

**TOWNE LAKE HOMEOWNERS, INC.
 SECOND AMENDED AND RESTATED DECLARATION
 OF COVENANTS AND CONDITIONS COVERING
 TOWNE LAKE ADDITION
 IN LONGVIEW, GREGG COUNTY, TEXAS**

Adopted _____, 2016

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II. RECITALS

WHEREAS the Developer executed and filed a “Declaration of Restrictions, Covenants and Conditions, Covering Towne Lake Addition, Save and Except Blocks 1414 and 1415 Thereof” (herein referred to as “Original Declaration”) at Volume 1000, Page 4 of the Gregg County Deed Records on June 4, 1976; and

WHEREAS the owners of lots in the Towne Lake Addition adopted an “Amended Declaration of Restrictions, Covenants and Conditions Covering Towne Lake Addition (Save and Except Blocks 1414 and 1415 Thereof” (herein referred to as “Amended Declaration”) at Volume 2098, Page 294 of the Gregg County Deed Records on September 7, 2007; and

WHEREAS the owners of lots in the Towne Lake Addition have duly adopted this document (herein referred to as “Second Amended Declaration”) and directed it to be filed with the Gregg County Deed Records;

NOW, THEREFORE, for the preservation of the values and amenities in Towne Lake Addition, the owners of Lots in the Towne Lake Addition hereby amend the Amended

Declaration and declare that the real properties described within the Original Declaration is and shall be held, transferred, sold, conveyed, used, and occupied subject to the covenants, restrictions, obligations, conditions, easements, and lien set forth below.

III. COVENANTS AND CONDITIONS

WITNESSETH:

Declarants are the owners of lots within Towne Lake Addition, within the City of Longview, Gregg County, Texas, as specifically described and depicted upon the plat of Towne Lake Addition, recorded in Vol. 1000, Page 1000, of the Deed Records of Gregg County, Texas, and also as specifically described and depicted upon the plat of Unit 2 of Towne Lake Addition in Vol. _____ Page _____ of the Deed Records of Gregg County Texas, which plat are incorporated in and made a part of this instrument for all purposes.

The specifically numbered lots in Towne Lake Addition as depicted upon the plat thereof recorded in Vol. 1000, Page 4 of the Deed Records of Gregg County, Texas, and also the specifically numbered lots in Unit 2 in Towne Lake Addition as depicted upon the plat thereof recorded in Vol. _____, Page _____ of the Deed Records of Gregg County, Texas, save and except Blocks 1414 and 1415 thereof, shall be owned, held, sold and conveyed subject to the following restrictions, covenants, conditions and easements which are declared for the expressed purpose of protecting the value and desirability of, and which shall run with the properties above described and shall be binding upon all parties having any right, title or interest in Towne Lake Addition, save and except Blocks 1414 and 1415, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof, all of which shall be covenants running with the land and binding upon the Declarants, their heirs, successors or assigns, all owners or purchasers of said lots or properties, their heirs, successors, executors, administrators or assigns as provided, herein.

ARTICLE 1 - DEFINITIONS

1.1. All references to DECLARANT herein shall include the Owners of any lot situated within the properties. Previous versions of this Declaration defined DECLARANT also to include Towne Lake Village Associates, Ltd., which was the Developer of the Addition. Towne Lake Village Associates, Ltd. shall be referred to herein as "the Developer."

1.2. ASSOCIATION is TOWNE LAKE HOMEOWNERS, INC., a Texas non-profit corporation, and its successors and assigns.

1.3. EXCLUSIONS: Blocks 1414 and 1415 are specifically excluded from the Covenants, Conditions and Restrictions covering the remainder of the lots, blocks or parts thereof lying within the boundaries of Towne Lake Addition.

1.4 PROPERTIES is TOWNE LAKE ADDITION to the City of Longview, Gregg County, Texas as depicted on the plat thereof recorded in Volume 1000, Page 4 of the Deed Records of Gregg County, Texas, and also as depicted on the plat of Unit 2 recorded at Volume 298, Page 310 of the Deed Records of Gregg County, Texas, also referred to herein as "the Subdivision" or "the Addition." However, Blocks 1414 and 1415 shall not be considered a part of the Properties, their owners shall not be entitled to a vote or to any other rights or privileges of membership, and those Blocks shall not be subject to this Declaration.

1.5. OWNER is the record owner, whether one or more persons or entities, of a fee simple title to any lot, block or part thereof which is a part of the PROPERTIES, excluding those having such interest merely as security for the performance of an obligation and owners of leasehold estates. OWNER may transfer rights to use the common areas to his TENANT but OWNER retains financial responsibility.

1.6. LOT is and shall mean and refer to each lot shown upon the plat of the PROPERTIES.

1.7. BLOCK shall mean and refer to each block as delineated and shown upon the plat of the PROPERTIES.

1.8. GREEN BELT AREAS shall mean and refer to all of the area identified as GREEN BELT AREAS upon the plat of the PROPERTIES.

1.9. PRIVATE STREET shall mean any street, lane, drive, boulevard, court, circle, road, place or terrace in the Addition which has been or will be dedicated to use by the Members and other authorized persons, as shown upon the plat of the PROPERTIES, but shall not include alleys, driveways and cul-de-sacs or THE GREEN BELT AREAS.

1.10. MEMBER shall mean and refer to an OWNER of one or more Lots in the Properties. Each Member shall be entitled to cast the number of votes as determined pursuant to Article 6 hereof. Every person or entity which owns one or more Lots in the PROPERTIES shall automatically become a Member and shall remain a Member until that person or entity no longer owns any Lots, except that the Developer shall not be a Member. Membership in the Association shall be appurtenant to and may not be separated from ownership of one or more Lots in the PROPERTIES.

