

Amend **HB 3674** by adding the following appropriately numbered SECTIONS and renumbering subsequent SECTIONS accordingly:

SECTION ____ . Section 201.001(b), Property Code, is amended to read as follows:

(b) The provisions of this chapter relating to extension of the term of, renewal of, or creation of restrictions do not apply to a subdivision if, by the express terms of the instrument creating existing restrictions, some or all of the restrictions affecting the real property within the subdivision provide:

(1) for automatic extensions of the term of the restrictions for an indefinite number of successive specified periods of at least 10 years subject to a right of waiver or termination, in whole or in part, by a specified percentage of less than 50 percent plus one of the owners of real property interests in the subdivision, as set forth in the instrument creating the restrictions; or

(2) for an indefinite number of successive extensions of at least 10 years of the term of the restrictions by written and filed agreement of a specified percentage of less than 50 percent plus one of the owners of real property interests in the subdivision, as authorized by the instrument creating the restrictions.

SECTION ____ Section 201.004(a), Property Code, is amended to read as follows:

(a) A petition may be filed under this chapter to:

(1) extend or renew an unexpired restriction;

(2) [~~to~~] create a restriction;

(3) [~~or to~~] add to or modify an existing restriction;

or

(4) modify an existing provision in an instrument creating a restriction that provides for extension of those restrictions.

SECTION ____ Section 204.003, Property Code, is amended to read as follows:

Sec. 204.003. APPLICATION OF PROVISIONS OF RESTRICTIVE COVENANTS [~~PREVAIL~~] IN CERTAIN CIRCUMSTANCES. (a) An express designation in a document creating restrictions applicable to a residential real estate subdivision that provides for the extension of, addition to, or modification of existing restrictions by a designated number of owners of real property in the subdivision prevails over the provisions of this chapter.

(b) A document creating restrictions that provides for the extension or renewal of restrictions and does not provide for modification or amendment of restrictions may be modified under this chapter, including modifying the provision that provides for extension or renewal of the restrictions.