

After Recording, Please Return To:
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1717 Main Street
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Dallas, Texas 75201

STATE OF TEXAS

COUNTY OF JOHNSON

**SECOND AMENDMENT TO
COVENANT OF CONSTRUCTION, FENCE & USE
RESTRICTIONS**

M3 RANCH

INTRODUCTORY PROVISIONS

WHEREAS, the Declaration of Covenants, Conditions & Restrictions for M3 Ranch was filed on January 29, 2021, as Instrument No. 2021-3445 in the Official Public Records of Johnson County, Texas ("*Declaration*") by M3 Ranch Development, Inc., a Texas corporation ("*Declarant*"); and

WHEREAS, the Declarant filed the M3 Ranch Covenant of Construction, Fence & Use Restrictions on January 29, 2021, as Instrument No. 2021-3452 in the Official Public Records of Johnson County, Texas ("*Covenant*"); and

WHEREAS, the Covenant was amended by virtue of that certain First Amendment to the Covenant of Construction, Fence & Use Restrictions, filed on November 24, 2021, as Instrument No. 2021-44751 in the Official Public Records of Johnson County, Texas ("*First Amendment*"); and

WHEREAS, the Covenant and First Amendment are collectively referred to as the “*M3 Ranch Covenant*”; and

WHEREAS, the Declaration and M3 Ranch Covenant affect certain tracts or parcels of real property located in Mansfield, Johnson County, Texas, more particularly described in the Declaration, as amended or supplemented (“*Addition*”); and

WHEREAS, under Article 15, Section 15.4 of the Declaration and Article 4 of the M3 Ranch Covenant, the Declarant, during the Development Period, has the exclusive right to unilaterally amend, correct, supplement, and restate the M3 Ranch Covenant; and

WHEREAS, the Development Period has not expired or lapsed; and

WHEREAS, the following amendment to the M3 Ranch Covenant has been approved by the Declarant.

NOW, THEREFORE, the M3 Ranch Covenant is hereby amended by the Declarant and states as follows:

- M3 Ranch Covenant, Part 3, Appendix A, Section 3.A.17 titled “Leasing of Homes”, is hereby deleted and amended to read, in its entirety, as follows:

3.A.17. Leasing and Occupancy Restrictions. In order to preserve the quality of life of Owners, to promote the residential character of the subdivision, and the Leasing, as herein defined, of a Lot by responsible individuals, a Lot may only be Leased in accordance with the following restrictions.

(a) Residential Purposes. Each Lot shall be used and occupied for single-family, private residential purposes only and no trade or business may be conducted in or from any Lot, except as permitted by this Section. For purposes of this Declaration, the phrases "single-family private residential use" and "residential purposes" are intended to prohibit rentals for any term less than twelve (12) months. Single-family private residential use shall not include either of the following:

(i) operating a rooming or boarding house within a Lot, for any period of time; (ii) Leasing by the Owner of less than the entire Lot to others as a separate house-keeping unit, for any period of time.

Upon acquiring an ownership interest in a Lot, the Owner may not Lease the Lot until the expiration of twelve (12) months from the date of recording the deed to the Lot. After the expiration of the twelve (12) month period, the Owner may lease the dwelling subject to the other terms contained in this Section. The goal is to preserve the community as one of predominantly owner-occupied dwellings. An Owner seeking to Lease his or her dwelling must notify the Board in writing of his or her desire to Lease the dwelling, and Owners may Lease on a first come, first serve basis. Upon the expiration of a lease term, the Owner of the dwelling must again notify the Board of his or her desire to renew the Lease on the dwelling. Existing Leases will be given first priority to renew ahead of new leases.