1.11. PERSON shall mean an individual, corporation, partnership, association, trust or other legal entity or any combination thereof.

1.12. COMMITTEE shall mean and refer to the architectural control committee established pursuant to paragraph 7.1 (a) of these Restrictions, Covenants and Conditions.

1.13. RESIDENCE shall mean and refer to a permanent structure erected on a lot or lots for use as a family dwelling (also herein referred to as a "living unit"). Each

residence shall have accommodations for and shall be occupied by no more than one (1) family. "Family" as used herein shall refer to any number of individuals, with no more than two (2) individuals residing in the same residence who are unrelated by blood, marriage, or adoption. All owners and residents of the Towne Lake Addition shall ensure that the lot(s) owned and occupied by them shall be constructed and maintained in full and complete compliance with any and all applicable City of Longview building code provisions, and full and complete compliance with any and all applicable City of Longview Fire Code provisions. No modifications or structural changes may be made to any single-family residence for purposes of additional housekeeping units will be permitted.

ARTICLE 2 - POWERS OF ASSOCIATION

2.1. In the event that contiguous lands are developed consistent with the purposes and objectives as herein set forth, such additional lands may be annexed to the Properties at any time by a vote of at least two-thirds of the outstanding votes of the Owners. In such case such additional property shall be subject to this Declaration. If such additional property is subject to preexisting restrictive covenants, then amendments shall be properly approved to the restrictive covenants of the Addition and the additional property. In addition, if such additional property is represented by a property owners' association, then that entity shall be merged with TOWNE LAKE HOMEOWNERS, INC.

2.2. The Association, by a majority vote of all the Members, shall have the right to make such changes in the boundaries and designations of lots or blocks not sold to others and in the GREEN BELT AREAS as the Owners deem advisable provided that any such change shall not unreasonably or substantially adversely affect the boundaries or the beneficial use and enjoyment of any Lot or Block then owned by Persons who do not cast an affirmative vote in favor of such changes, and provided the changes are made in compliance with the terms, conditions and provisions of this Declaration and all applicable laws or ordinances.

ARTICLE 3 - PROPERTY RIGHTS

3.1. Each Owner shall have a nonexclusive right and easement of use and enjoyment in and to all streets, courts, cul-de-sacs, GREEN BELTS and recreational facilities located within the boundaries of the Properties, which shall be appurtenant to and shall pass with the title to each lot or block comprising the Properties, subject to the following rights:

- (a) the right of the Association to levy and collect the construction and maintenance fee or fees as provided for in Article 10 hereof and in addition thereto, to charge reasonable admission and other fees for the maintenance and use of the GREEN BELT AREAS and any recreational facility situated thereon;
- (b) The right of the Association to suspend the right to use the recreational facilities and common areas by an Owner (or the Owner's family, guests, and/or tenants):

- 1) For any period during which any assessment against any of his or her lots remains unpaid;
 - 2) for a period not to exceed 60 days following a finding by the Board or committee that the Owner or the Owner's family, guests, or tenants violated any of the restrictive Covenants, Bylaws, policies, or other rules and regulations adopted by the Members or Board; and
 - 3) For additional periods not to exceed 60 days each, if the Board or a committee previously found that a violation occurred, and if the Board makes a subsequent finding that the same violation was still occurring thirty days or more after the previous finding.
- (c) the right of the Board of Directors of the Association to dedicate or transfer a fee interest in or an easement on all or any part of the GREEN BELT AREAS to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the Board. No dedication or transfer of a fee interest shall be effective unless an instrument signed by the Owners holding not less than sixty percent (60%) of the total votes, as determined by Article 6 herein, agreeing to such dedication and transfer, has been recorded;
- (d) the right of the Association to make such reasonable rules and regulations regarding the use of the GREEN BELT AREAS and facilities located thereon by the Member and other persons entitled to such use, including but not limited to restrictions on the number of guests who may use the GREEN BELT AREAS and the parts of the GREEN BELT AREAS such guests may use;
- (e) the right of the Association to borrow money for the purpose of constructing, maintaining and improving the GREEN BELT AREAS and all facilities located thereon and to perform all other obligations imposed upon it under the terms of this Declaration and in so doing, to mortgage the GREEN BELT AREAS or portions thereof for such purpose; and
- (f) the right of any owner to delegate, in accordance with such reasonable rules and regulations as the Association may promulgate from time to time, his or her part of enjoyment to the GREEN BELT AREAS and facilities to the members of his immediate family consisting of his spouse, children, grandchildren, parents, and/or tenants or contract purchasers who reside on his or her lot.

ARTICLE 4 - GREEN BELT AREAS

4.1. The Declarant has heretofore conveyed the GREEN BELT AREAS, together with the improvements thereon, to the Association.

4.2. From and after the date of the conveyance of the GREEN BELT AREAS to the

Association, the Association shall have the right privileged power and duty of constructing all facilities upon the GREEN BELT AREAS that are reasonably necessary to comply with the duties, responsibilities and obligations of the Association; of maintaining the GREEN BELT AREAS of operating all facilities upon the GREEN BELT AREAS to perform all of the duties, obligations and responsibilities imposed upon the Association in accordance with these Restrictions, Covenants and Conditions.

4.3. In performing the duties, obligations and responsibilities imposed upon the Association as provided for in the Restrictions, Covenants and Conditions covering TOWNE LAKE ADDITION, the Association shall have the express right and authority to incur such debts and obligations and to borrow such sums of money as is reasonably necessary so to do and to secure the same by mortgage pledge or other security interest covering and including all properties of the Association.

