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RMA: 04/27/98

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE HOMESTEAD AT CARROLLTON, PHASE I

034670

STATE OF TEXAS §
§ KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF DENTON §

THIS DECLARATION is made on the date hereinafter set forth by Arcadia Land Partners 12, Ltd., a Texas limited partnership, hereinafter referred to as the "Declarant."

WITNESSETH:

WHEREAS, the Declarant is the owner of certain real property in the Town of Carrollton, Denton County, Texas, which is described in Exhibit "A" attached hereto and made a part hereof (the "Property"); and

WHEREAS, Declarant desires to create an exclusive planned community known as The Homestead at Carrollton, Phase I on the Property and such other land as may be added thereto pursuant to the terms and provisions of this Declaration.

NOW THEREFORE, the Declarant declares that the Property described shall be held, sold and conveyed subject to the restrictions, covenants and conditions, which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Lot and other portions of the Property in order to maintain within the Property a planned community of high standards. Such covenants shall be binding on all parties having any right, title or interest therein or any part thereof, their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE ONE

DEFINITIONS

Section 1.1 "Association" shall mean and refer to The Homestead at Carrollton, Phase I Homeowners' Association, Inc., a Texas not-for-profit corporation established for the purpose set forth herein, its successors and assigns.

Section 1.2 "Board" shall mean and refer to the Board of Directors of the Association.

Section 1.3 "Committee" shall mean the Architectural Control Committee described in Section 4.1 hereof.

Section 1.4 "Common Areas" shall mean and refer to that portion of the Property, if any, conveyed to the Association for the use and benefit of the Owners.

Section 1.5 "Common Maintenance Areas" shall mean and refer to the Common Areas, if any, and the entrance monuments, drainage facilities, detention ponds, right-of-ways, landscaping, and such other areas lying within dedicated public easements or right-of-ways as deemed appropriate by the Board for the preservation, protection and enhancement of the property values and the general health, safety and welfare of the Owners.

Section 1.6 "Declarant" shall mean and refer to Arcadia Land Partners 12, Ltd., its successors and assigns, who are designated as such in writing by the Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor and/or assign.

Section 1.7 "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for The Homestead at Carrollton, Phase I, and any amendments, annexations and supplements thereof made in accordance with its terms.

Section 1.8 "Dwelling" or "Residence" shall mean and refer to any residential unit, situated upon any Lot, including the parking garage utilized in connection therewith and the Lot upon which the Dwelling or Residence is located.

Section 1.9 "FHA" shall mean the Federal Housing Authority.

Section 1.10 "Lienholder" or "Mortgagee" shall mean the holder of a first mortgage lien, either on any Dwelling and/or any Lot.

Section 1.11 "Lot" shall mean and refer to any plot or land indicated upon any recorded subdivision map of the Property or any part thereof creating single-family homesites, with the exception of the Common Areas and areas deeded to a governmental authority or utility, together with all improvements thereon.

Section 1.12 "Maintenance Fund" shall mean and refer to the fund described in Section 6.2 hereof.

Section 1.13 "Member" shall mean and refer to every person or entity who holds membership in the Association. The Declarant and each Owner shall be a Member in the Association.

Section 1.14 "Owner" shall mean and refer to the record owner, other than the Declarant, whether one (1) or more persons or entities (including contract sellers), of the fee simple title to any Lot on which there is or will be built a single-family residence, but not including those having an interest merely as security for the performance of an obligation. However, the term "Owner" shall include any lienholder or mortgagee who acquires fee simple title to any Lot which is part of the

Property, through deed in lieu of foreclosure or through judicial or nonjudicial foreclosure.

Section 1.15 "Property," "Premises," or "Development" shall mean and refer to the real property described in Exhibit "A" known as The Homestead at Carrollton, Phase I and such additions thereto as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

Section 1.16 "Toews' Lot" shall mean and refer to that certain tract or parcel of real property described in Exhibit "B" attached hereto and a made a part hereof by reference, which shall become a platted Lot in the Development and shall be conveyed by the Declarant to Ike K. and Betty Davis Toews, for their use and benefit and construction thereon of a Dwelling thereon, but such conveyance shall be subject, in all events, to the terms and conditions of this Declaration.

Section 1.17 "Town" shall mean and refer to the Town of Carrollton.

Section 1.18 "VA" shall mean and refer to the Veterans Administration.

Section 1.19 "Village Architect" shall mean and refer to the Architect appointed by the Committee as described in Section 3.1 hereof.

Section 1.20 "Zoning Ordinance" shall mean and refer to the Zoning Ordinance enacted by the Town relative to the Property, as same may be amended and modified, from time to time in accordance with the applicable procedures of the Town.

ARTICLE TWO

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

Section 2.1 Existing Property. The Property which is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the Town, and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

Section 2.2 Additions to Property. Additional land(s) may become subject to this Declaration in any of the following manners:

(A) The Declarant may add or annex additional real property to the scheme of the Declaration by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions which shall extend the scheme of the Covenants and Restrictions of this Declaration to such property; provided, however, that such Supplementary Declaration may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declarations as may be necessary to reflect the different character, if any, of the added properties and as are not materially inconsistent with this Declaration in a manner which adversely affects the concept of this Declaration.

(B) In the event any person or entity other than the Declarant desires to add or annex additional residential and/or common areas to the scheme of this Declaration, such proposed annexation must have prior written consent and approval of the majority of the outstanding votes within each voting class of the Association, plus, if such annexation occurs within five (5) years following the date hereof, the written consent and approval of Declarant to such annexation.

(C) Any additions made pursuant to Subsections 2.2(A) and 2.2(B) of this Section 2.2, when made, shall automatically extend the jurisdiction, functions, duties and membership of the Association to the properties added.

(D) The Declarant shall have the right and option, without the joinder, approval or consent of any person(s) or entity(ies) to cause the Association to merge or consolidate with any similar association then having the jurisdiction over real property located (in whole or in part) within one-half (1/2) mile of any real property then subject tot he jurisdiction of the Association. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law be transferred to another surviving or consolidated association or, alternately, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration with the Property together with the covenants and restrictions established upon any other properties as one scheme.

(E) Notwithstanding the fact that the Declarant may not be a Class A or Class B Member by virtue of its sale, transfer or conveyance of all of its right, title, and interest in the Property, the Declarant shall continue to be entitled to implement and exercise all its rights under and pursuant to this Section 2.2 and all of the subsections hereof event though the Declarant may not be a Class A or Class B Member prior to an annexation, merger or consolidation permitted by this Section 2.2, subsequent to such annexation, merger or consolidation the Declarant shall be and become a Class B Member with respect to the Lots owned by it within the Property, as such Property has been expended or increased by the annexation, merger or consolidation. The Declarants' rights as a Class B Member shall be governed by and set forth in the Declaration for the Property and the Articles of Incorporation and Bylaws of Association as same may be amended or altered by and in accordance with the annexation, merger or consolidation.

ARTICLE THREE

CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 3.1 Residential Use. All Lots to be developed on the Property shall be used for single-family residential purposes, and such other purposes as may be permitted under the Zoning Ordinance. No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) detached single-family residence per Lot, which residence may not exceed two (2) stories in height, and a private garage as provided below, and which residence shall be constructed to minimum

FHA and VA standards, unless otherwise approved in writing by the Committee.

Section 3.2 Single-Family Use. Each Residence may be occupied by only one (1) family consisting of persons related by blood, adoption or marriage or no more than two (2) unrelated persons living and cooking together as a single housekeeping unit, together with any household servants.

Section 3.3 Garage Required. Each Residence shall have a garage suitable for parking not less than two (2) standard size automobiles, which garage conforms in design and materials with the main structure. All houses with an alley abutting the rear lot line shall have a garage opening toward the alley, unless otherwise permitted by the Committee or by the terms of the Zoning Ordinance.

Section 3.4 Restrictions on Resubdivision. None of the Lots shall be subdivided into smaller lots.

Section 3.5 Driveways. All driveways shall be surfaced with concrete or similar substance that is approved by the Committee.

Section 3.6 Uses Specifically Prohibited.

(A) No temporary dwelling, shop, trailer or mobile home of any kind or any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a Lot only in places which are not visible from any street on which the Lot fronts) shall be permitted on any Lot. No building material of any kind or character shall be placed or stored upon the property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

(B) No boat, marine craft, hovercraft, aircraft, recreational vehicle, pickup camper, travel trailer, motor home, camper body or similar vehicle or equipment may be parked for storage in the driveway or front yard of any dwelling or parked on any public street on the Property, nor shall any such vehicle or equipment be parked for storage in the side or rear yard of any residence unless completely concealed from public view. No such vehicle or equipment shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the construction, maintenance or repair of a residence in the immediate vicinity of the applicable residence.