Additional Definitions:

*(i) **Effective Date** - "Effective Date" shall mean the date an instrument containing this Section 3.A.17 is recorded in the Official Public Records of Johnson County, Texas.*

*(ii) **Landlord** - "Landlord" means the Owner Leasing a Lot to a third-party, even if that Owner has a management company that is in charge of Leasing and/or managing the Lot.*

*(iii) **Lease** - "Lease" includes any written or oral agreement between a Landlord and a Tenant that establishes or modifies the terms, conditions or other provisions regarding the use and occupancy of the Lot and the dwelling thereon.*

*(iv) **Leasing** - "Leasing" is defined as the regular, exclusive occupancy of a Lot by any person other than the Owner for which the Owner, or any designee of the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. If the Lot is owned by a trust and the beneficiary of the*

trust is living in the dwelling, that Lot shall be considered Owner-occupied rather than Leased.

(v) Lessee - "Lessee" shall be considered the same as Tenant for purposes of the Declaration.

(vi) Lease to Purchase Agreements & Contracts for Deeds - Shall be considered the same as Leasing for purposes of the Declaration.

(vii) Renting - "Renting" shall be considered the same as Leasing for purposes of the Declaration.

(viii) Tenant - "Tenant" means the person(s) authorized by the Lease to occupy the Lot, which would include the named Lessee(s). There may be more tenants than Lessees for a Lot unless the context indicates otherwise.

(b) Registration, Compliance, and Notice of Intent to Lease. Whenever the Owner of a Lot has received a bona fide offer to Lease the Lot and desires to accept such offer, the Owner shall give the current management company written notice of the desire to accept such offer and submit a Tenant Information Form, attached hereto as Exhibit A, which will include, but is not limited to, the following information:

- (i) The commencement date and term of the Lease;
- (ii) The make, model, and license plate number of each vehicle to be kept on the Property;
- (iii) The name, telephone number, email address, and current address of the prospective Lessee(s) and each prospective adult occupant (over age 18);
- (iv) The number of persons that will occupy the Lot;

and
(v) A written statement certifying that: (1) a criminal background report has been obtained by the Owner on each prospective adult occupant of the Lot and (2) that each prospective adult occupant of the Lot has not violated paragraph (c)(ii) and (iii) below.

The Association may charge a reasonable administration fee concerning the above as established by the Board and the Board is authorized to establish other such policies and procedures to register Lease arrangements as the Board so determines.

(c) Qualifications of Prospective Occupants and Lessees.

(i) Occupancy. *The total number of occupants allowed to reside in or occupy a Lot shall not exceed the maximum number of occupants allowed in the Lot pursuant to any ordinance, code or regulation of the City of Mansfield or State of Texas.*

(ii) Certain Criminals Prohibited. *Owner may not Lease to or allow any person to reside in or occupy a Lot who has been convicted of any felony crimes involving violence, crimes against persons; use of firearms; sex crimes; illegal drugs; robbery; aggravated robbery; murder; criminal gang activity; discharge of firearms; gambling; manufacture, sale or use of drugs; manufacture or sale of alcoholic beverages; prostitution; theft; burglary; or larceny; or any crime involving a minor.*

(iii) Sex Offenders Prohibited. *Owners may not lease to or allow any person to reside in or occupy a dwelling who is a registered sex offender. For purposes of this Section 7.31, a "sex offender" is a person who is required to register as either a Level 3 (High) or Level 2 (Moderate) sex offender pursuant to Chapter 62 of the Texas Code of Criminal Procedure or pursuant to any other law of the State of Texas, or any municipal or county ordinance, or any other state or federal law or regulation.*

THESE REQUIREMENTS DO NOT CONSTITUTE A GUARANTEE OR REPRESENTATION THAT LESSEES OR OCCUPANTS RESIDING WITHIN THE M3 RANCH SUBDIVISION HAVE NOT BEEN CONVICTED OF A CRIME OR ARE NOT SUBJECT TO DEFERRED ADJUDICATION FOR A CRIME.

