

**SECOND AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
RELATING TO COUNTRYSIDE, SECTIONS ONE AND TWO**

U.S. HOME CORPORATION (“Declarant”) created a subdivision located in Galveston County, Texas known as COUNTRYSIDE, SECTION ONE (“Section One”), by recording a Declaration of Covenants, Conditions and Restrictions under Clerk’s File No. 109935, and Book 2816, Pages 35-52, Deed of Trust Records of Galveston County, Texas, said document also being described as Document No. 7710831 (“Original Declaration”);

Certain additional property was brought into Section One by instrument entitled Ratification of Declaration of Covenants, Conditions and Restrictions, recorded at County Clerk’s File No. 118551, and at Book 2846, Page 790, Deed of Trust Records of Galveston County, Texas (“Ratification”);

The Original Declaration was amended by instrument entitled Amendment to Declaration of Covenants, Conditions and Restrictions recorded under County Clerk’s File No. 120720, and in Book 2858, Pages 795-801, Deed of Trust Records of Galveston County, Texas, said document also being described as Document No 7721828 (“Amendment”);

Further additional property was added as COUNTRYSIDE, SECTION TWO (“Section Two”) by instrument entitled Annexation of Countryside, Section Two (2), recorded under County Clerk’s File No. 152364, and in Book 2974, Page 769, Deed of Trust Records of Galveston County, Texas (“Annexation”);

The Original Declaration, Ratification, Amendment, and Annexation are “declarations” and “dedicatory instruments” as defined in TEX. PROP. CODE §§209.002(3) and (4), (collectively referred to herein as “Declaration”) covering Countryside Section One and Section Two, as follows:

Countryside, Section One (1), an addition in Galveston County, Texas, according to the map or plat thereof recorded in Volume 15, Pages 60-61, of the Map Records of the County Clerk of Galveston County, Texas; and

Countryside, Section Two (2), an addition in Galveston County, Texas, according to the map or plat thereof recorded in Volume 15, Pages 83-84, and re-plat recorded in Volume 15, Page 110-111, of the Map Records of Galveston County, Texas

(collectively, “Countryside”); and

COUNTRYSIDE HOMEOWNER ASSOCIATION, INC., a Texas nonprofit corporation (“Association”), is designated as the representative of Owners of Lots in Countryside, whose membership consists of said Owners, and which manages and regulates Countryside for the benefit of the Owners, pursuant to TEX. PROP. CODE §209.002(7(A)-(C)); and

The Association is further governed by the By-Laws of Countryside Homeowner Association, Inc., recorded with other dedicatory instruments under Document No. 9964169, in the Official Public Records of Real Property of Galveston County, Texas (“Bylaws”); and

TEX. PROP. CODE §209.0041(h), provides that a declaration may be amended by a vote of sixty-seven percent (67%) of the total votes allocated to property owners entitled to vote on the amendment; and

TEX. PROP. CODE §209.0041(f) provides that this section supersedes any contrary requirement in a dedicatory instrument; and

Sixty-seven percent (67%) of the total votes allocated to property owners entitled to vote on an amendment to the Declaration have voted to amend certain provisions of the Declaration as indicated by the Certification by the Board of Directors of the Association ("Board") and by the signatures attached hereto and incorporated herein, as follows:

Article IV of the Declaration, entitled "Covenant for Maintenance Assessments" is amended to add Section 12, as follows:

Section 12. Fines and Damages Assessment.

(a) The Board may assess fines against an Owner for violations of this Declaration, or other Association governing documents ("governing document[s]") which have been committed by an Owner, a resident, or the Owner or resident's tenants, guests, agents or invitees. Any fine and/or charge for damage levied in accordance with this Section will be considered an individual assessment particular to the non-compliant Owner. Each day of violation may be considered a separate violation if the violation continues after written notice to the Owner. The Board may further assess damage charges against an Owner for pecuniary loss to the Association from property damage or destruction of Common Area or any facilities located in the Countryside by the Owner, resident, or their tenants, guests, agents, or invitees. The Board or the Association's managing agent will have authority to send notices to alleged violators, informing them of their violations and asking them to comply with the restrictions contained in the Declaration or other governing document and/or informing them of potential or probable fines or damage assessments, or suspension of the use of the Common Areas pursuant to Article II, Section 2 of the Bylaws. The Board may, from time to time, adopt a schedule of fines.