(C) Trucks with tonnage in excess of one (1) ton and any vehicle with painted advertisement shall not be permitted to park overnight on the Property except those used by a builder during the construction of improvements on the Property.

(D) No vehicle of any size which transports inflammatory or explosive cargo or hazardous material may be kept on the Property at any time.

(E) No vehicles or similar equipment shall be parked or stored in an area visible from any street except passenger automobiles, passenger vans, motorcycles, pickup trucks and pickup trucks with attached bed campers that are in operating condition and have current license plates and inspection stickers and are in daily use as motor vehicles on the streets and highways of the State of Texas. No inoperative cars or vehicles of any type or nature may be kept or situated on the Property.

(F) No structure of a temporary character, such as a trailer, basement, tent, shack, barn or other out-building shall be used on the Property at any time as a dwelling house; provided, however, that any builder may maintain and occupy model houses, sales offices and construction trailers on the Property during the construction period.

(G) No oil or gas drilling, oil or gas development operation, oil or gas refining, quarrying or mining operations of any kind shall be permitted on the Property, nor shall oil or gas wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any part of the Property. No derrick or other structure designed for using in quarrying or boring for oil, natural gas or other minerals shall be erected, maintained or permitted on the Property.

(H) No animals, livestock or poultry of any kind shall be raised, bred or kept on the Property except that dogs, cats or other household pets may be kept for the purpose of providing companionship for a private family in each residence. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose and intent of these provisions to restrict the use of the Property so that no person shall quarter on the premises cows, horses, bees, hogs, sheep, goats, guinea fowls, ducks, chickens, turkeys, skunks, reptiles or any other animals that may interfere with the quietude, health or safety of the community. No more than four (4) pets will be permitted on each Lot. Pets must be restrained or confined in the back of each Lot inside a fenced area or within the house. It is the pet owner's responsibility to keep the Lot clean and free of pet debris. All animals must be properly tagged for identification.

(I) No Lot or other area of the Property shall be used as a dumping ground for rubbish or as a site for the accumulation of unsightly materials of any kind, including, but not limited to, broken or rusty equipment, disassembled or inoperative cars or other vehicles and discarded appliances and furniture. Trash, garbage or other waste shall not be kept on the Property except in sanitary containers. All equipment for the storage or other disposal of such material shall be kept in clean and sanitary condition. Materials incident to construction of improvements may be stored on Lots during construction so long as construction progresses without undue delay.

(J) No individual water supply system shall be permitted on the Property.

(K) No individual sewage disposal system or septic tank shall be permitted on the Property.

(L) No garage house or other out-building (except for sales office and construction trailers during the construction period) shall be occupied by any owner, tenant or other person prior to the

erection of a Residence.

(M) No air-conditioning apparatus shall be installed on the ground in front of a Residence. No air-conditioning apparatus shall be attached to any front wall or window of a Residence. No evaporative cooler shall be installed on the front window of a Residence.

(N) Except with the written permission of the Committee or as set forth herein, no antennae, discs or other equipment for receiving or sending sound or video messages shall be permitted on the Property except antennae for AM or FM radio reception and UHF and VHF television reception. All antennae shall be located inside the attic of the main residential structure on any Lot; provided, however, that one (1) antenna may be permitted to be attached to the roof of the main residential structure on any Lot and to extend above said roof a maximum of five (5) feet and one (1) satellite disc or other instrument or structure may be placed in the backyard of any Lot so long as it is completely screened from view from any street, alley, park or other public area.

(O) No Lot or improvements on any Lot shall be used for business, professional, commercial or manufacturing purposes of any kind. No activity, whether for profit or not, shall be conducted which is not related to single-family residential purposes. No noxious or offensive activity shall be undertaken on the Property, nor shall anything be done which is or may become an annoyance or nuisance to the neighborhood. Nothing in this subparagraph shall prohibit a builder's temporary use of a Residence as a sales office until the builder's last Residence on the Property is sold or the temporary use of any building by the Declarant as a marketing center or a construction co-ordination center. Nothing in this subparagraph shall prohibit an Owner's use of a Residence for quiet, inoffensive activities such as tutoring or giving art lessons so long as such activities are in compliance with all governmental and zoning requirements and do not materially increase the number of cars parked on the street or interfere with the adjoining homeowners' use and enjoyment of their Residences and yards.

(P) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three (3) and six (6) feet above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points twenty-five (25) feet from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. No tree shall be permitted to remain within such distance of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(Q) Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention and purpose of these provisions that only new construction be placed and erected thereon.

(R) Within easements on each Lot, no structures, plantings or materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities,

which may change the direction of flow within drainage channels or which may obstruct or retard the flow of water through drainage channels.

(S) The general grading, slope and drainage plan of a Lot may not be altered without the prior approval of the Town and all other appropriate agencies having authority to grant such approval.

(T) No sign of any kind shall be displayed to public view on any Lot except one (1) professional sign on each Lot of not more than one (1) square foot advertising such Lot for rent or sale, or one (1) sign of not more than thirty-two (32) square feet advertising the Property for rent or sale, or signs used by a builder to advertise the Property during the construction and sales period. The Declarant and its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above and, in so doing, shall not be subject to any liability for trespass or any other liability in connection with such removal.

(U) The drying of clothes in full public view is prohibited. The Owners and occupants of any Lots at the intersections of streets or adjacent to parks, playgrounds or other facilities where the rear yard is visible to full public view shall construct a drying yard or other suitable enclosure to screen from public view the equipment which is incident to normal residences, such as clothes drying equipment, yard equipment and storage piles.

(V) Except within fireplaces in the main residential dwelling on any Lot and except for outdoor cooking, no burning of anything shall be permitted anywhere on the Property.

Section 3.7 Minimum Floor Area. The total air-conditioned living area in the main residential structure on any Lot, as measured to the outside of the exterior walls but exclusive of open porches, garages, patios and detached accessory buildings, shall be not less than the minimum habitable floor area for any Lot as specified by the Zoning Ordinance applicable to the Property.

Section 3.8 Building Materials. The total exterior wall area (excluding windows, doors and gables) of each building constructed or placed on a Lot shall be not less than the applicable percentages of masonry or other material that is approved by the Committee, or as may be permitted in accordance with the Zoning Ordinance applicable to the Property. Roofing shall be of a substance that is acceptable to the Town, the FHA, the VA and the Committee.

Section 3.9 Side Line and Front Line Setback Restrictions. No dwelling shall be located on any Lot nearer to the front Lot line or nearer to the side Lot line than the minimum setback lines shown on the Plat or as required by the Town in the Zoning Ordinance.

Section 3.10 Waiver of Front Setback Requirements. With the written approval of the Committee, any building may be located further back from the front property line of a Lot than provided above, where, in the opinion of the Committee, the proposed location of the building will

add to the appearance and value of the Lot and will not substantially detract from the appearance of the adjoining Lots.

Section 3.11 Fences and Walls. Any fence or wall must be constructed of masonry, brick, wood or other material that is approved by the Committee. No fence or wall shall be permitted to extend nearer to any street than the front of any Residence. However, all side yard fencing on corner Lots shall run parallel to the curb and may be placed up to the side building line as shown on the Plat and shall not extend beyond a point of six (6) feet behind the front of the Residence on that side. Fences or walls erected by the Declarant, if any, shall become the property of the Owner of the Lot on which the same are erected and as such shall be maintained and repaired by such Owner. Except for the fences to be constructed by the Declarant and maintained by the Association (which may be six feet or more in height), no portion of any fence shall exceed six (6) feet in height. Any fence or portion thereof that faces a public street shall be so constructed so that all structural members and posts will be on the side of the fence away from the street so that they are not visible from any public right-of-way. The Declarant will construct perimeter screening and fencing on the perimeter of the Property adjacent to any publicly dedicated road or thoroughfare in accordance with the Plat and the requirements of the Town. In accordance with the Plat and the requirements of the Town, parallel privacy fences of wood or other construction shall not be allowed between said perimeter fencing and parallel building lines on Lots adjacent and contiguous to the rights-of-way that require such fencing or screening by the Declarant.

Section 3.12 Sidewalks. All sidewalks shall conform to the Town, FHA and VA specifications and regulations.

Section 3.13 Mailboxes. Mailboxes shall be standardized and shall be constructed of a material and design approved by the Committee (unless gangboxes are required by the U.S. Postal Service).