(d) Rejection of Lease by Board of Directors. *If the terms of the Lease and/or the Lessee(s) or occupants do not meet the standards and criteria described in this Section, then the Lease is rejected and the Board shall notify the Owner, within ten (10) business days after the decision is rendered, in writing of the rejection of the Lease. Owners shall not Lease to or allow anyone to reside in the dwelling who does not meet the standards and criteria set out above.*

(e) Hardship. *Notwithstanding any provision to the contrary, the Board shall be empowered to allow Leasing of one or more Lots, as determined solely by the Board, upon written application by an Owner to avoid undue hardship. By way of illustration and not by limitation, circumstances which would constitute undue hardship are those in which (i) an Owner must relocate and cannot, within ninety (90) days from the date the Lot was placed on the market, sell the Lot while offering it for sale at a reasonable price no greater than its current appraised market value; (ii) the Owner dies and the Lot is being administered by his or her estate; (iii) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Lot; (iv) the Lot is to be Leased to a member of the Owner's immediate family, which shall be deemed to encompass children, grandchildren, grandparents, brothers, sisters, parents and spouses; (v) deployment or activity military duty status in any branch of the United States of America military; or (vi) the Owner sells the Lot and enters into a rent or leaseback agreement for a period not to exceed ninety (90) days from the date of sale. Those Owners who have demonstrated that the inability to Lease their Lot would result in undue hardship and have obtained the requisite approval of the Board may Lease their Lot for such duration as the Board reasonably determines is necessary to prevent undue hardship. Requests for hardship exemptions shall be reviewed by the Board on a case-by-case basis.*

(f) Contents of Lease. *Each Owner acknowledges and agrees that any Lease of his or her Lot 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 Section. In addition, the terms and requirements contained herein automatically become a part of any Lease and/or an addendum to the Lease. These provisions shall also be*

attached to any Lease as an addendum and again, are a part of the Lease regardless of whether or not physically attached to the Lease. Any Lessee, by occupancy of a Lot, agrees to the applicability of this Section and incorporation of the following language into the Lease:

The Lessee shall comply with all provisions of the Documents and shall control the conduct of all other occupants and guests of the Leased Lot in order to ensure their compliance. Any violation of the Documents 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 hereby expressly 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 Documents, including the authority to pursue eviction proceedings on behalf of the Owner.

(g) Compliance with Documents. Each Owner shall cause all occupants of his or her Lot to comply with the Documents 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 Lot are fully liable and may be personally sanctioned for any violation. The Owner shall provide the Lessee a copy of the Documents. In the event that the Lessee, or a person living with the Lessee, violates the Documents for which a violation fine is imposed, such fine shall be assessed against the Owner. The Owner shall pay the violation fine(s) upon notice from the Association.

*(h) **Grandfathering.** With respect to a dwelling which is subject to a Lease as of the Effective Date, the Owner's must complete the Tenant Information Form. Notwithstanding this exemption for dwellings already subject to a Lease, upon termination, extension, or renewal of that Lease, the Owner must comply with this Section.*

*(i) **Noncompliance.** For any Lease of a Lot entered into or renewed after the Effective Date, the Association shall have the power and authority to enforce this Section by any means available at law or in equity, including, but without limitation, levying violation fines and filing suit for necessary damages, including injunctive relief. EACH OWNER HEREBY APPOINTS THE ASSOCIATION AS ITS ATTORNEY- IN-FACT FOR THE PURPOSE OF TAKING LEGAL ACTION TO DISPOSSESS OR OTHERWISE REMOVE THE OCCUPANTS FROM HIS OR HER DWELLING AS NECESSARY TO ENFORCE COMPLIANCE WITH THIS SECTION. 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 sound business judgment of the Board, are reasonably necessary to monitor compliance with this this Section.*

Notwithstanding any proposed fine stated in the Association's enforcement or fine policy, violations of this Section shall be levied as follows:

- o Initial fine of five hundred dollars (\$500.00)*
- o Subsequent daily fines of one hundred dollars (\$100.00) levied no earlier than ten (10) days after the initial fine.*

ALL OWNERS MUST PROVIDE A TENANT INFORMATION FORM TO THE ASSOCIATION. FAILURE TO PROVIDE A TENANT INFORMATION FORM MAY SUBJECT THE OWNER TO A VIOLATION FINE FOR NONCOMPLIANCE WITH THIS SECTION.