(b) Before levying a fine or damage assessment, or suspend an Owner's right to use the Common Area, the Association will give the Owner a written notice via certified mail, return receipt requested. The notice must: (i) describe the violation or property damage that is the basis for the charge or fine and suspension, and state any amount due to the Association from the Owner; (ii) inform the Owner that he or she is entitled to a reasonable period to cure the violation and avoid the fine or suspension if the violation is of a curable nature and does not pose a threat to public health and safety; (iii) include a statement that no later than the thirtieth (30th) day after receiving the notice, the Owner may request a hearing pursuant to Section 209.007 of the Texas Property Code before the Board; and (iv) a statement informing the Owner that they may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. section *et seq*), if the Owner is serving on active military duty. The notice sent out pursuant to this paragraph is further subject to the following:

1. First Violation. If the Owner has not been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months, the notice will state those items set out in (i) - (iv) above, along with a specific date by which the Owner must cure the violation if the violation is of a curable nature and does not pose a threat to public health and safety, and that any future violation of the same restriction, rule, or provision may result in the levy of a fine and suspension of use of the Common Area. A violation is considered a threat to public health or safety if the violation could materially affect the physical health or safety of an ordinary resident.

2. Repeat Violation. If the Owner has been given notice and a reasonable opportunity to cure the

same or similar violation within the preceding six (6) months but commits the violation again, the notice will state those items set out in (i) and (iv) above, but will also state that because the Owner has been given notice and a reasonable opportunity to cure the same or similar violation within the preceding six (6) months but has not cured the violation, then the Owner will be fined and suspended as established by the Board.

3. Continuous Violation. After an Owner has been notified of a violation as set forth herein and assessed fines in the amounts set forth by the Board, if the Owner has not cured the violation in response to either the notices or the fines, in its sole discretion, the Board may determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Board.

(c) Due Date. Fine and/or damage charges are due immediately after the later of: (i) the date that the cure period set out in the First Violation notice ends and the Owner does not attempt to cure the violation or the attempted cure is unacceptable to Association, or (ii) if a hearing is requested by the Owner, such fines or damage charges will be due immediately after the Board's final decision on the matter, assuming that a fine or damage charge of some amount is confirmed by the Board at such hearing.

(d) Lien Created. The payment of each fine and/or damage charge levied by the Board against the Owner of a Lot is, together with interest and all costs of collection, including attorney's fees as herein provided, secured by the lien granted to the Association, pursuant to Article IV, Section 1 of this Declaration. Unless otherwise provided in this Section, the fine and/or damage charge will be considered an assessment for the purpose of this Article IV, and will be enforced in accordance with the terms and provisions governing the enforcement of assessments pursuant to this Article IV.

Article IX of the Declaration, Section 3 entitled "Amendment" is replaced in its entirety as follows:

Section 3. Amendment. The covenants and restrictions of the Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, and may be amended or restated by written ballots and signed by the Owners voting for such amendment or restatement of not less than sixty-seven percent (67%) of the total votes allocated to Owners entitled to vote on the amendment or restatement. Any amendment or restatement instrument shall be certified as to the requisite number of votes by a duly elected officer of the Association and shall be recorded in the Official Public Records of Real Property of Galveston County, Texas.

THE FOREGOING Second Amendment to Declaration of Covenants, Conditions and Restrictions Countryside Section One and Section Two to shall be deemed to run with the land and be binding upon and constitute a burden and benefit on any Lot in Countryside, and to all Owners of Lots, their heirs, personal representatives, successors and assigns, and any other person owning, leasing or otherwise acquiring an interest in a Lot in the Property, and any such person's heirs, personal representatives, successors and assigns. EXCEPT AS HEREBY MODIFIED OR AMENDED, the remaining provisions of the Declaration consistent with the terms hereto are to remain as written and recorded.