ARTICLE FOUR

ARCHITECTURAL CONTROL

Section 4.1 Appointment. The Declarant shall designate and appoint an Architectural Control Committee (the "Committee") composed of three (3) individuals, each generally familiar with the residential and community development design matters and knowledgeable about the Declarant's concern for design standards of the Property. The Committee shall use good faith efforts and reasonable diligence to promote and ensure design standards, quality, harmony and conformity in design standards throughout the Property consistent with this Declaration. The Committee shall designate and appoint an architect (the "Village Architect") who is generally familiar with residential and community development design matters and knowledgeable about the Declarant's concern for design standards of the Property, and the Committee shall and hereby does delegate to the Village Architect the right to monitor day-to-day request for approvals by any Owner of improvements to be constructed, maintained or altered on any Lot.

Section 4.2 Successors. In the event of the death, resignation or removal by the Declarant of any member of the Committee, the Declarant shall appoint a successor member. At such time as the Class B Membership has ceased and has been converted to Class A Membership, successor members of the Committee shall be appointed by the Board rather than the Declarant. No member of the committee shall be entitled to compensation for performance of his duties hereunder, or be liable for claims, causes of action or damages arising out of services performed pursuant to this Declaration. In the event of the death, resignation or removal by the Committee of the Village Architect, the Committee shall appoint a successor Village Architect. The Village Architect shall be entitled to reasonable compensation for the performance of his duties hereunder, but shall have no liability for claims, causes of action or damages arising out of his services performed pursuant to this Declaration, unless due to his intentional misconduct or gross negligence.

Section 4.3 Authority. No landscaping shall be undertaken and no building, fence, wall or other structure shall be commenced, erected, placed, maintained or altered on any Lot, nor shall any exterior painting of, exterior addition to, or alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by the Village Architect (or by a majority of the Committee, in accordance with Section 4.4 hereof) as to all of the following:

(A) Quality of workmanship and materials, adequacy of site dimensions, adequacy of structural design and proper facing of main elevation with respect to nearby streets;

(B) Conformity and harmony of the external design, color, type and appearance of exterior surfaces and landscaping in relation to the various parts of the proposed improvements and in relation to improvements on other Lots on the Property; and

(C) The other standards set forth within this Declaration (and any amendments hereto) or matters in which the Village Architect is vested with the authority to render a final interpretation and decision, including, without limitation, the conformance of the improvements with the requirements of the Town, and the determination of minimum building area square footages applicable to specific Lots, as established or amended by the Committee from time to time.

The Village Architect is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the Village Architect, adversely affect the living enjoyment of one (1) or more Lot owners or the general value of Lots on the Property. In considering the harmony of external design between existing structures and the proposed building being erected, placed or altered, the Village Architect shall consider only the general appearance of the proposed building as that can be determined from front, rear and side elevations on the plans that are submitted to the Village Architect.

Section 4.4 Procedure for Approval. Final plans and specifications shall be submitted in duplicate by certified mail or by actual delivery to the Village Architect at the address of the Declarant that is shown on the signature pages of this Declaration. The plans and specifications shall show the

nature, kind, shape, height, materials and location of all landscaping and improvements. The documents shall specify any requested variance from the setback lines and any other requirement set forth in this Declaration. The Village Architect is authorized to request the submission of samples of proposed construction materials. At such time as the plans and specifications meet the approval of the Village Architect, one complete set of plans and specifications will be retained by the Village Architect and the other complete set of plans shall be marked "Approved," signed by the Village Architect and returned to the Lot Owner or his designated representative. If disapproved by the Village Architect, one set of such plans shall be returned "Disapproved" and shall be accompanied by a reasonable written statement that sets forth the reasons for disapproval, which statement shall be signed by the Village Architect. Any modification of the approved set of plans and specifications must again be submitted to the Village Architect for his approval. The Village Architect's approval or disapproval, as required herein, shall be in writing. In no event shall the Village Architect give verbal approval of the plans. If the Village Architect fails to approve or disapprove such plans and specifications within thirty (30) days after the date of submission, written approval of the matters submitted shall not be required and compliance with this Article Four shall be deemed to have been completed. In case of a dispute about whether the Village Architect responded within such time period, the person submitting the plans shall have the burden of establishing that the Village Architect received the plans. The Village Architect's receipt of the plans may be established by a signed certified mail receipt or a signed delivery receipt. If any Lot Owner has completed the process for seeking approval of plans and specifications from the Village Architect and such Lot Owner or his designated representative disagrees with any disapproval of such plans and specifications by the Village Architect, such Lot Owner or his designated representative may request, by notice in writing to the Committee, that the Committee reconsider the plans and specifications for approval without requiring any changes requested or required by the Village Architect. Upon receipt of any such written request for reconsideration by the Committee, the Committee shall review and consider such plans and specifications in accordance with the terms and conditions of this Article Four, and the decision of a majority of the members of the Committee with respect to such plans and specifications shall be binding on the Lot Owner for all purposes hereunder. The decision of the majority of the Committee regarding approval or disapproval of such plans shall be in writing, but if the Committee shall fail to approve or disapprove such plans and specifications within thirty (30) days after receipt of written notice requesting their reconsideration of such plans, written approval of the matter shall submitted shall not be required and compliance with this Article Four shall be deemed to have been completed. In case of a dispute about whether the Committee responded within such time period, the person submitting the plans shall have the burden of establishing that the Committee received the request for reconsideration. The Committee's receipt of a request for reconsideration may be established by a signed, certified mail receipt or a signed delivery receipt.

Section 4.5 Standards. The Committee (and the Village Architect as its authorized representative) shall have sole discretion with respect to taste, design and all standards that are specified herein, provided, however, no change or modification in any standards or architectural guidelines promulgated by the Committee shall be permitted without the prior written consent and approval of Declarant thereto for the first five (5) years following the effective date of this Declaration. One objective of the Committee (and the Village Architect as its authorized

representative) is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built on the Property. The Village Architect and the Committee shall also have the authority to prohibit the use of light-weight composition roof material, to require that the colors of roofing materials be earth tones and generally to require that any plans meet the standards of the existing improvements on neighboring Lots. The Committee may from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration. Variations from the standards that are set forth in this Declaration shall be made in accordance with the general development standards as reflected in the plans, construction materials, landscaping and other matters approved by the Committee during its existence.

Section 4.6 Termination; Continuation. The Committee appointed by Declarant shall cease to exist on the earlier of the following: (A) the date on which all the members of the Committee file a document declaring a termination of the Committee, or (B) the date on which Residences have been constructed on all Lots on the Property, as constituted from time to time in accordance with the provisions of this Declaration. Notwithstanding the above provision, at any time after the termination of the Committee, the Association, acting by the affirmative vote of two-thirds (2/3) of the Members present and voting at a meeting of the Members of the Association called for such purpose, shall have the authority to have a committee selected by the Board of Directors of the Association to continue the functions of the Committee.

Section 4.7 Liability of Committee and the Village Architect. The members of the Committee and the Village Architect shall have no liability for decisions that are made by the Committee or the Village Architect so long as such decisions are made in good faith and are not arbitrary or capricious. Any errors in or omissions from the plans submitted to the Committee or the Village Architect shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Committee and the Village Architect shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, Town codes, state statutes or the common law, whether the same relate to lot lines, building lines, easements or any other issue. This Section 4.7 shall also apply to the members of the Association committee, if such committee comes into existence pursuant to Section 4.6 of this Declaration.

ARTICLE FIVE

THE ASSOCIATION

Section 5.1 Establishment of Association. The formal establishment of the Association will be accomplished by the filing of the Articles of Incorporation of The Homestead at Carrollton, Phase I Homeowners' Association with the Secretary of State for the State of Texas and the subsequent issuance by the Secretary of State of the Certificate of Incorporation of The Homestead at Carrollton, Phase I Homeowner's Association.

Section 5.2 Adoption of Bylaws. Bylaws for the Association will be established and adopted by the Board.

Section 5.3 Membership. The Declarant and every other Owner of a Lot, including any successive buyer(s), shall automatically and mandatorily become a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot which is part of the Property. Every Member shall have a right, at all reasonable times during business hours, to inspect the books of the Association.

Section 5.4 Voting Rights. The Association shall have two (2) classes of voting membership to be designated, respectively, Class A and Class B.

(A) Class A. The Class A Members shall be all Lot Owners with the exception of the Declarant (until conversion of the Class B Membership into the Class A Membership as hereinafter provided), and each Class A Member shall be entitled to one (1) vote for each Lot owned. When more than one person owns an interest in any Lot, all such persons shall be Members of the Association, but the vote for such Lot shall be exercised as the owners of the particular lot shall among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot.