4.4. The Association shall have and is hereby granted the express right and authority to at any time authorize the use of any of the GREEN BELT AREAS as an alley or other similar means of access for vehicular or pedestrian traffic, provided, such change or authorization shall receive the approval of the Board of Directors of the Association and also be approved by Members holding 60% of the outstanding votes, and a document shall be recorded with the Gregg County Deed Records noting such approval.

The Association previously authorized that the following GREEN BELT AREAS may be used as alleys or private driveways with ownership remaining in the Association:

- (a) The Green Belt separating Block 1405 from Block 1406 and 1408;
- (b) The Green Belt separating Block 1406 from Block 1407;
- (c) The Green Belt separating Block 1407 from Block 1408 and 1409;
- (d) The Green Belt separating Block 1408 from Block 1409.

ARTICLE 5 - MEMBERSHIP IN ASSOCIATION

5.1. The number of votes cast in any vote of the Members shall be determined in accordance with the schedule stated in Article 6. If two or more persons are the record owners of a lot, then such persons shall collectively cast the vote or votes attributable to the ownership of the lot or lots owned, and those owners shall be responsible for resolving any disputes regarding such vote(s). The Association shall be entitled to rely on the deed records of Gregg County, Texas, or the records of the Gregg County Appraisal District in determining ownership of lots, unless the owner(s) of a lot provide official documentation to the contrary.

5.2. Membership in a Lot and the vote to be cast by the owners of that Lot shall be appurtenant to and shall not be separated from the record ownership of a lot. Any attempted transfer of membership or of the right to cast vote(s) attributable to a Lot, without transfer of ownership of that Lot, shall be of no force or effect, except that the Owner(s) of a Lot may delegate their right to cast one or more votes using a properly executed written proxy.

5.3. The owner or holder of a lien or other security interest in a lot shall not be considered as an Owner for membership or voting purposes.

5.4. The Developer shall not be a Member or have the right to cast a vote in any matter to be decided by the Members.

ARTICLE 6 - VOTING RIGHTS

6.1. The Owners of the Lots shall have the voting rights as determined in the following subparagraphs, all of which votes may be cast by the owner thereof either in person or by written proxy at a meeting of the Owners (the Members of the Association), by electronic ballot according to rules and procedures established by the Board, by absentee ballot, or by any other method of representative or delegated voting for which rules and procedures are established by the Board. Any vote cast by an Owner (including a vote cast pursuant to a proxy) shall be cast electronically, or shall be in writing and signed by the person casting the vote. Any decision to be made by the Members shall be determined by a majority of the votes cast in favor or against the proposition, unless a supermajority or a majority of all outstanding votes is required for a decision on a specific issue. If an owner casts an electronic vote or absentee ballot then later attends the meeting and votes in person, the electronic vote or absentee ballot shall be disregarded and the votes cast in person shall be counted. An electronic vote or absentee ballot may not be counted on the final vote of a proposal if the motion was amended at the meeting to be different from the exact language on the absentee or electronic ballot. Any solicitation for votes by absentee ballot must include 1) an absentee ballot that contains each proposed action and provides an opportunity to vote for or against each proposed action; 2) instructions for delivery of the completed absentee ballot, including the delivery location; and 3) the following language: "By casting your vote via absentee ballot you will forgo the opportunity to consider and vote on any action from the floor on these proposals, if a meeting is held. This means that if there are amendments to these proposals your votes will not be counted on the final vote on these measures. If you desire to retain this ability, please attend any meeting in person. You may submit an absentee ballot and later choose to attend any meeting in person, in which case any in-person vote will prevail."

6.2. Each Person who is the Owner of one or more of each of the lots listed below shall have the right to cast two votes for each lot owned plus two (2) votes for each completed dwelling unit located upon the Lot or Lots owned:

- (a) Block 1411, Lot 1 and Lots 12 through 24.
- (b) Block 1412, Lot 1.
- (c) Block 858, Lots 17 through 20.
- (d) Block 1413, Lots 6, 7, 16, 17, 18, 19, 28, 29, 30, 31, 40, 41, 42.

6.3. Each Person who is the Owner of one or more of each of the lots listed below shall have the right to cast one vote for each lot owned plus two (2) votes for each completed

dwelling unit located upon the Lot or Lots owned:

- (a) Block 1416, all lots.
- (b) Block 1404, all lots.
- (c) Block 1405, all lots.
- (d) Block 1406, all lots.
- (e) Block 1407, all lots.
- (f) Block 1408, all lots.
- (g) Block 1409, all lots.
- (h) Block 1410, all lots.
- (i) Block 1411, Lots 2 through 11.
- (j) Block 1412, Lots 2 through 12.
- (k) Block 1413, Lots 1 through 5; Lots 8 through 15; Lots 20 through 27; and Lots 32 through 39.
- (l) Block 1417, Lots 1 through 24.

6.4. Each Person who is the Owner of one or more of each of the lots listed below shall have the right to cast two and one-half votes for each lot owned plus two (2) votes for each completed dwelling unit located upon the Lot or Lots owned:

- (a) Block 1411, Lots 25 through 38.
- (b) Block 1418, Lots 1 through 20.

