental agreement shall be finalized without a criminal background check being performed by the Owner or his agent. Any fines incurred on the property will be the responsibility of the Owner.

Rental of a property may be approved by a request in writing to the Board of Directors along with a copy of the lease agreement for at least six (6) months and giving personal identification information of the proposed renter. The property Owner will then be informed of approval through the Tres Lagos Office before occupancy should take place. No sub-leasing of property by an approved renter is allowed.

2.15 Each and every owner of any and all lots within the subdivision shall become a member of the Property Owners Association, which Elected Board shall manage, maintain and care for the common facilities of the subdivision. Each owner in the Development shall have one vote. Multiple owners of one lot shall have only one vote among themselves. An Owner of multiple lots within the Development shall have only one vote.

Each and every property owner covenants and promises to pay to the Property Owners Association when due any and all dues and maintenance fees and assessments. Use of the common facilities within the subdivision shall be limited to the lot owners and their families and guests. Property owners must, at all times, use caution to not damage the facilities and abide by the rules of the subdivision. Property owners and guests will be held responsible for any property damaged, destroyed or defaced.

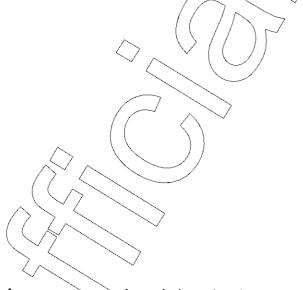
2.16 The Architectural Control Committee (hereinafter called "the Committee") shall be composed of up to three individuals selected and appointed by the Board of Directors. The Committee shall function as the representative of the Property Owners Association with respect to certain matters as set forth in these covenants. A majority of the committee may designate a representative to act for it. In the event of the death or resignation of any member of the committee the remaining members shall have full authority to designate and appoint a successor. All construction or building plans and specifications shall be submitted to the Board for review. Failure to either approve or disapprove plans and specifications within thirty (30) days after they have been submitted, and if no suit to enjoin the construction is commenced prior to substantial completion of such construction, then approval shall be presumed provided it does not violate the recorded covenants and restrictions. Decisions may be appealed to the Board by any Owner. The Board shall hear the appeal and give a timely ruling. All matters submitted must be reviewed by the Board for final approval. The Board's decision shall be final.



- 2.17 The Board of Directors of the Property Owners Association shall have the power and authority to: (I) issue—rules and regulations applicable to the common facilities and areas within the subdivision: (II) permit the usage of lots for streets, parking areas, uses normally associated with the customary development of a subdivision and uses thereon mandated, directed or encouraged by government authorities having jurisdiction over the subdivision: and (III) exercise such other right granted it under the articles of incorporation and bylaws of the association.
- 2.18 The covenants, conditions and restrictions herein shall constitute covenants running with the land and shall be binding upon developer, its successors and assigns and upon all person or entities acquiring property in the subdivision, whether by purchase, descent, devise, gift or otherwise, and each person or entity, by the acceptance of title to any lot(s) within the subdivision, shall thereby agree and covenant to abide by and perform the covenants, conditions and restrictions as set forth herein. These restrictions shall remain in effect for a period of (20) twenty years and shall automatically renew indefinitely. Enforcement of these covenants and restrictions shall be by a proceeding or proceedings at law or in equity, initiated by a person or persons owning any lot(s) in the subdivision or by the Property Owners Association, against any person or persons violating or attempting to violate any covenant or restriction herein contained, either to restrain violation or to recover damages for the violation, or both, or to obtain such other relief for such violations as then may be legally available.
- 2.19 Violation of or failure to comply with the covenants and restrictions shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may be then existing on any lot in the subdivision. Invalidation of any one of these covenants and restrictions, or any portion thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and restrictions conflicts with mandatory provisions of any ordinance or regulation promulgated by the Franklin County Water District or other similar Governmental Agency then such governmental requirement shall control. Any deed or legal instrument (except deeds of trust, mortgages or other similar security agreements) purporting to convey, transfer or assign any interest in any lot within the subdivision shall contain conveyance, transfer or assignment to all the covenants and restrictions set forth herein.