(B) Class B. The Class B Member shall be the Declarant which shall be entitled to four (4) votes for each Lot that it owns. The Class B Membership shall cease and be converted to Class A Membership on the conveyance by Declarant of the last Lot owned by Declarant.

Section 5.5 Board of Directors. The members of the Association shall elect the Board. The Board shall, by majority rule, conduct the business of the Association, except when membership votes are required pursuant to this Declaration or pursuant to the Articles of Incorporation and/or Bylaws of the Association. However, the Association's agreements, covenants and restrictions pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, areas or grounds that are the Association's responsibility, may not be amended without the prior written consent of the Town.

Section 5.6. Conflicts. The Association may make whatever rules and Bylaws it deems desirable to govern the Association and its Members; provided however, any conflict between the rules and the Bylaws and the provisions of this Declaration shall be controlled by the provisions of this Declaration.

ARTICLE SIX

ASSESSMENTS

Section 6.1 Creation of the Lien and Personal Obligation of Assessments. The

Declarant, for each Lot on the Property, and each Owner by acceptance of a deed to a Lot, is deemed to covenant and agree to pay to the Association the following: (A) annual assessments or charges, and (B) special assessments, both of such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on each Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment came due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. Notwithstanding the foregoing, the Owner of the Toews' Lot shall have no obligation for any payment of any annual or special assessments charged hereunder so long as Ike K. and Betty Davis Toews (or either of them) occupy the Residence constructed on the Toews' Lot as their personal residence. This exclusion for annual or special assessments is personal to Ike K. and Betty Davis Toews and shall not be applicable to their successors in title to the Toews' Lot. At such time as neither Ike K. nor Betty Davis Toews occupy the Toews' Lot as their principal residence, the Owner of such Lot shall be liable for all annual or special assessments specified herein.

Section 6.2 Annual Assessment. Each Lot (other than the Toews' Lot during the period specified in Section 6.1 hereof) is hereby subjected to an annual maintenance charge and assessment for the purpose of creating a fund to be designated and known as the "Maintenance Fund," which maintenance charge and assessment will be paid by the Owner or Owners of each Lot to the Association in advance, in accordance with the procedures adopted by the Board. The Association shall, upon request and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid.

Section 6.3 Basis and Amount of Annual Maintenance Assessments.

(A) Commencing with the year beginning January 1, 1999, and each year thereafter, the Board, as its first annual meeting and its annual meeting next preceding each respective January 1 thereafter, shall set the annual assessment for each Lot (or category of Lots) in the Development and shall promptly thereafter provide written notice of the annual assessment for each Lot to the Owner thereof. Thereafter, the amount of the annual assessment for each Lot may not be increased more than twenty-five percent (25%) above the maximum annual assessment for the previous year unless otherwise approved by a majority of the votes of the Association's Members, regardless of class, as provided in Section 5.4

(B) When the assessment is computed for each Lot, all or a portion of such assessment shall be payable to the Association by the Member according to the status of the Lot owned by such Member as follows:

(1) When the Lot is owned by a Class A Member the full assessment shall be payable.

(2) When the Lot is owned by a Class B Member one-half (1/2) of the assessment shall be payable for the first year of ownership. All assessments thereafter shall be payable in full.

(C) The Board may fix the actual annual assessment for each Lot at an amount equal to or less than the then-existing maximum annual assessment. The Board may provide that annual assessments shall be paid monthly, quarterly, semiannually or annually on a calendar year basis. Written notice of the annual assessment to be paid by each Member shall be sent to every Member, but only to one (1) joint owner.

Section 6.4 Purposes. The Association shall use the proceeds of the Maintenance Fund to pay for the current cost and to create a reserve fund to pay for the future cost of the following:

(A) Providing for normal, recurring maintenance charges for the Common Maintenance Areas for the use and benefit of all Members of the Association. Such uses and benefits to be provided by the Association may include, by way of clarification and not limitation, any and all of the following: assuming and being responsible for the continuous and perpetual operation, maintenance and/or supervision of drainage easements, landscaping systems or landscape elements or features, landscape irrigation systems, screening walls or fences, subdivision entryway features, or other physical facilities or grounds held in common and necessary or desirable for the welfare of the Development or that are of common use or benefit and being responsible for continuous and perpetual operation, maintenance and/or supervision of landscape systems, features or elements located in parkways, common areas, between screening walls or living screens and adjacent curbs or street pavement edges, adjacent to drainageways or drainage structures, or at subdivision entryways on the Property. The Association shall, in addition, establish and maintain an adequate reserve fund to insure the continuous and perpetual use, operation, maintenance, and/or supervision of all facilities, structures, improvements, systems, areas or grounds that are the Association's responsibility. The reserve fund shall be established and maintained out of regular annual assessments.

(B) Maintain and repair the fences to be constructed by the Declarant in any fencing easement areas along perimeter thoroughfares adjacent to the Property, as shown on the Plat.

(C) Maintain the pedestrian ways to be constructed by the Declarant in the areas shown on the Plat.

(D) Maintain the visibility clips which will be shown on the Plat.

Section 6.5 Special Assessments for Capital Improvements. In addition to the annual assessments that are authorized above, the Association may levy, in any calendar year, a special assessment applicable to that calendar year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including, but not limited to, walkways, walls, fences, landscaping, irrigation

systems and lighting systems; provided that any such assessment shall have the consent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6.6 Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment that is not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability of the assessment provided for herein by nonuse of any Common Areas or abandonment of his Lot.

Section 6.7 Subordinated Lien to Secure Payment. The lien of the assessments provided for herein shall be subordinate to the liens of any valid Lienholder. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or deed of trust foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability and liens for any assessments thereafter becoming due.

Section 6.8 Duties of Board with Respect to Assessments.

(A) The Board shall fix the date of commencement and the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association.

(B) Written notice of the assessment applicable to each Lot shall promptly be delivered or mailed to every Owner by the Association.

(C) The Board (or its authorized agent) shall, within five (5) business days of receipt of any request for such information, furnish to any Owner liable for said assessment, a certificate in writing signed by an officer or agent of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Association for the issuance of such certificates.

Section 6.9 Duration. The foregoing obligations for payment of assessments will remain effective for the full term (and extended term, if applicable) of this Declaration.

Section 6.10 Failure of Association to Perform Duties. In the event the Association fails to carry out its duties as specified in this Declaration, or of any applicable codes or regulations of the Town, the Town or its lawful agents shall have the right and ability, after due notice to the Association, to remove any landscape systems, features or elements that cease to be maintained by the Association; to perform the responsibilities of the Association if the Association fails to do so in compliance with any of the provisions of this Declaration, the agreements, covenants or restrictions of the Association, or of any applicable Town codes or regulations; to assess the Association for all costs incurred by the Town in performing said responsibilities if the Association fails to do so; and/or to avail itself of any other enforcement actions available to the Town pursuant to state law or Town codes and regulations. Should the Town exercise its rights as specified above, the Association shall indemnify and hold the Town harmless from any and all costs, expenses, suits, demands, liabilities or damages, including attorney's fees and costs of suit, incurred or resulting from the Town's removal of any landscape systems, features or elements that cease to be maintained by the Association or from the Town's performance of the aforementioned operation, maintenance or supervision responsibilities of the Association due to the Association's failure to perform said duties.

ARTICLE SEVEN

PROPERTY RIGHTS IN COMMON AREAS AND COMMON MAINTENANCE AREAS

Section 7.1 Association's Rights. The Association and its assigns, contractors and employees shall have the right and easement to enter upon the Common Areas and the Common Maintenance Areas for the purpose of exercising the rights and performing the obligations of the Association that are set forth in this Declaration. In addition, the Declarant may deed fee simple ownership interest in the Common Areas or any Common Maintenance Areas to the Association, in addition to, and not in lieu of, the rights and easements in favor of the Association granted herein.

Section 7.2 Common Area Easements. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Areas, which right shall be appurtenant to and shall pass with the title to every Lot, subject to the right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility company for such purposes and subject to such conditions as may be agreed to by the Members and required by the Town; provided, however, that no such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the members and by the Town agreeing to such dedication or transfer has been recorded.

Section 7.3 Delegation of Rights. Any Owner may delegate, in accordance with the Bylaws of the Association, his right of enjoyment to the Common Areas and facilities to the members of his family or to persons residing on the Lot under a lease or contract to purchase from the Owner.

