

**THIRD AMENDMENT TO THE
AMENDMENT AND COMPLETE RESTATEMENT OF DECLARATION OF
RESERVATIONS, RESTRICTIONS, COVENANTS, CONDITIONS, EASEMENTS AND
LIENS FOR SEIS LAGOS COMMUNITY SERVICES ASSOCIATION, INC.**

[Leasing; Amendments]

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF COLLIN §

THIS THIRD AMENDMENT TO THE AMENDED AND COMPLETE RESTATEMENT OF DECLARATION OF RESERVATIONS, RESTRICTIONS, COVENANTS, CONDITIONS, EASEMENTS AND LIENS FOR SEIS LAGOS COMMUNITY SERVICES ASSOCIATION, INC. (this "Third Amendment") is made to be effective as of the ____ day of _____, 202__, by Seis Lagos Community Services Association, Inc., a Texas non-profit corporation (the "Association").

WITNESSETH:

WHEREAS, Lincoln Mortgage Company, Inc. ("Developer") adopted and recorded a set of restrictions governing the Properties within Seis Lagos Community Services Association, Inc. on or about October 25, 1974, at Volume 934, Page 153 *et seq.* of the Real Property Records of Collin County, Texas (the "Original Declaration"); and

WHEREAS, the Original Declaration was amended and replaced in its entirety by the Amendment and Complete Restatement of Declaration of Reservations, Restrictions, Covenants, Conditions, Easements and Liens for Seis Lagos Community Services Association, Inc. was recorded on or about May 31, 1978, at Volume 1115, Page 190 *et seq.* of the Real Property Records of Collin County, Texas (the "Declaration"), as corrected by the [*First*] Correction to Amendment and Complete Restatement of Declaration of Reservations, Restrictions, Covenants, Conditions, Easements and Liens for Seis Lagos Community Services Association, Inc., recorded on or about July 19, 1978, at Volume 1121, Page 560 *et seq.* of the Real Property Records of Collin County, Texas, and the [*Second*] Correction to Amendment and Complete Restatement of Declaration of Reservations, Restrictions, Covenants, Conditions, Easements and Liens for Seis Lagos Community Services Association, Inc., recorded on or about September 12, 1978, at Volume 1132, Page 203 *et seq.* of the Real Property Records of Collin County, Texas; and

WHEREAS, the Declaration was amended by the [*First*] Amendment to Amendment and Complete Restatement of Declaration of Reservations, Restrictions, Covenants, Conditions, Easements and Liens for Seis Lagos Community Services Association, Inc., recorded on or about June 13, 1979, at Volume 1177, Page 281 *et seq.* of the Real Property Records of Collin County, Texas (the "First Amendment"); and

WHEREAS, the Declaration was again amended by the [*Second*] Amendment to Amendment and Complete Restatement of Declaration of Reservations, Restrictions, Covenants, Conditions, Easements and Liens for Seis Lagos Community Services Association, Inc., recorded

on or about April 15, 1980, at Volume 1253, Page 484 *et seq.* of the Real Property Records of Collin County, Texas (the “Second Amendment”); and

WHEREAS, Section 209.0041(h) of the Texas Property Code provides that, unless the declaration contains a lower percentage, a declaration may be amended only by a vote of 67 percent of the total votes allocated to property owners entitled to vote on the amendment of the declaration, in addition to any governmental approval required by law; and

WHEREAS, no governmental approval is required by law for the following amendment; and

WHEREAS, the following amendment has been approved by a vote of more than 67 percent of the total votes allocated to property owners entitled to vote on the amendment of the Declaration.

NOW, THEREFORE, the Declaration is amended as follows:

1. Article XIII of the Declaration, entitled “Lease of Lots,” is deleted in its entirety and replaced with the following:

ARTICLE XIII
LEASING OF RESIDENCES

Section 1. Definition of Leasing. “Leasing,” as used in this Article, is defined as regular, exclusive occupancy of a residence/residential structure on a Lot (“Residence”) by any person other than the Owner and/or the Owner’s immediate family. For purposes of this Article, if a Residence is owned by a trust and the beneficiary of the trust is living in the Residence, that Residence shall be considered Owner-occupied rather than leased. “Leasing” shall not include a lease back in connection with the sale of a Lot, where the seller of the Lot transfers title to the Lot and then leases the Lot back from the purchaser. For purposes hereof, “immediate family” shall include the mother, father, daughter, son, sister, brother, grandmother, grandfather, grandson, or granddaughter of the Owner of the Lot.