The Board reserves the right to assess fines at a reasonable amount for any violations to the

Covenants and Restrictions.



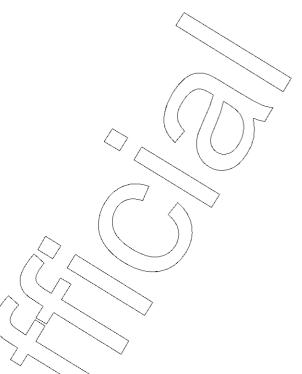


2.20 Non-Payment: If maintenance fees and or assessments are not paid by the date due they are considered delinquent and shall accrue late fees of \$20.00 and interest at the rate of eighteen percent (18%) per month or at the highest lawful rate whichever is higher, and any reasonable court costs and attorneys' fees incurred in connection with the collection of same and together with the interest thereon and cost of collection thereof shall become a continuing lien on the property which shall bind such property in the hands of the then Owner and his heirs, devisees, personal representatives and assigns inferior only to the lien for taxes and any duly recorded mortgage.

If delinquent assessments and or late fees are not paid within then (60) days the Board may bring an action at law against the Owner personally obligated to pay or to foreclose the lien against the property, and there shall be added to the amount of the assessment and interest the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained a reasonable attorney's fee to be fixed by the court, together with costs of the action. No Owner may waive or otherwise escape liability for the assessments by non-usage of the facilities or abandonment of his property.

The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessments, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment.

2.21 The Articles, Covenants and Restrictions and Bylaws of the Association may be amended or changed only by action of the eligible property owners by a 2/3 (two thirds) majority vote at a meeting of the Property Owners Association.





WHEREFORE, intending to be bound to the extent set out herein and intending that every subsequent Owner or Lessee and their successors in interest to any lot or lots in the Development be bound by all of the provisions of these Covenants, Conditions and Restrictions effective immediately upon being filed of record with the County Clerk of Franklin County, Texas, the Board of Directors of Tres Lagos Property Owners Association has caused its duly authorized President to execute and acknowledge this instrument this 20 day of 1009.

Tres Lagos Property Owners Association

The State Of Texas County Of Franklin

BEFORE ME, the undersigned authority, on this day personally appeared James Rose, President of Tres Lagos Property Owners Association, a Texas corporation, who after being duly sworn, stated that he had executed the foregoing declaration of Covenants, Conditions and Restrictions, as President of the corporation, on behalf of the corporation to bind each Owner and every future Owner, Lessee on any said lot or lots in the Tres Lagos Development.

SUBSCRIBED AND SWORN TO before me the undersigned authority on

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_day of _______2009.

Notary Public, State of Texas



Revised 6/20/09 to replace covenants and restrictions dated November 16. 1987

ANNEX "A"

All those certain tracts in Franklin County, Texas which have been subdivided into lots and which are described as follows:

Plat Recording Data in Franklin county, Texas

Name of Subdivision

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Tres Lagos

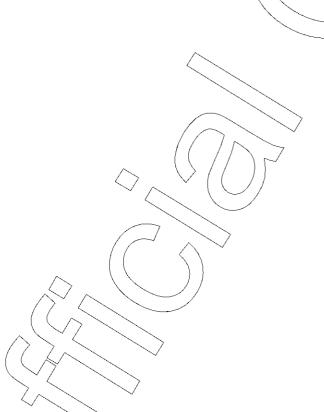
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Revised 6/20/09 to replace covenants and restrictions dated November 16. 1987

The Board of Directors vote for the revised covenants and restrictions for the Tres Lagos subdivision MARK HYMER Yes] No] President: James Rose(MY COMMISSION EXPIRES
January 31, 2011 Print Name Signature (Yes) [No] Vice President: Jeff Lester _ MARK HYMER Signature MY COMMISSION EXPIRES January 31, 2011 Secretary: Karen Campbell Tater Circle one Print Name Signature MARK HYMER COMMISSION EXPIRES January 31, 2011 Yes J Treasurer: Brent Welch Circle one Print Name Signature 620-09 MARK HYMER OMMISSION EXPIRES January 31, 2011 Revised 6/20/09 to replace covenants and restrictions dated November 16. 1987 12