ARTICLE EIGHT

LIMITED EASEMENTS AFFECTING TOEWS' LOT

Section 8.1 Temporary Landscape Easement. The Association and its assigns, contractors and employees shall have the right and easement to enter upon the Toews' Lot for the purposes of installing, maintaining and replacing landscaping features along and in a thirty (30) foot strip around the perimeter thereof. Any such landscaping that may be installed in such easement area by the Association during the duration of such easement period shall be maintained by the Association, at its sole cost and expense, in a neat and attractive manner, and the Owner of the Toews' Lot shall have no duty or obligation to maintain any landscaping features installed in such easement area by the Association. Notwithstanding anything to the contrary contained herein, the Owner of the Toews' Lot may cancel this landscape easement at any time following five (5) years from the effective date hereof by providing written notice of the cancellation of such easement to the Association and executing and acknowledging a written verification of the cancellation of such easement in the Real property Records of Denton County, Texas. Nothing contained herein, however, shall limit or affect any rights or duties of the Association with respect to any portion of the Toews' Lot that may be designated as a Common Maintenance Area, as shown on the Plat of the Property.

Section 8.2 Temporary Construction and Use Easements. During the course of construction of any streets, utilities, recreation areas, parks, or any other infrastructure in or on the Property, the Declarant shall have a temporary construction and use easement to cross and utilize the Toews' Lot for any purposes required by the Declarant for the construction of the Development, including, without limitation, use of the Toews' Lot for storage of construction materials, placing construction or marketing trailers, or similar facilities, thereon, or for any other purpose generally related to the construction of the Development by the Declarant. Such temporary construction and use easement with regard to the Toews' Lot shall terminate and cease at the earlier to occur of (i) the date which is reasonably estimated by the Toews to be thirty (30) days prior to the completion of their Residence on such Lot, or (ii) June 15, 1999.

ARTICLE NINE

GENERAL PROVISIONS

Section 9.1 Easements. Easements for the installation and maintenance of utilities and drainage facilities are and shall be reserved as shown on the Plat. Easements are also reserved for the installation, operation, maintenance and ownership of utility service lines from the property lines to the residences. The Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements. By acceptance of a deed to any Lot, the Owner thereof covenants and agrees to mow weeds and grass and to keep and maintain in a neat and clean condition any easement which may traverse a portion of the Lot (with the exception of the landscape easement on the Toews' Lot described in Section 8.1 hereof, and for which the Owner of the Toews' Lot shall have no liability or obligation with respect

to landscape features or materials installed by the Association.

Section 9.2 Plat. All dedications, limitations, restrictions and reservations that are or will be shown on the Plat are and shall be deemed to be incorporated herein and shall be construed as being adopted in each contract, deed or conveyance executed or to be executed by the Declarant, conveying Lots on the Property, whether specifically referred to therein or not.

Section 9.3 Lot Maintenance. The Owner of each Lot shall, prior to the occupancy of a Residence thereon establish grass front and sideyards, shall maintain the yards in a sanitary and attractive manner and shall edge the street curbs that run along the property line. Grass, weeds and vegetation on each Lot must be kept mowed at regular intervals so as to maintain the property in a neat and attractive manner. No vegetables shall be grown in any yard that faces a street. No Owner shall permit weeds or grass to grow to a height of greater than six inches (6") upon his property. No foundation planting, shrub or other vegetation near the house shall be allowed to grow above the bottom of any window. Upon failure of any Owner to maintain any Lot, the Declarant or its agent may, at its option, have the grass, weeds and vegetation cut as often as necessary in its judgment, and the owner of that Lot shall be obligated, when presented with an itemized statement, to reimburse the Declarant for the cost of such work. This provision, however, shall in no manner be construed to create a lien in favor of any party on any property for the cost of such work or the reimbursement for such work.

Section 9.4 Maintenance of Improvements. The Owner of each Lot shall maintain the exterior of all buildings, fences, walls and other improvements on his Lot in good condition and repair, and shall replace worn and rotten parts, and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, downspouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner.

Section 9.5 Mortgages. It is expressly provided that the breach of any of the foregoing conditions shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said conditions shall be binding thereto as to Lots acquired by foreclosure, trustee's sale or otherwise, as to any breach occurring after such acquisition of title.

Section 9.6 Term. This Declaration shall run with and bind the Property for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically renewed for successive periods of ten (10) years unless amended as provided herein. Notwithstanding the foregoing, the Association may not be dissolved without the prior written consent of the Town.

Section 9.7 Severability. If any covenant, condition, restriction or agreement herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other covenant, condition, restriction or agreement, each of which shall remain in full force and effect.

Section 9.8 Binding Effect. Each of the covenants, conditions, restrictions and agreements

herein contained is made for the mutual benefit of, and is binding upon, each and every person acquiring any part of the Property, it being understood that such covenants, conditions, restrictions and agreements are not for the benefit of the owner of any land except in the Property. This Declaration, when executed, shall be filed of record in the Real Property Records of Denton County, Texas so that each and every Owner or purchaser of any portion of the Property is on notice of the covenants, conditions, restrictions and agreements herein contained.

Section 9.9 Enforcement. The Owner of any Lot on the Property shall have the easement and right to have each and all of the foregoing covenants, conditions, restrictions and agreements faithfully carried out and performed with reference to each and every Lot on the Property, together with the right to bring any suit or undertake any legal process that may be proper to enforce the performance thereof, it being the intention and purpose of these provisions to attach to each Lot on the Property, without reference to when it was sold, the right and easement to have such covenants, conditions, restrictions and agreements strictly complied with, such right to exist with the Owner of each Lot and to apply to all other Lots on the Property whether owned by the Declarant, its successors and assigns, or others. Failure by any Owner, including the Declarant, to enforce any covenant, condition, restriction or agreement herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 9.10 Other Authorities. If other authorities, such as the Town, impose more demanding, expensive or restrictive requirements than those that are set forth herein, the requirements of such authorities shall be complied with. Other authorities' impositions of lesser requirements than those that are set forth herein shall not supersede or diminish the requirements that are set forth herein.

Section 9.11 Addresses. Any notice or correspondence to an Owner of a Lot shall be addressed to the street address of the Lot. Any notice or correspondence to the Committee shall be addressed to the address shown below the signature of the Declarant below or to such other address as is specified by the Committee pursuant to an instrument recorded in the Real Property Records of Denton County, Texas.

Section 9.12 Association's Election. If at any time the Association, acting as a result of the affirmative vote of two-thirds (2/3) of the Members present and voting at a meeting of the members of the Association called for such purpose, elects to perform some or all of the Declarant's landscaping, maintenance, approval or other rights or functions hereunder, and if such decision is approved by the Declarant, then the Association shall be entitled to all the discretion, authority, easements and rights of the Declarant with respect to the matters as to which the Association elects to assume responsibility.

Section 9.13 Amendment. At any time, the Owners of the legal title to sixty-six percent (66%) of the Lots on the Property (as shown by the Real Property Records of Denton County, Texas) may amend the covenants, conditions, restrictions and agreements that are set forth herein by recording an instrument containing such amendment(s), except that, for the ten (10) years following the recording of this Declaration, no such amendment shall be valid or effective without the joinder of the Declarant. Further, at any time from and after one (1) year following the date hereof, the

Declarant, without requiring joinder or approval of any person or entity that may own any portion of the Property described herein, may amend the covenants, conditions, restrictions and agreements that are set forth herein by recording an instrument containing such amendment(s). Notwithstanding the foregoing provisions, the covenants, conditions, restrictions and agreements that are set forth herein may not be amended without the prior written consent of the Town, insofar as the matters intended to be amended are covered by any Town ordinance, regulation, or other similar enforceable provision of law.

EXECUTED as of (though not necessarily on) this 20th day of April, 1998.

DECLARANT:

ARCADIA LAND PARTNERS 12, LTD.

By: Arcadia Realty Corp., General Partner

By: _____
John Hodge, President

Address:

5000 Quorum Drive, Suite 205
Dallas, Texas 75240

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This Declaration of Covenants, Conditions and Restrictions for The Homestead at Carrollton, Phase I, was acknowledged before me this 27 day of April, 1998, by John Hodge, the President of Arcadia Realty Corp., a Texas corporation, as the General Partner of ARCADIA LAND PARTNERS 12, LTD., a Texas limited partnership, on behalf of said limited partnership.