Section 2. Lease Term and General Rule. Residences may be leased only in their entirety. No short-term rentals or transient tenants may be accommodated in a Residence. Residences may not be used or leased for hotel purposes. For purposes of this Article, “short term rentals” shall mean lease/rental periods of less than twelve (12) months, including leasing a Residence on a nightly basis. Owners may not list their Residences as for lease on short-term rental websites such as www.airbnb.com, www.vrbo.com, www.homeaway.com or other vacation or short-term rental website. All leases must be for an initial term of not less than twelve (12) months. Thereafter, leases may be renewed on an annual basis, provided the Owner must notify the Board of his intent to renew the lease on the Residence, and further provided that the lease meets the standards and criteria set out in this Article. The Owner must make available to the lessee(s) copies of the

Declaration, Bylaws and the rules and regulations of the Association.

Section 3. Applicability. This restriction shall not apply to any leasing transaction entered into by the Association or the holder of any first mortgage on a Residence who becomes the Owner of a Residence through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such mortgage; provided, however, that it shall apply to any leases by any purchaser from the Association/such mortgagee and any successor to such a purchaser.

Section 4. Leasing and Occupancy Restrictions. In order to preserve the quality of life of other residents and high standards of maintenance and care of the community, and to promote the residence and/or leasing of Residences by responsible individuals, a Residence shall be leased in accordance with the following provisions:

(a) Notice of Intent to Lease. Whenever the Owner of a Residence has received a bona fide offer to lease his or her Residence and desires to accept such offer, the Owner shall give the Board not less than ten (10) days' written notice of his or her desire to accept such offer, and provide, at the Owner's sole cost and expense, the following information to the Board: (i) contact information, including the name, mailing address, phone number, and e-mail address of each person who will reside in the Residence; and (ii) the commencement date and term of the lease.

(b) Leasing Limitations. Upon acquiring an ownership interest in a Lot, the Owner may not lease the Residence thereon, or any portion thereof, until the expiration of twelve (12) months from the date of the closing of the sale of the Lot or recording of the deed to the Lot which conveys title, whichever is earlier; provided that the Owner may lease the Lot or Residence thereon pursuant to Board approval of a hardship as provided below. After the expiration of the twelve (12) month period, the Owner may lease the Residence subject to the other terms contained in this Article.

At any point in time, no more than twenty-five percent (25%) of the total Residences located in the community may be leased. The goal is to preserve the community as one of predominantly owner-occupied Residences. An Owner seeking to lease his or her Residence must notify the Board in writing of his or her desire to lease the Residence, and Board permission to lease is granted on a first come, first serve basis. Upon the expiration of a lease term, the Owner of the Residence must again notify the Board of his or her desire to renew the lease on the Residence in order to give an equal opportunity to all Owners to lease their Residences.

(c) Confirmation by Board of Directors. An Owner seeking to lease his or her Residence must notify the Board in writing of his or her desire to lease pursuant to the Notice of Intent to Lease above. If the leasing cap has been

met and/or terms of the lease do not meet the standards, criteria and requirements described in this Article, then the Board shall notify the Owner that the lease fails to meet the requirements of this Article. Owner shall not lease to or allow anyone to reside in the Residence if the lease does not meet the standards and criteria set out above. Owners shall not lease to or allow anyone to reside in the Residence if the lease does not meet the standards and criteria set out above. Owners seeking to lease their Residence once the leasing cap has been reached may request that the Board place the Owner's name on a waiting list. Owners on the waiting list will be entitled to lease on a first come, first served basis as space becomes available within the Association's leasing cap. When space becomes available for an Owner on the waiting list to lease his or her Residence, the Board and/or management will contact the Owners on the waiting list in order. Owners shall have ninety (90) days to enter into a valid lease once notified that space is available within the leasing cap. If a lease is not secured within this ninety (90) day time period, the Owner will be moved down a spot on the waiting list, and the next Owner on the waiting list will be given a ninety (90) day time period to enter into a valid lease. Should an Owner on the waiting list choose not to enter into a lease within that time period, the space will be offered to the next Owner on the waiting list, and the Owner declining the option to lease will be removed from the waiting list.

Section 5. Contents of Lease. All leases shall be in writing and may be in any format of the Owner's choosing. Any lease of a Residence shall be deemed to contain the following language and that if such language is not expressly contained in the lease, then such language shall be incorporated into the lease by existence of this Article. Any lessee, by occupancy of a Residence, agrees to the applicability of this Article and incorporation of the following language into the lease:

The lessee shall comply with all provisions of the Declaration, Bylaws and all rules and regulations of the Association and shall control the conduct of all other occupants and guests of the leased Residence in order to ensure their compliance and that lessee has received a copy of the foregoing documents of the Association from the Owner.

