

SECOND AMENDMENT
to
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
for
LAGO MAR

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

WHEREAS, MREC LT LAGO MAR OPERATING LLC, a Delaware limited liability company ("**Developer**"), caused the instrument entitled "Declaration of Covenants, Conditions and Restrictions for Lago Mar" to be filed in the Official Public Records of Real Property of Galveston County, Texas, under Clerk's File No. 2016041656 (the "**Declaration**"), which Declaration imposes various covenants, conditions, restrictions, and easements on the Property (as defined in the Declaration); and

WHEREAS, Article X, Section 10.1, of the Declaration provides that the Declaration may be amended by Developer without the joinder of any other party as long as the amendment to the Declaration is not materially inconsistent with the residential character of the Property; and

WHEREAS, the Declaration was previously amended by Developer by instrument entitled "First Amendment to Declaration of Covenants, Conditions and Restrictions for Lago Mar" filed in the Official Public Records of Real Property of Galveston County, Texas under Clerk's File No. 2016075218; and

WHEREAS, Developer desires to further amend the Declaration in a manner that is not materially inconsistent with the residential character of the Property.

NOW, THEREFORE, Developer hereby amends the Declaration as follows:

Article V, Section 5.6, of the Declaration, the definition of "Gated Section Assessments", is amended to read as follows:

SECTION 5.6. GATED SECTION ASSESSMENTS. Due to the anticipated cost of the operation, maintenance and repair of the limited access gates and Private Streets in Gated Sections, Owners of Lots in Gated Sections (excluding the Developer or a Declarant) must pay an additional assessment to the Association (the "Gated Section Assessment"), which Gated Section Assessment is due annually in accordance with Section 5.19 hereof. Until January 1, 2018, the rate of the Gated Section Assessment may not exceed Four Hundred and no/100 Dollars (\$400.00) per Lot, per annum. From and after January 1, 2018, the rate of the Gated Section Assessment may be increased each year not more than twenty percent (20%) above the maximum rate of the Gated Section Assessment for the previous year without a vote of the Owners of Lots in the Gated Sections, as provided below. Each year, the Board will estimate the cost of operating, maintaining and repairing the limited access gates and Private Streets in the Gated Sections for the next calendar year and set the amount of the Gated Section Assessment to be levied against each Lot in a Gated Section as deemed necessary, not in excess of the maximum rate as provided in this Section 5.6. The Gated Section Assessment may not be adjusted more than once in a calendar year. The Board of Directors of the Association may, at its discretion, accumulate and assess the increase in a later year. The rate of the Gated Section Assessment may be increased above twenty percent (20%) from one year to the next only upon the approval of at least two-thirds (2/3rds) of the Owners of Lots in the Gated Sections who are present and voting, in person or by proxy, at a meeting of the Owners of Lots in the Gated Sections called for that purpose. The approval of multiple Owners of a Lot in a Gated Section may be reflected by the approval of a single co-Owner. A Builder is obligated to pay a Gated Section Assessment on each Lot owned as set forth in Section 5.13. Notwithstanding the foregoing provisions, until such time that a Gated Section is substantially complete, Owners of Lots in that Gated Section are obligated to pay only one-half

(1/2) the amount of the Gated Section Assessment established for a particular year by the Board of Directors. For the purposes of this Section 5.6, a Gated Section is deemed to be substantially complete at such time that residential dwellings have been constructed and are ready for occupancy (whether or not sold by the Builder) on not less than eighty-five percent (85%) of the Lots in that Gated Section. Once a Gated Section is substantially complete, as provided herein, the Owners of Lots in that Gated Section are obligated to pay the full amount of the Gated Section Assessment.

This amendment is deemed to be a part of and is to be interpreted in accordance with the Declaration. Except as amended herein, all provisions of the Declaration are hereby ratified and confirmed and continue in full force and effect.

[The remainder of this page was intentionally left blank.]

IN WITNESS WHEREOF, Developer has executed this instrument as of the date set forth below for the purpose of acknowledging its approval to the amendment of the Declaration, to be effective upon recording in the Official Public Records of Real Property of Galveston County, Texas.

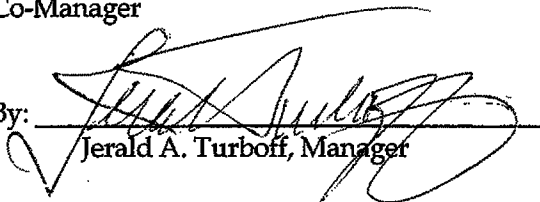
Executed on the 10th day of March, 2017.

DEVELOPER:

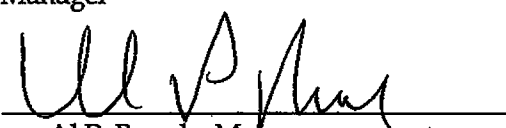
MREC LT LAGO MAR OPERATING LLC,
a Delaware limited liability company

By: Land Tejas Lago Mar, LLC,
a Texas limited liability company,
as Managing Member

By: Grover Lago Mar, LLC,
a Texas limited liability company,
Co-Manager

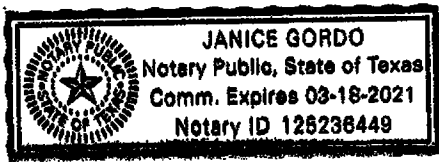
By: 
Jerald A. Turboff, Manager

By: Brende Lago Mar, LLC,
a Texas limited liability company,
Co-Manager

By: 
Al P. Brende, Manager

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 10th day of March, 2017 personally appeared Jerald A. Turboff, Manager of Grover Lago Mar, LLC, a Texas limited liability, Co-Manager of Land Tejas Lago Mar, LLC, a Texas limited liability company, as Managing Member of MREC LT Lago Mar Operating LLC, a Delaware limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

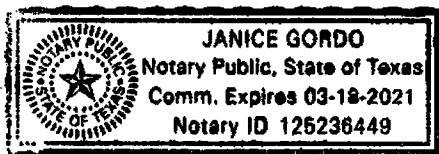


Janice Gordo

Notary Public in and for the State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 10th day of March, 2017 personally appeared Al P. Brende, Manager of Brende Lago Mar, LLC, a Texas limited liability company, Co-Manager of Land Tejas Lago Mar, LLC, a Texas limited liability company, as Managing Member of MREC LT Lago Mar Operating LLC, a Delaware limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.



Janice Gordo

Notary Public in and for the State of Texas

FILED AND RECORDED

Instrument Number: *2017015995*

Recording Fee: 42.00

Number Of Pages: 6

Filing and Recording Date: 03/14/2017 12:36PM

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Galveston County, Texas.



Dwight D. Sullivan

Dwight D. Sullivan, County Clerk
Galveston County, Texas

NOTICE: It is a crime to intentionally or knowingly file a fraudulent court record or instrument with the clerk.

DO NOT DESTROY - *Warning, this document is part of the Official Public Record.*