DEANN LORELLE THACKER
Notary Public, State of Texas
My Commission Expires 01-31-02

Helenn Lorelle Thacker
NOTARY PUBLIC STATE OF TEXAS
DeAnn Lorelle Thacker
[Print Name]

EXHIBIT "A"
PROPERTY DESCRIPTION

Tract 1

BEING A 78.025 ACRE TRACT OF LAND SITUATED IN THE HORATIO GROOMS SURVEY, ABSTRACT NO. 440, AND THE H.H. REED SURVEY, ABSTRACT NO. 1116, IN THE TOWN OF HEBRON, DENTON COUNTY, TEXAS, AND BEING A PORTION OF THAT CALLED 146.5692 ACRE TRACT OF LAND DESCRIBED IN DEED TO THE IKE AND BETTY DAVIS TOEWS CHARITABLE REMAINDER TRUST AS RECORDED IN COUNTY CLERK'S FILE NO. 95-R055708 OF THE DEED RECORDS OF DENTON COUNTY, TEXAS (D.R.D.C.T.). SAID 78.025 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE SOUTHEAST CORNER OF SAID 146.5692 ACRE TRACT, FROM WHICH THE NORTHEAST CORNER OF ROSEMEADE ADDITION SECTION ONE, AN ADDITION TO THE CITY OF CARROLLTON, TEXAS, RECORDED IN VOLUME 12, PAGE 37 OF THE PLAT RECORDS OF DENTON COUNTY TEXAS (P.R.D.C.T.), BEARS S 89°35'40" W A DISTANCE OF 11.90 FEET;

THENCE S 89°35'40" W, ALONG THE SOUTH LINE OF SAID 146.5692 ACRE TRACT AND THE COMMON NORTH LINE OF SAID ROSEMEADE SECTION ONE, A DISTANCE OF 1467.29 FEET TO A WOOD FENCE POST FOUND FOR CORNER;

THENCE S 00°54'20" E, ALONG THE EAST LINE OF SAID 146.5692 ACRE TRACT AND THE COMMON WEST LINE OF SAID ROSEMEADE SECTION ONE, A DISTANCE OF 522.12 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE MOST SOUTHERLY SOUTHEAST CORNER OF SAID 146.5692 ACRE TRACT AND THE COMMON NORTHEAST CORNER OF ROSEMEADE SECTION TWO, AN ADDITION TO THE CITY OF CARROLLTON, RECORDED IN VOLUME 13, PAGE 30, P.R.D.C.T.;

THENCE N 89°55'27" W, ALONG THE SOUTH LINE OF SAID 146.5692 ACRE TRACT AND THE COMMON NORTH LINE OF SAID ROSEMEADE SECTION TWO, A DISTANCE OF 1478.92 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

THENCE, DEPARTING SAID COMMON LINE, OVER AND ACROSS SAID 146.5692 ACRE TRACT THE FOLLOWING SIX (6) COURSES AND DISTANCES:

N 00°04'33" E, A DISTANCE OF 287.94 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

N 48°25'42" E, A DISTANCE OF 213.46 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 864.67 FEET, A DELTA ANGLE OF 11°56'25", A LONG CHORD THAT BEARS N 45°14'19" W A DISTANCE OF 180.37 FEET, AN ARC DISTANCE OF 180.70 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

N 48°25'42" E, A DISTANCE OF 340.46 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 524.67 FEET, A DELTA ANGLE OF 127°01'08", A LONG CHORD THAT BEARS N 25°45'45" E A DISTANCE OF 939.17 FEET, AN ARC DISTANCE OF 1163.15 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

N 89°16'19" E, A DISTANCE OF 1417.55 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET IN THE EAST LINE OF SAID 146.5692 ACRE TRACT AND THE COMMON WEST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO LEWISVILLE INDEPENDENT SCHOOL DISTRICT (L.I.S.D.), RECORDED IN COUNTY CLERK'S FILE NO. 95-R0059301, D.R.D.C.T.;

THENCE S 00°43'41" E, ALONG SAID COMMON LINE, PASSING AT A DISTANCE OF 285.86 FEET THE SOUTHWEST CORNER OF SAID L.I.S.D. TRACT, CONTINUING OVER AND ACROSS SAID 146.5692 ACRE TRACT A TOTAL DISTANCE OF 447.09 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

THENCE N 89°16'19" E, OVER AND ACROSS SAID 146.5692 ACRE TRACT, A DISTANCE OF 810.71 FEET TO A P.K. NAIL SET IN THE EAST LINE OF SAID 146.5692 ACRE TRACT, BEING THE APPROXIMATE EAST LINE OF THE H.H. REED SURVEY, ABSTRACT NO. 1116, AND THE APPROXIMATE CENTERLINE OF RABBIT RUN ROAD;

THENCE S 00°46'45" E, ALONG SAID COMMON LINE AND THE APPROXIMATE CENTERLINE OF SAID RABBIT RUN ROAD, A DISTANCE OF 879.17 FEET TO THE POINT OF BEGINNING, AND CONTAINING 78.025 ACRES OF LAND.

EXHIBIT "A"-continued

Tract 2

BEING A 0.342 ACRE TRACT OF LAND SITUATED IN THE H.H. REED SURVEY, ABSTRACT NO. 1116, IN THE CITY OF HEBRON, DENTON COUNTY, TEXAS AND BEING A PORTION OF THAT TRACT OF LAND DESCRIBED IN DEED TO IKE AND BETTY DAVIS TOEWS CHARITABLE REMAINDER TRUST (TOEWS TRACT), RECORDED IN COUNTY CLERKS FILE NO. 95-R0055709, OF THE DEED RECORDS OF DENTON COUNTY, TEXAS (D.R.D.C.T.). SAID 0.342 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE SOUTHWEST CORNER OF THE REMAINDER OF SAID TOEWS TRACT, AND AN INTERIOR ELL CORNER OF CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO ARCADIA LAND PARTNERS 12, LTD. (ARCADIA TRACT), RECORDED IN COUNTY CLERKS FILE NO. 97-R0090027, D.R.D.C.T.;

THENCE N 00°43'41" W, ALONG THE WEST LINE OF SAID TOEWS TRACT AND THE COMMON EAST LINE OF SAID ARCADIA TRACT, A DISTANCE OF 45.70 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

THENCE DEPARTING SAID COMMON LINE, OVER AND ACROSS TOEWS TRACT THE FOLLOWING FOUR COURSES AND DISTANCES:

N 89°16'19" E, A DISTANCE OF 30.00 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 760.00 FEET, A DELTA ANGLE OF 04°19'05", A LONG CHORD THAT BEARS S 84°15'24" E A DISTANCE OF 57.26 FEET, AN ARC DISTANCE OF 57.28 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 840.00 FEET, A DELTA ANGLE OF 12°07'07", A LONG CHORD THAT BEARS S 88°09'24" E A DISTANCE OF 177.34 FEET, AN ARC DISTANCE OF 177.57 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 600.00 FEET, A DELTA ANGLE OF 22°24'10", A LONG CHORD THAT BEARS S 83°00'53" E A DISTANCE OF 233.11 FEET, AN ARC DISTANCE OF 234.60 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER IN THE SOUTH LINE OF SAID TOEWS TRACT AND A COMMON NORTH LINE OF SAID ARCADIA TRACT;

THENCE S 89°16'19" W, ALONG SAID COMMON LINE, A DISTANCE OF 495.05 FEET THE POINT OF BEGINNING, AND CONTAINING 0.342 ACRES OF LAND, MORE OR LESS.

EXHIBIT "A"-continued

Save and Except:

BEING A 0.586 ACRE TRACT OF LAND SITUATED IN THE H.H. REED SURVEY, ABSTRACT NO. 1116, IN THE CITY OF HEBRON, DENTON COUNTY, TEXAS AND BEING A PORTION OF THAT TRACT OF LAND DESCRIBED IN DEED TO ARCADIA LAND PARTNERS 12, LTD. (ARCADIA TRACT), RECORDED IN COUNTY CLERKS FILE NO. 97-R0090027 OF THE DEED RECORDS OF DENTON COUNTY, TEXAS (D.R.D.C.T.). SAID 0.586 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A P.K. NAIL SET FOR THE NORTHEAST CORNER OF SAID ARCADIA TRACT AND THE COMMON SOUTHEAST CORNER OF THE REMAINDER OF A TRACT OF LAND DESCRIBED IN DEED TO IKE AND BETTY DAVIS TOEWS CHARITABLE REMAINDER TRUST, RECORDED IN COUNTY CLERKS FILE NO. 95-R0055709, D.R.D.C.T, SAID POINT BEING IN THE APPROXIMATE CENTERLINE OF BUNNY RUN ROAD (A VARIABLE WIDTH PRESCRIPTIVE R.O.W.);

THENCE S 00°46'45" E, ALONG THE EAST LINE OF SAID ARCADIA TRACT AND SAID APPROXIMATE CENTERLINE, A DISTANCE OF 156.42 FEET TO A P.K. NAIL SET FOR CORNER;

THENCE DEPARTING SAID EAST LINE AND SAID APPROXIMATE CENTERLINE, OVER AND ACROSS SAID ARCADIA TRACT THE FOLLOWING FOUR COURSES AND DISTANCES:

N 77°42'47" W, A DISTANCE OF 41.69 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

N 64°11'15" W, A DISTANCE OF 73.44 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 315.00 FEET, A DELTA ANGLE OF 09°59'42", A LONG CHORD THAT BEARS N 59°11'25" W A DISTANCE OF 54.88 FEET, AN ARC DISTANCE OF 54.95 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 600.00 FEET, A DELTA ANGLE OF 17°37'14", A LONG CHORD THAT BEARS N 63°00'11" W A DISTANCE OF 183.80 FEET, AN ARC DISTANCE OF 184.52 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

THENCE N 89°16'19" E, A DISTANCE OF 315.66 FEET THE POINT OF BEGINNING, AND CONTAINING 0.586 ACRES OF LAND, MORE OR LESS.