ARTICLE 7 - BUILDING AND USE RESTRICTIONS

7.1. ARCHITECTURAL CONTROL COMMITTEE

- (a) The Association shall designate and appoint an Architectural Control Committee consisting of not less than three (3) qualified persons. The Board shall appoint a Board member as a non-voting liaison to the Architectural Control Committee. The appointed Board member shall make reasonable efforts to attend all Architectural Control Committee meetings and report to the Board activities of note. The Architectural Control Committee shall serve at the pleasure of the Association and shall perform all of the duties, obligations and responsibilities imposed upon it by these Declarations and the Bylaws, policies, rules and regulations of the Association.
- (b) No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties comprising TOWNE LAKE ADDITION, nor shall any exterior addition to or change or alteration thereof be made, nor shall any fencing, roofing, solar panels, rain barrels, irrigation systems, and satellite dishes be installed or moved on any property, until the Owner or Owner's agent or contractor submits written plans and specifications to the Chair of the Architectural Control Committee, showing the nature, kind, shape, height, material, and precise location on the lot(s) of the project.

- (c) No landscaping shall be placed on any lot or moved to another location without approval by the Architectural Control Committee. However, an owner may take the following actions without such approval:
- 1) Maintaining existing landscaping features;
 - 2) Replacing a plant with another of similar size and shape;
 - 3) Removing dead trees, bushes, or other plants;
 - 4) Planting or removing a tree less than fifteen feet tall;
 - 5) Planting or removing a bush or other plant less than eight feet tall; or
 - 6) Planting a flowerbed less than twenty-five (25) square feet in area (five feet by five feet or the equivalent).
- (d) The Architectural Committee shall maintain an office for the receipt of request at the office of the Association. In the event that any plans or specifications are submitted as provided for herein and the Committee fails to either approve or reject the same for a period of fifteen (15) days following date of submission, approval of the Committee shall not be required and full compliance with this section 7 shall be deemed to have been had. However, no plans or specifications involving any violation of this Declaration, the Association's Bylaws, or its rules and regulations, policies, or procedures shall be deemed approved by reason of the Committee's failure to act.
- (e) An owner may install without approval of the Architectural Control Committee an antenna used to receive television signals broadcast by satellite, if the antenna is one meter or less in diameter and if it is either installed behind a privacy fence, or on a roof surface facing away from the front lot line. If an owner wishes to install any other antenna, he or she must submit an application to the Architectural Committee, and such Committee shall ensure that the installation is safe and not cosmetically detrimental to the appearance of the property. The Architectural Control Committee shall expedite any such application and avoid unnecessarily impairing such installation, or unreasonably increasing the cost of installation, maintenance, or use. The Architectural Control Committee may not impose restrictions which preclude reception or transmission of an acceptable quality signal. In all circumstances the Board and Architectural Control Committee shall comply with the "Over-the-Air Reception Devices Rule" including any subsequent amendments or legally binding interpretations, while it is in effect.
- (f) The Architectural Committee shall use the following criteria to approve any other applications for permission to commence, erect or maintain a building, fence, wall or other structure, or to make any exterior addition, change, or alteration, or to undertake any landscaping upon any Lot in the Properties:

- 1) Compliance: Compliance with the letter and spirit of this Declaration, the Bylaws, the Association's policies, rules, and regulations, and any other applicable requirements such as utility easements, city ordinances, and state law.
 - 2) Common Scheme of Development: Preserving and promoting a common and harmonious scheme of development.
 - 3) Property values: Preserving and enhancing the property values of the lots.
 - 4) Attractiveness: Protecting and enhancing the attractiveness and desirability of the lots, homes, and other properties, and preserving to the extent practicable the natural beauty of the property.
 - 5) Harmony: Ensuring harmony of external design in relation to surrounding structures and topography.
 - 6) Treatment of similar projects: Giving due consideration to prior approval or rejection of applications for similar projects.
 - 7) Safety: Promoting safety for owners, residents, and other persons in the neighborhood.
 - 8) Setback: Securing and maintaining proper setbacks from streets and adequate free spaces between structures.
 - 9) Highest and best uses: Encouraging the highest and best development of said property and construction of high quality improvements, and protecting the owners of lots hereunder against such improper or inappropriate use of lots as will depreciate the value of their property, including construction of poorly designed or proportioned structures, and structures built of improper or unsuitable materials.
 - 10) Freedom: Balancing those interests with each owner's freedom to make decisions regarding his or her property.
- (g) The Committee shall have broad, discretionary authority to interpret and apply these standards. The Committee has the power to reject an application or to request that it be resubmitted if it is not sufficiently clear, specific, and detailed. If the Committee rejects an application, the Committee should detail the reasons for rejection and, if possible, suggest how the applicant could remedy the deficiencies.

7.2. LAND USE

(a) Resubdivision or consolidation. No Lot within the properties shall be resubdivided in any fashion except that any person owning two or more adjoining lots may subdivide or consolidate such lots into building sites provided that such subdivision, consolidation and resulting construction does not violate any other provision of these covenants, restrictions and conditions and is approved by the Architectural Committee.

(b) Single Residential Units.

(1) Each of the following described lots shall be used exclusively for the construction and maintenance of a single family residential structure containing not less than 1,500 square feet, exclusive of garage and carport, and either a two car enclosed garage or a single car enclosed garage, together with a carport shall be constructed with each residential unit.

Block 858, Lots 17 through 20.

Block 1411, Lot 1 and Lots 12 through 24.

Block 1412, Lot 1,

Block 1413, Lots 6, 7, 16, 17, 18, 19, 28, 29, 30, 31, 40, 41 and 42.

(2) The following described lot shall be used exclusively for the construction and maintenance of a single family residential structure containing not less than 1,700 square feet, exclusive of garage and carport, and either a two car enclosed garage or a single car enclosed garage, together with a carport shall be constructed with the residential unit.

Block 1418, Lot 20.

(3) Each of the following described lots shall be used exclusively for the construction and maintenance of a family residential structure containing not less than 1800 square feet, exclusive of garage and carport, and either a two car enclosed garage or a single car enclosed garage, together with a carport shall be constructed with each residential unit.