(j) **Authority of Management To Act.** *The Board hereby authorizes and empowers the management company to do all such things and perform all such acts as are necessary to implement and effectuate the purposes of this Section without further action by the Board.*

(k) **Binding Effect.** *The terms and conditions of this Section shall bind all Owners including their heirs, successors, transferees or assigns and all Lots as defined in the Declaration, and the Properties shall hereafter be held, occupied, transferred, and conveyed subject to the terms and conditions of this Section.*

The terms and provisions of the M3 Ranch Covenant, except as modified herein, are hereby declared to be in full force and effect with respect to the Addition. The Addition shall continue to be held, occupied, sold, and conveyed subject to the terms and conditions of the Declaration, the M3 Ranch Covenant, and this Second Amendment to the M3 Ranch Covenant which shall run with title to the Addition and are binding on all parties having any right, title or interest in and to the Addition or any part thereof, including their heirs, representatives, successors, transferees, and assigns, and shall inure to the benefit of each Owner thereof.

IN WITNESS WHEREOF, the Declarant has caused this Second Amendment to the M3 Ranch Covenant to be filed with the office of the Johnson County Clerk and is made to be effective as of the 30th day of October, 2024.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

Unofficial Copy

DECLARANT:

M3 RANCH DEVELOPMENT, INC.,
a Texas corporation,
a Texas limited partnership

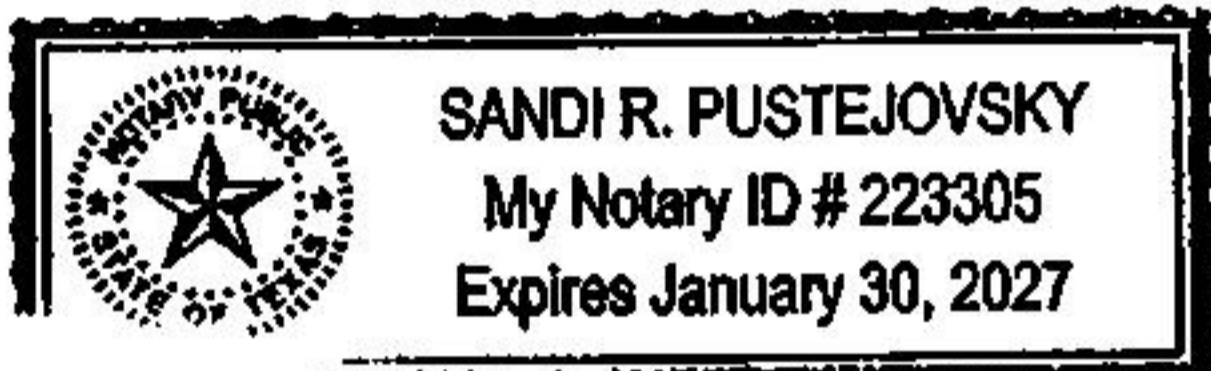
By: [Signature]
Ben Luedtke
Its: Executive Vice President

Unofficial Copy

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned Notary Public, on this 30th day of October, 2024, personally appeared, Ben Luedtke, Executive Vice President of M3 Ranch Development, Inc., a Texas corporation, known to me to the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and the capacity therein expressed.