[illegible]
OF THE DESCRIBED [illegible] INVALID AND UNEN[illegible]
THE STATE OF TEXAS }
COUNTY OF DENTON }
I hereby certify that this instrument was FILED in the File Number Sequence on the date and the time [illegible] by me and was duly RECORDED in the Official Public Records [illegible] County Texas on

APR 30 1996

COUNTY CLERK
DENTON COUNTY, TEXAS

Filed for Record in:
DENTON COUNTY, TX
HONORABLE TIM HODGES/COUNTY CLERK

On Apr 30 1998
At 9:42am

Doc/Num : 98-R0034670
Doc/Type : DEC
Recording: 51.00
Doc/Mgmt : 6.00
Receipt #: 15570
Deputy - BRANDIE

SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE HOMESTEAD AT CARROLLTON, PHASE 1

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE HOMESTEAD AT CARROLLTON, PHASE 1 (the "**Amendment**") is made by ARCADIA LAND PARTNERS 12, LTD., a Texas limited partnership ("**Declarant**").

WITNESSETH:

WHEREAS, Declarant executed that certain Declaration of Covenants, Conditions and Restrictions for the Homestead at Carrollton, Phase 1, dated effective as of April 20, 1998, which is recorded in Volume 4082, Page 00544 of the Real Property Records of Denton County, Texas, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for the Homestead at Carrollton, Phase 1, dated as of November 25, 1998, recorded at Clerk's File No. 99-R0023033, Real Property Records of Denton County, Texas (as amended, the "**Declaration**"), the defined terms and conditions of which are hereby incorporated herein by reference for all purposes, relative to the development of that certain tract of land located in Carrollton, Denton County, Texas (the "**Property**"), as more particularly described in the Declaration; and

WHEREAS, Declarant desires to make certain amendments and modifications to the Declaration.

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

1. Appointment Rights. The second sentence of Section 4.2 of the Declaration is hereby amended and restated as follows:

   "At such time as the certificate of occupancy for the last undeveloped Lot in the Property has been issued by the Town, the successor members of the Committee or the Village Architect shall be appointed by the Board rather than the Declarant."

2. Parkway Tree Requirements. Section 4.5 of the Declaration is hereby amended to provide that the Committee is authorized to promulgate guidelines and requirements for planting of trees in the areas between the public or private rights of way and the sidewalks on the Property, and such guidelines may include requirements concerning the type, size and spacing requirements between the trees, and such other standards as the Committee may promulgate.

3. Class B Voting Rights. Section 5.4(B) of the Declaration is hereby amended and restated as follows:

> "(B) Class B. The Class B Member shall be the Declarant which shall be entitled to ten (10) votes for each Lot that it owns. The Class B Membership shall cease and be converted to Class A Membership on the conveyance by Declarant of the last Lot owned by Declarant."

4. Reimbursements to Declarant. Section 6.5 of the Declaration is hereby amended to add a new sentence thereto as follows:

> "The special assessments authorized by this Section 6.5 may also be utilized by the Association to reimburse the Declarant for any costs, expenses or charges advanced by Declarant on behalf of the Association, including, without limitation, costs of construction of capital improvements to the Common Areas or the Common Maintenance Areas which costs are in excess of the sums specified in the original budgets and specifications for such areas."

5. Amendment. The second sentence of Section 9.13 of the Declaration is hereby amended to provide that at any time from and after two (2) years following the effective date of the this Amendment, the Declarant, without requiring joinder or approval of any person or entity that may own any portion of the Property described in the herein, may amend the covenants, conditions, restrictions and agreements that are set forth in the Declaration by recording an instrument containing such amendment(s).

6. Public Improvement District. Article Nine of the Declaration is hereby amended to add a new Section 9.14 as follows:

> "Section 9.14 Public Improvement District. The Declarant and the Association reserve the right to make an application for the creation of a public improvement district ("PID") with the Town with respect to any portion of the Common Areas or Common Maintenance Areas of the Development designated the Declarant or the Association. Upon approval of the PID by the Town, Declarant and the Association may take all actions necessary to establish, manage and maintain the PID in accordance with the order approving same."

7. Ratification. Except as expressly amended and modified hereby, the Declaration is hereby ratified and confirmed in all respects.

EXECUTED on this 17 day of March, 1999.

DECLARANT:

ARCADIA LAND PARTNERS 12, LTD.,
a Texas limited partnership

By: Arcadia Realty Corp., General Partner

By: _____
John Hodge, President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 17 day of March, 1999 by John Hodge, as President of Arcadia Realty Corp., the General Partner of ARCADIA LAND PARTNERS 12, LTD., a Texas limited partnership, on behalf of such corporation and limited partnership.

KIM. Y. TORBERT
NOTARY PUBLIC
State of Texas
Comm. Exp. 03-20-2000

_____
Notary Public in and for the State of Texas

Filed for Record in:
DENTON COUNTY, TX
CYNTHIA MITCHELL, COUNTY CLERK

On Mar 31 1999
At 4:02pm

Doc/Num : 99-R0030914
Doc/Type : AMD
Recording: 9.00
Doc/Mgmt : 6.00
Receipt #: 12993
Deputy - FRANCHESKA

$25.00

ANNEXATION AGREEMENT AND THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE HOMESTEAD AT CARROLLTON

0822787

This ANNEXATION AGREEMENT AND THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE HOMESTEAD AT CARROLLTON ("Annexation and Amendment") is made by ARCADIA LAND PARTNERS 12, LTD., a Texas limited partnership (hereinafter referred to as "Original Declarant") and D.R. HORTON-TEXAS, LTD., a Texas limited partnership (hereinafter referred to as the "Phase 2 Owner"), and ARCADIA REALTY CORP., a Texas corporation (hereinafter referred to as "New Declarant").

WITNESSETH:

A. Original Declarant executed a certain Declaration of Covenants, Conditions, and Restrictions for The Homestead At Carrollton, Phase I dated April 20, 1998 and recorded under Clerk's File Number 99-R0034670 in the Real Property Records of Denton County, Texas, as amended and modified by that certain First Amendment to Declaration of Covenants, Conditions, and Restrictions for The Homestead At Carrollton, Phase I dated November 25, 1998, recorded under Clerk's File Number 99-R0023033 in the Real Property Records of Denton County, Texas, and by that certain Second Amendment to Declaration of Covenants, Conditions, and Restrictions for The Homestead At Carrollton, Phase I dated March 17, 1999, recorded under Clerk's File Number 99-R0030914, Real Property Records of Denton County, Texas (as amended, the "Declaration"), the defined terms and conditions of which are hereby incorporated herein by reference, which instruments cover certain real property (the "Phase 1 Property") located in the City of Carrollton, Denton County, Texas. The Phase 1 Property has been platted and described as The Homestead At Carrollton Addition-Phase I, an addition to the City of Carrollton, according to the Final Plat of The Homestead At Carrollton Addition-Phase I, recorded in Cabinet Q, Page 18 of the Plat Records of Denton County, Texas.

B. The Phase 2 Owner is the owner of that certain tract of real property described on Exhibit "A" attached hereto, to be known as The Homestead At Carrollton Addition-Phase II (the "Phase 2 Property") located in the City of Carrollton, Denton County, Texas.