Block 1411, Lots 25 through 38.

Block 1418, Lots 1 through 5 and Lots 16 through 19.

(4) Each of the following described lots shall be used exclusively for the construction and maintenance of a single family residential structure containing not less than 2,000 square feet, exclusive of garage and carport, and either a two car enclosed garage or a single car enclosed garage, together with a carport shall be constructed with each residential unit.

Block 1418 Lots 6 through 15.

- (c) Single Family or Multiple Family Single Residential Units. Subject to the lot allocation and square footage requirements stated in sub-section c.1, c.2, c.3 and c.4 of this section (7.2), each of the following lots shall be used exclusively for either single or multiple residential units; provided however, that no structure shall contain more than 4 units.

Block 1404, all lots

Block 1405, all lots.

Block 1406, all lots.

Block 1407, all lots.

Block 1408, all lots. Block 1409, all lots. Block 1410, all lots.

Block 1411, 2 through 11.

Block 1412, Lots 2 through 12.

Block 1413, Lots 1 through 51 Lots 8 through 15; Lots 20 through 27; and Lots 32 through 39.

Block 1416, all lots.

- (1) Each single family unit shall be constructed upon not less than two (2) lots and contain not less than 1,500 square feet, exclusive of garage and carport, and either a two car enclosed garage or a single car enclosed garage together with a carport shall be constructed with each single family residential unit.
 - (2) Each two family unit shall be constructed upon not less than three (3) lots and contain not less than 2,400 square feet, exclusive of garage and carport, and either a two car enclosed garage or a single car enclosed garage together with a carport shall be constructed for each family unit.
 - (3) Each three family unit shall be constructed upon not less than four (4) lots and contain not less than 3,300 square feet, exclusive of garage and carport, and either a two car enclosed garage or a single car enclosed garage together with a carport shall be constructed for each family unit.
 - (4) Each four family unit shall be constructed upon not less than four not less than 4,000 square feet, exclusive of garage and carport, and either a two car enclosed garage or a single car enclosed garage together with a carport shall be constructed for each family unit.
- (d) Multiple Family single residential units. Block 1417, Lots 1 through 24 may be used for the construction of multiple family units.
- (1) Each two family unit shall be constructed upon not less than two (2) lots and contain not less than 2,000 square feet.

- (2) Each three family unit shall be constructed upon less than three (3) lots and contain not less than 3,700 square feet.
- (e) Lot 20A, Block 1416 shall be used exclusively by the Association for the construction and maintenance of its offices, service and recreational facilities and for such other purposes as the Association may authorize and direct.
- (f) The minimum floor area requirements stated herein include only heated and air conditioned rooms. Those requirements do not include porches, stoops, open or closed carports, patios, garages, attics, storage buildings, workshops, or other outbuildings of any kind.
- (g) GREEN BELT AREAS - The Green Belt Areas shall be owned, held and maintained for the use and benefit of the Association. Recreational and/or maintenance facilities or permanent structures shall not be placed upon the Green Belt Areas without the express prior approval of the Architectural Committee and the Board of Directors of the Association.
- (h) OFF STREET PARKING
 - (1) In addition to the garage or garage and carport, each of the following described lots shall provide for each living unit an off street hard surface parking area sufficient to accommodate not less than two (2) automobiles which off street parking area may be the driveway from street to garage.

Block 858, all lots.
 Block 1404, all lots.
 Block 1405, all lots.
 Block 1406, all lots.
 Block 1407, all lots.
 Block 1408, all lots.
 Block 1409, all lots.
 Block 1410, all lots.
 Block 1411, all lots.
 Block 1412, all lots.
 Block 1413, all lots.
 Block 1416, all lots.
 Block 1418, all lots.

- (2) Each of the following described, lots shall provide for each living unit an off street hard surface parking area sufficient to accommodate not less than two (2) automobiles.

Block 1417, all lots.

(i) Other Restrictions.

- (1) Any structure in the Addition which is designated as a single-family residence, or any living unit in a structure designated as a multiple family unit, may be occupied by no more than two individuals who are not related to each other by blood, marriage, or adoption. This paragraph does not limit the number of other individuals who reside in such residence or living unit, as long as they are related to one of the unrelated individuals discussed in the preceding sentence.
- (2) Commercial activity that could cause any nuisance or annoyance of any kind to any owner or resident, and which does not cause any activity whatsoever that is detectable to other owners or residents, shall not be considered to be commercial activity which would violate the prohibition of such. Examples of activity that could qualify for this exclusion include computerized trading of investments owned by the owner, communicating by telephone regarding business matters, and preparing tax documents inside of one's residence.
- (3) No owner, tenant, guest, or other person may use a garage or carport as a living area. No owner, tenant, guest, or other person may convert a garage or carport for use as a living area without the approval of the Architectural Control Committee, which shall only be given if the resulting structure is not cosmetically detrimental to the appearance of the property.

7.3 EXTERIOR MATERIALS

- (a) The exterior walls of all single family dwellings, units (detached) and all multiple family dwelling units (attached) shall be not less than 75 percent, excluding doors and windows, masonry veneer or such other materials as may be approved by the Architectural Committee, which materials shall be maintenance free to the fullest extent possible for not less than twenty (20) years. In the event concrete, cinder or haydite blocks are used, they shall be covered with an approved stucco or similar materials. The remaining 25 percent of the exterior walls and the roof shall be of such material as is approved by the Architectural Committee. All fencing adjoining or immediately adjacent to the street shall be unpainted masonry veneer and/or constructed of the same materials as is provided for in the construction of the residential unit or units, or unpainted wood privacy fencing. Choice of fencing material is to be approved by the Architectural Control Committee.
- (b) The exterior of all multiple family structures located upon Lots 1 through 24, Block 1417 shall be constructed in accordance with the requirements of the Architectural Control Committee.