[SEAL]



[Signature]
Notary Public, State of Texas

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Exhibit A

Unofficial Copy

M3 RANCH HOMEOWNERS ASSOCIATION
TENANT INFORMATION SHEET

PROPERTY ADDRESS: _____

PRIMARY TERM BEGINS AND ENDS AS FOLLOWS:

COMMENCEMENT DATE: _____ EXPIRATION DATE: _____

PROSPECTIVE TENANT'S NAME (FIRST, MIDDLE, LAST):

IS THERE A CO-APPLICANT? IF YES: NAME (FIRST, MIDDLE, LAST):

CONTACT INFORMATION FOR APPLICANT:

E-MAIL: _____

MOBILE PHONE: _____ HOME PHONE: _____ WORK PHONE: _____

CONTACT INFORMATION FOR ADDITIONAL OCCUPANT:

E-MAIL: _____

MOBILE PHONE: _____ HOME PHONE: _____ WORK PHONE: _____

NAME ALL OTHER PERSONS WHO WILL OCCUPY THE PROPERTY:

NAME: _____ RELATIONSHIP: _____ AGE: _____

NAME: _____ RELATIONSHIP: _____ AGE: _____

NAME: _____ RELATIONSHIP: _____ AGE: _____

LIST ALL VEHICLES TO BE PARKED ON THE PROPERTY:

YEAR: _____ MAKE: _____ MODEL: _____ LICENSE/STATE: _____

YEAR: _____ MAKE: _____ MODEL: _____ LICENSE/STATE: _____

YEAR: _____ MAKE: _____ MODEL: _____ LICENSE/STATE: _____

LIST HOUSEHOLD PET TO BE KEPT ON THE PROPERTY:

TYPE and BREED: _____ WEIGHT: _____ NEUTERED: _____ DECLAWED: _____

VACCINATION/SHOTS CURRENT: _____

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ACKNOWLEDGEMENT & REPRESENTATION:

- (1) Signing this Tenant Information Sheet, Owner affirms and acknowledges that he/she has, as part of the tenant selection process, performed necessary and appropriate due diligence inquiries as required by the Covenant of Construction, Fence & Use Restrictions M3 Ranch (the "Covenant") provisions on leasing rentals.
- (2) Owner affirms and represents that (i) a criminal background report for each prospective adult occupant of the Lot has been conducted and reviewed, and (ii) the prospective adult occupant(s) do not violate Section (c) of the Covenant's provisions on a tenant's criminal history, as follows:

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Certain Criminals Prohibited. Owner may not lease to or allow any person to reside in or occupy a Residence who has been convicted of any felony crimes involving violence, crimes against persons; illegal use of firearms; sex crimes; illegal drugs; robbery; aggravated robbery; murder; criminal gang activity; illegal discharge of firearms; gambling; manufacture, sale or use of drugs; illegal manufacture or sale of alcoholic beverages; prostitution; theft; burglary; larceny; destruction of property; or any crime involving a minor.

Sex Offenders Prohibited. "Sex offenders", as defined below, are prohibited from leasing, residing in or occupying any Residence and Owners are strictly prohibited from entering into any lease with or allowing any sex offender to occupy or reside in a Residence.

- (3) Applicant represents that the statements in this Tenant Information Sheet are true and complete.
- (4) This Tenant Information Sheet shall not constitute a record of the Association and shall only be made available with the Owner's written approval or a court orders the Association to release the information.
- (5) The decision to lease a Lot is solely the Owner's decision and the receipt of information by the Association shall neither be construed or interpreted as the Association's approval or consent of the tenant nor performance of any due diligence as to the tenant's qualifications.

OWNER:

(signature)

(print name)

(email)

(mailing address)

(City, State, Zip Code)

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DATE: _____

Johnson County
April Long
Johnson County
Clerk

Instrument Number: 2024 - 30986

eRecording - Real Property

Amendment

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Recorded On: October 31, 2024 08:37 AM

Number of Pages: 14

" Examined and Charged as Follows: "

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***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

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Corporation Service Company

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STATE OF TEXAS
COUNTY OF JOHNSON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Johnson County, Texas.

April Long
Johnson County Clerk
Johnson County, TX

April Long