Any violation of the Declaration, Bylaws or rules and regulations by the lessee, any occupant or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Texas law. The Owner, by entering into a lease, delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws and the rules and regulations of the Association, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner.

The Owner transfers and assigns to the lessee, for the term of the lease, any

and all rights and privileges that the Owner has to use the Common Areas of the Association including, but not limited to, the use of all recreational facilities and other amenities.

Section 6. Compliance with Governing Documents. Each Owner shall cause all occupants of his or her Residence to comply with the Declaration, Bylaws and the rules and regulations of the Association and shall be responsible for all violations and all losses or damage resulting from violations by such occupants, notwithstanding the fact that such occupants of the Residence are fully liable and may be personally sanctioned for any violation.

In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be assessed as an assessment against the Residence and the Owner, such being deemed an expense which benefits the leased Residence and the Owner thereof.

Section 7. Grandfathering. With respect to Residences which are subject to a valid written lease as of the effective date hereof, the above restrictions do not apply; provided that the Owner of such Residence must provide, within thirty (30) days of the recordation of this Third Amendment, a copy of the information required by the Notice of Intent to Lease above. Notwithstanding this exemption for Residences already subject to a valid written lease on the effective date hereof, upon termination of that lease, the Owner must comply with the above restrictions.

Section 8. Hardship Exception to Leasing Restrictions. Notwithstanding any provision to the contrary, the Board shall be empowered to allow leasing of Residences that do not comply with this Article upon the Owner's written application for an exception because of undue hardship on the Owner. By way of example and not limitation, a hardship exemption may generally be warranted where an unforeseen change of circumstances occurs that is outside of the Owner's control and an exception is warranted from the Association's restrictions to prevent the unforeseen change from creating an undue hardship on the Owner. Those Owners who have demonstrated that the inability to lease their Residence would result in undue hardship and have obtained the requisite approval of the Board may lease their Residence upon the terms and conditions established by the Board, and at the end of the current lease term, the Board will again review whether the hardship still exists to warrant an extension of the exception.

Section 9. Non-compliance. Any lease of a Residence entered into without complete and full compliance with the terms herein shall be deemed void and of no force and effect and shall confer no title or interest in a Residence to the purported lessee. For violations of the above provisions, the Association may impose an initial fine which is equal to the lesser of (i) the equivalent of one month's rent for the Residence pursuant to the most recent lease agreement or proposed lease agreement for the Residence, or (ii) \$2,500.00. Thereafter, additional fines

may be levied in an amount up to the initial fine amount on a monthly basis for each month in which the violation remains uncured.

The Association shall have the power and authority to enforce the leasing restrictions contained in this Article in any legal manner available, as the Board deems appropriate, including, without limitation, taking action to evict the occupants of any Lot which does not comply with the requirements and restrictions hereof. EACH OWNER HEREBY APPOINTS THE ASSOCIATION AS ITS ATTORNEY-IN-FACT FOR THE PURPOSE OF TAKING LEGAL ACTION TO DISPOSSESS, EVICT OR OTHERWISE REMOVE THE OCCUPANTS OF HIS OR HER LOT AS NECESSARY TO ENFORCE COMPLIANCE WITH THIS ARTICLE. Each Owner shall fully and truthfully respond to any and all requests by the Association for information regarding the occupancy of his or her Lot which in the judgment of the Board are reasonably necessary to monitor compliance with this Article.

2. Article XV, Section 4 of the Declaration is deleted in its entirety and replaced with the following:

Section 4. Amendment. All of the restrictions set forth herein shall continue and be binding for a period of twenty-five (25) years from the date of this instrument and shall automatically be extended thereafter for successive periods of ten (10) years; provided, however, that the Owners of seventy-five percent (75) of the Lots may, at the end of such twenty-five year term and during or at the end of any successive ten year period thereafter, by a written instrument signed by such Owners, vacate or terminate this Declaration. This Declaration may be amended with the approval of the Owners of a simple majority of the number of votes entitled to be cast by Owners in the Association.

3. In the event of a conflict between this Third Amendment and any other provision of the Declaration, this Third Amendment shall control.

4. Except as modified by the First Amendment, Second Amendment, and this Third Amendment, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned officer of the Association has executed this Third Amendment as of the date stated above.

**SEIS LAGOS COMMUNITY
SERVICES ASSOCIATION, INC.,**
a Texas non-profit corporation

By: _____
Name: _____
Its: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on by _____, the _____ of Seis Lagos Community Services Association, Inc., a Texas non-profit corporation, on behalf of said corporation, on the ____ day of _____, 202__.

Notary Public, State of Texas

My Commission Expires: _____