- (c) All structures constructed upon Lot 20a, Block 1416 shall be constructed in accordance with the requirements of the Architectural Control Committee.
- (d) Any landscaping or planting which an Owner may wish to do outside of his setback line must be approved by the Architectural Control Committee and the continuance of such landscaping at such point shall be at the pleasure of the Committee.

7.4. SETBACKS AND FENCING

- (a) Each structure placed upon the properties exclusive of Lots 1 through 24, Block 1417 and Lot 20A, Block 1416 shall be placed upon the properties in accordance with the setback requirements of the Architectural Control Committee and there shall be constructed along each setback line for the purpose of enclosing a private yard or patio, a fence with a minimum height of 6 feet, which fence shall be of painted materials as approved by the Architectural Control Committee; provided, however, that the fence facing any street shall be constructed in accordance with the material requirements as set forth in subsection (a) of Section 7.3. In the event any structure is placed upon the setback line, no additional fencing shall be required.
- (b) In determining setback requirements as provided for in subsection (a) above, the Architectural Committee shall, except in those cases where because of the unusual lot dimensions or terrain these requirements are impractical, be governed by the following requirements:
 - (1) The front setback line shall be not less than 10 feet or more than 25 feet.
 - (2) The rear **or** back setback line shall be not less than 5 feet **nor** more than 25 feet.
 - (3) There shall be no setback requirement for either side of lot; however, an opening of not less than 5 feet shall be provided for so as to provide entrance from the front yard to the back yard, which opening may be the garage or carport, however, no dwelling shall have a window on the side unless there is provided a setback of at least 3 1/2 feet to accommodate a privacy fence.
- (c) Setback requirements of Lots 1 through 24, Block 1417 and Lot 20A, Block 1416 together with the fencing that may be required if any, shall be in accordance with the requirements of the Architectural Control Committee.
- (d) Each living unit shall be equipped with a lawn sprinkler system installed with underground piping with a minimum coverage between the street and the front setback line.

ARTICLE 8 - EASEMENTS

8.1. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the plat of TOWNE LAKE ADDITION. No utility company, political subdivision or other authorized entity using the easements shall be liable for any damages done by them, or their assigns, agents, employees or servants to shrubbery, trees, flowers or other structures or other property of the Owner situated within such easements.

ARTICLE 9 - MAINTENANCE

9.1. The Association shall maintain the Green Belt Area, the streets and courts, the recreational facilities, its offices and all other properties and improvements owned by the Association; provided however, should such maintenance, repairs or replacements be necessitated by the negligence or misconduct of an Owner, the cost of such maintenance, repair and replacements shall be the responsibility of and shall be paid by the Owner or Owners responsible there for and each Owner shall be responsible for and shall reimburse the Association for any expenditure incurred in repairing or replacing any common element damaged through his, her or its fault.

9.2. The Association shall have the express right and privilege in accordance with such rules, regulations and requirements as it may hereafter adopt, of providing normal exterior maintenance of all exterior walls and roofs of all structures placed upon the properties, all fences constructed upon the setback lines and all private property areas outside the setback walls and fences.

9.3. Except as otherwise specifically provided for, each Owner shall repair, replace and maintain and care for all improvements located upon his, her or its lot keeping the same in good repair and in the event of damage or destruction by fire or other casualty, each Owner shall proceed with reasonable diligence to repair, restore and replace such improvements or shall remove the damaged structure from the premises and clean and clear the lot of all debris as may be required by the Association.

9.4. In the event any structure placed upon any lot is damaged by fire or other casualty and the Owner fails or refuses within 60 days from date of notice so to do from the Association to repair, restore and replace such improvements or remove the damaged structure and clean and clear the lot of all debris, then and in that event, the Association shall have the right to remove the damaged structure from the premises, clean and clear the lot of all debris at the cost and expense of owner, which cost and expense shall constitute a lien upon the lot of Owner should Owner fail to pay the cost thereof.

9.5. It is contemplated that the Association may provide maintenance and repair services for the benefit of the Owner and should an Owner avail himself, herself, or itself of such services such Owner shall pay the Association the total cost for such services upon such terms, conditions and provisions as the Owner and the Association may agree upon.

9.6. In the event of any damage to the Green Belt Area or the improvements located thereon or to any lot or the improvements located thereon is caused by or through the willful or negligent act of an Owner, his family, guests or invitees the cost of such repairs therefore shall be added to and become a part of the assessment, which such lot is subject and shall be paid for by the Owner thereof.

ARTICLE 10 - ASSESSMENTS

10.1. The Owner of each lot within TOWNE LAKE ADDITION, by the acceptance of a conveyance there for, whether or not it shall be so expressed in such deed thereby covenants and agrees to pay the Association the following:

- (a) An annual assessment and charge as provided for in paragraph 10.4.
- (b) Special assessments and charges as provided for in paragraph 10.5.

10.2. The annual assessment and each special assessment together with interest, costs and reasonable attorney's fees incurred in collecting any such assessment shall be a charge on the lot or lots owned by the Owner a continuing lien upon the lot or lots against which each such assessment is made. The lien shall secure payment of any amount of money owed to the Association by the owner of the lot, including but not limited to annual assessments, special assessments, cleanup costs, rental fees, late fees, fines, collection costs, attorney's fees, or other charges of any kind whatsoever. The obligation to pay such assessment is and shall be a part of the purchase price of each lot and this lien shall be superior and paramount to any homestead or other exception provided by law, and each owner hereby specifically waives his or her homestead exemption to the extent of such lien. Each such assessment, together with interest, costs and reasonable attorneys fees incurred in collecting any such assessment, shall also be the personal obligation of the person who is the owner of such property at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to an owner's successor in title unless expressly assumed by them, but nevertheless, the lien of such assessment shall continue to be a lien upon the lot as above provided.

10.3. Assessments levied by the Association shall be used exclusively for the purposes herein set forth and for such other and additional purposes as the Association may from time to time direct, including by way of illustration, and without limitation the following:

- (a) Construction of office, maintenance and recreational facilities upon the Association properties and the Green Belt Areas,
- (b) Effecting repairs, replacements and additions to all structures located upon the properties, street maintenance, Green Belt and yard maintenance.
- (c) Paying ad valorem and other property taxes and assessments levied on the Green Belt Areas and Association properties.
- (d) Contracting for such employees and independent management for the operation and maintenance of the Green Belt Areas recreational facilities, office and surface facilities, maintenance facility and the performance of all other duties, if any that the Association may hereafter provide for.
- (e) Obtaining utility services for the Green Belt Areas.
- (f) Obtaining and maintaining general public liability insurance, property damage insurance and fire and extended coverage insurance on the Green Belt Areas and the facilities of the Association, and other insurance as deemed advisable by the Association's Board.
- (g) Securing professional services for the Association, including but not limited to attorney's fees, accounting fees, and engineering charges.

10.4. Annual Assessments.

- (a) Amount. The annual assessment to be assessed against each lot and the Owner thereof shall be in such amount as is determined by the Members of the Association at their annual meeting or any special meeting called for such purpose. If the Members of the Association do not specify an amount of the annual assessment, then the amount shall be the same as for the preceding year. The Association shall notify each Member of the amount due for each year.
- (b) Payment.
 - (1) Existing Members: Each Member who paid his or her 2015 annual assessments by check on a monthly or quarterly basis may opt to continue paying annual assessments using the same method for 2016 and future years, until that Member opts to pay by automatic debit or single payment as described below. Each Member who paid his or her 2015 annual assessments by automatic debit or by a single payment shall pay his or her annual assessments for 2016 and future years by using one of those two methods.
 - (2) All other Members: All Members other than those who paid their 2015

annual assessments by check on a monthly or quarterly basis must pay annual assessments for 2016 and future years either by authorizing monthly payments to be automatically debited from a checking account, or by paying the annual assessment for each year by a single check, money order, or certified check. Any person who becomes a Member during any assessment period shall pay his pro rata portion of the annual assessments in full within thirty days of becoming a member, and shall pay all future annual assessments either by authorizing monthly payments to be automatically debited from a checking account, or by paying the annual assessment for each year by a single check, money order, or certified check.

- (3) Alternative Payment Arrangements: In special circumstances a member may ask for a waiver from the requirements of the foregoing two paragraphs by petitioning the Board in writing stating the reason for the waiver request. The decision of the Board of whether to grant or deny the request, or to offer other payment arrangements, is final.

10.5. Special Assessments. In addition to the annual assessments, the Members shall have the right and power to levy and collect special assessments that may be necessary to defray the cost of any of the obligations of the Association. The amount and the purpose of such special assessments shall be determined by the Members of the Association at any regular or special meeting called for such purpose. Immediately following the determination of the amount of such special assessment, the Association shall notify each Member of the amount of such special assessment and each Member shall be obligated to pay the same within thirty (30) days from the date of notice of such special assessment.

10.6. Any assessment not paid when due pursuant to Association rules shall suffer a penalty of \$5.00 plus an additional \$1.00 for each day from and after the 9th day following the due date of such assessment until the assessment and any such penalty has been paid in full, but which in no event shall exceed the highest rate of penalty or interest allowed by applicable state law. The Association may bring an action at law against the Owner personally obligated to pay the same and foreclose the lien against the lot vested in the Association under the terms of this agreement, together with interest, costs and reasonable attorney's fees for such action. No Owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Green Belt Areas or abandonment of his or her lot.

10.7. The lien created by the assessments as provided for herein, together with any interest, costs and reasonable legal fees provided for in connection with the collection thereof, shall be subordinate and inferior to the first mortgage lien or deed trust lien or any other lien securing the debt incurred in connection with the purchase of a lot and

improvements located thereon, or any lien securing a debt incurred in improving any lot. The sale or transfer of any unimproved lots shall not affect the assessment lien. Any unimproved lot is a lot upon which a residence has not been completed. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceedings in lieu thereof shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer; provided, however, that such extinguishment of lien shall not extinguish the personal liability of the person who is the owner of the lot prior to such sale or transfer, for the payment of such assessment. No sale or transfer shall relieve such lot from liability for any assessment thereafter becoming due or from the lien thereof.

10.8. The failure of the Association to fix the annual assessment as provided for herein for any year shall not be deemed a waiver or a release from the obligation to pay an annual assessment and the annual assessment fixed for the preceding calendar year shall continue until a new assessment is fixed by the Members of the Association as is herein provided for.

ARTICLE 11 - GENERAL RESTRICTIONS

11.1 The Green Belt Areas shall be used exclusively for park, recreational, social, access, utility easements and other purposes directly related to the use of the lots as authorized hereunder.

11.2. No garbage or refuse, rubbish or cuttings shall be deposited on any street, court, Green Belt Area, nor on any lot outside a private yard or patio area unless placed in a suitable container for the specific purpose of immediate removal. All lots shall be kept clean and free of any boxes, rubbish, trash, inoperative vehicles, tall grass or weeds or other debris. Each owner and tenant shall ensure that his or her trash receptacles (trash cans, carts, or other containers used to hold trash, lawn clippings, or other waste) is placed out of sight at all times other than the designated day when trash will be picked up."

11.3. No building material of any kind or character shall be placed upon any lot except in connection with construction approved as provided for and as soon as building materials are placed upon any lot in such connection; construction shall be promptly commenced and diligently prosecuted to conclusion.

11.4. No clothes lines, drying yards, service yards, wood piles or storage area shall be located outside the private yard or patio area.

11.5. No animals or poultry shall be kept within or on the property except ordinary household pets belonging to the owner or resident. "Ordinary household pets" as used herein shall refer to domesticated cats and dogs. No owner or resident shall keep more

than four ordinary household pets on his or her lot(s). Each owner or resident shall keep his or her pets within the confines of his or her private yard or patio area, or on a leash when outside those areas. No pets shall be kept in the Addition for commercial purposes, although an owner or resident may keep one litter of kittens or puppies on his or her lot(s) until they are weaned. This paragraph shall not restrict owners or residents from keeping indoor pets which do not affect the neighbors in any way, such as fish kept in a fish bowl or tank, or hamsters kept in a cage or similar enclosure.

11.6. No used or previously erected or temporary house, structure, house trailer, structure designed as a mobile home, or any other non-permanent out buildings shall ever be placed, erected or allowed to remain on the properties except during the construction period.

11.7. No boats, trailers, campers or similar items shall be left parked on any street, court or outside any enclosed area.

11.8. Trucks (other than pick-ups) and commercial vehicles shall not be allowed to remain on the properties; however, this restriction shall not restrict trucks or commercial vehicles from making pickups or deliveries to or in the properties, nor shall this restriction restrict trucks or commercial vehicles which are necessary for construction or maintenance of the properties.

11.9. Members or their guests shall not park any motor vehicle on any street or court, except under special circumstances. No motor vehicle may be parked on any street or court for more than 72 consecutive hours, unless the Member first receives a permit from the Association for extended parking privileges of up to ten (10) consecutive days. Any permit so granted must be prominently displayed on the motor vehicle parked on the street or court.

11.10. Whenever ownership of a lot or any interest thereof shall be transferred, the transferor and transferee shall promptly notify the Association of the name and address of the new owner(s), their contact information, and the lot(s) transferred.

11.11. The owner and lesser of each lot, any persons residing on said lot, and any guests shall be responsible for complying with all requirements imposed by this Declaration and the Bylaws and other rules and regulations of the Association.

11.12. These Restrictions shall be liberally construed to effectuate their purpose of creating a uniform plan for the Property.

ARTICLE 12 - GENERAL PROVISIONS

12.1. Enforcement. The Declarant, the Association, or any Member of the Association shall have the right to enforce, by any proceedings at law or in equity, all restrictions,

conditions, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. The Association's Board may levy a fine against an Owner for a violation of this Declaration, the Bylaws, or any rules and regulations adopted by the Board, and any such fine shall be considered an additional assessment against that owner's lot(s). Any such fine shall not exceed the amount of civil damages available under the Texas Property Code for a violation, and in the event a court later awards such civil damages, the amount of any find paid by the owner for that violation shall be credited against the award. The amount of any fine shall be determined by the Board, and its decision shall be final. Dedicatory Instruments as permitted by law. Failure by the Declarant, Association or by any Owner to enforce any covenant or restrictions at anytime shall in no event be deemed a waiver of the right to do so thereafter.

12.2. Enforcement. The Declarant, the Association, or any Member of the Association shall have the right to enforce, by any proceedings at law or in equity, all restrictions, conditions, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant, Association or by any Owner to enforce any covenant or restrictions at anytime shall in no event be deemed a waiver of the right to do so thereafter.

12.3. Amendment. This Declaration shall run with and bind the land, for a term of 20 years from the date of this Declaration, after which time they shall automatically extend for successive periods of 10 years. This Declaration may be amended by a vote of at least 60% of the outstanding votes of the Members, and a document reflecting such approval shall be filed for record in the office of the County Clerk of Gregg County, Texas.

12.4. Private neighborhood. Towne Lake Village is a gated community with private roads and common areas. The owners, their families, their guests, and their tenants shall have access to the roads and common areas, subject to the limitations herein, but the Association's officers and directors shall have the right to limit or deny access to other persons, or to impose reasonable conditions on their access, with the best interest of the Owners and the private nature of the Village in mind.

ARTICLE 13 - ARBITRATION

13.1. Should there be any disagreement by and between any Member or lot Owner and the Management of the Association, the controversy shall be submitted to the Executive Committee of the Association, consisting of the President, Vice President and the Secretary, for final determination. The decision of the Executive Committee shall be binding upon the Association and the Member(s) or lot owner(s) unless a Court of

competent jurisdiction determines that such decision is arbitrary, unreasonable or not in compliance with these Covenants and Restrictions. Any lawsuit to overturn a decision of the Executive Committee acting as arbitrator must be filed within thirty days after the Member(s) are notified of the decision, and the person filing such lawsuit shall diligently notify the Association and all other interested parties.

ACKNOWLEDGMENT

I hereby certify that the foregoing are the “Towne Lake Homeowners, Inc. Second Amended and Restated Declaration of Covenants and Conditions Covering Towne Lake Addition in Longview, Gregg County, Texas” which were duly adopted by the shareholders or members of Towne Lake Homeowners, Inc. on _____, 2016.

BOBBY HUNT, President

STATE OF TEXAS

§

COUNTY OF GREGG

§

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This instrument was acknowledged before me on _____, 2016 by

BOBBY HUNT.

Notary Public, State of Texas