C. The Original Declarant desires to assign all of its rights and obligations as "Declarant" under the Declaration to the New Declarant, and the New Declarant shall act as the "Declarant" under the Declaration for both the Phase 1 Property and the Phase 2 Property.

D. The Original Declarant and the Phase 2 Owner desire to extend the coverage and the covenants, conditions and restrictions of the Declaration to the Phase 2 Property.

NOW, THEREFORE, in consideration of the premises and recitals set forth above, and for other good and valuable consideration paid the Original Declarant and the Phase 2 Owner to each other, the receipt and sufficiency of which is hereby acknowledged by all parties, the Original Declarant, the Phase 2 Owner and the New Declarant hereby, in order to annex the Phase 2 Property and amend the Declaration, agree as follows:

1. Annexation of Phase 2 Property. The Phase 2 Owner and the Original Declarant hereby annex the Phase 2 Property into the coverage of the covenants, conditions and restrictions of the Declaration and also hereby declare that all portions of the Phase 2 Property shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, charges, liens and other provisions contained in the Declaration, as amended and modified hereby. From and after the date hereof, the terms "Property," "Premises" or "Subdivision," as used in the Declaration, shall mean both the Phase 1 Property and the Phase 2 Property. All Owners of any Lots in the Phase 2 Property shall be Class A Members or Class C Members for all purposes pursuant to the Declaration. Notwithstanding the annexation of the Phase 2 Property into the Declaration, Section 6.2 of the Declaration is hereby amended to provide that no annual maintenance charge or assessment of any kind shall become due or accrue with respect to the Phase 2 Property until the public improvements constructed in the Phase 2 Property have been accepted by the Town and building permits are readily available for single family homes to be constructed on the Phase 2 Property. Further, no Owner of any Lot in the Phase 2 Property shall have rights to vote pursuant to Section 5.4 of the Declaration until such time as annual maintenance assessments commence to accrue with respect to the Lots in the Phase 2 Property. Except as expressly provided herein, the Owners of Lots in the Phase 2 Property, as Members of the Association, shall have all rights and privileges as Owners of Lots in the Phase 1 Property.

2. Assignment and Assumption of Declarant Rights, Duties and Obligations. The Original Declarant hereby assigns all of its rights, title, interest and obligations as "Declarant" under the Declaration to the New Declarant, and the New Declarant hereby assumes all duties, obligations, and rights of the "Declarant" pursuant to the Declaration from and after the date hereof.

3. Voting Rights and Creation of Class C Member. Section 5.4 of the Declaration is hereby amended and restated as follows:

"Section 5.4 Voting Rights. The Association shall have three (3) classes of voting

membership to be designated, respectively, Class A, Class B and Class C.

(A) Class A. The Class A Members shall be all Lot Owners with the exception of the Declarant and the Phase 2 Owner (until conversion of the Class B Membership and the Class C Membership into the Class A Membership as hereinafter provided), and each Class A Member shall be entitled to one (1) vote for each Lot owned. When more than one person owns an interest in any Lot, all such persons shall be Members of the Association, but the vote for such Lot shall be exercised as the owners of the particular Lot shall among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot.

(B) Class B. The Class B Member shall be the Original Declarant which shall be entitled to ten (10) votes for each Lot that it owns. The Class B Membership shall cease and be converted to Class A Membership on the conveyance by the Original Declarant of the last Lot owned by the Original Declarant.

(C) Class C. The Class C Member shall be the Phase 2 Owner which shall be entitled to one (1) vote for each Lot that it owns. The Class C Membership shall cease and be converted to Class A Membership on the conveyance by the Phase 2 Owner of the last Lot owned by the Phase 2 Owner."

4. Annual Maintenance Assessments. Section 6.3 (B)(2) of the Declaration is hereby amended and restated as follows:

"(2) When the Lot is owned by a Class B Member or a Class C Member one-half (1/2) of the assessment shall be payable for the first year of ownership. All assessments thereafter shall be payable in full."

5. Ratification. Except as expressly amended and modified hereby, the Original Declarant, the Phase 2 Owner and the New Declarant hereby ratify the Declaration and agree to be bound by all terms and conditions thereof, as amended by this Supplemental Declaration and Amendment.

EXECUTED to be effective as of (though not necessarily executed on) August 10, 1999.

ORIGINAL DECLARANT:

ARCADIA LAND PARTNERS 12, LTD.,
a Texas limited partnership

By: Arcadia Realty Corp., General Partner

By: _____
Title: President

PHASE 2 OWNER:

D. R. HORTON-TEXAS, LTD.
By: D. R. Horton, Inc., ~~General Partner~~ Authorized Agent

By: _____
Title: Vice President

NEW DECLARANT:

ARCADIA REALTY CORP.,
a Texas corporation

By: _____
Title: President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 10th day of August, 1999, by John Hodge, the President of Arcadia Realty Corp., a Texas corporation, the General Partner of ARCADIA LAND PARTNERS 12, LTD., a Texas limited partnership, on behalf of such corporation and partnership.

ROBERT M. ALLEN
Notary Public, State of Texas
My Commission Expires 04-05-02

Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of August, 1999, by Gordon D. Jones, the Vice President of D.R. Horton, Inc; a Texas corporation, on behalf of such corporation, as the ~~General Partner~~ Authorized Agent of D.R. Horton-Texas, Ltd., a Texas limited partnership, on behalf of such limited partnership.

LISA M. SHAHAN
NOTARY PUBLIC
State of Texas
Comm. Exp. 07-15-2001

Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 10th day of August, 1999, by John Hodge, the President of Arcadia Realty Corp., a Texas corporation, on behalf of such corporation.

ROBERT M. ALLEN
Notary Public, State of Texas
My Commission Expires 04-05-02

Notary Public, State of Texas

After Recording Return To:
Rose Barbee

Republic Title Of Texas, Inc.
300 Crescent Court
Suite 100
Dallas, Tx 75201

#2156.45

TRACT 1:

EXHIBIT A

BEING A 68.487 ACRE TRACT OF LAND SITUATED IN THE HORATIO GROOMS SURVEY, ABSTRACT NO. 440, CITY OF CARROLLTON, DENTON COUNTY, TEXAS AND BEING A PORTION OF THE REMAINDER OF THAT TRACT OF LAND DESCRIBED IN THREE DEEDS TO BETTY DAVIS (TOEWS), RECORDED IN VOLUME 387, PAGE 409, OF THE DEED RECORDS OF DENTON COUNTY, TEXAS (D.R.D.C.T.) THE IKE AND BETTY DAVIS TOEWS CHARITABLE REMAINDER TRUST, RECORDED IN COUNTY CLERKS FILE NO 95-R0055709 AND THE FIRST BAPTIST CHURCH OF FARMERS BRANCH, DALLAS COUNTY, TEXAS RECORDED IN COUNTY CLERKS FILE NO. 95-R0054804, D.R.D.C.T. (HEREINAFTER REFERRED TO COLLECTIVELY AS TRACT 1) AND A PORTION OF THAT TRACT OF LAND DESCRIBED IN DEED TO IKE AND BETTY DAVIS TOEWS, THE IKE AND BETTY DAVIS TOEWS CHARITABLE REMAINDER TRUST AND THE FIRST BAPTIST CHURCH OF FARMERS BRANCH, DALLAS COUNTY, TEXAS, RECORDED IN COUNTY CLERKS FILE NO. 98-R0037209, D.R.D.C.T. (HEREINAFTER REFERRED TO AS TRACT 2). SAID 0.801 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A P.K. NAIL SET IN THE APPROXIMATE CENTERLINE OF RABBIT RUN ROAD (A VARIABLE WIDTH PRESCRIPTIVE R.O.W.), FOR THE NORTHEAST CORNER OF SAID TRACT 2;
THENCE S 00°46'45" E, ALONG THE EAST LINE OF SAID TRACT 2 AND SAID APPROXIMATE CENTERLINE, DISTANCE OF 440.00 FEET TO A P.K. NAIL FOUND FOR THE NORTHEAST CORNER OF THE REMAINDER OF THAT TRACT OF LAND DESCRIBED IN DEED TO LEWISVILLE INDEPENDENT SCHOOL DISTRICT (L.I.S.D.), RECORDED IN COUNTY CLERKS FILE NO. 95-R0059301 D.R.D.C.T., SAID POINT BEING N 00 46'45" E, A DISTANCE OF 1.82 FEET FROM A P.K. NAIL FOUND FOR THE SOUTHEAST CORNER OF SAID L.I.S.D. TRACT;

THENCE S 89°16'19" W, ALONG THE NORTH LINE OF SAID L.I.S.D. TRACT, A DISTANCE OF 810.18 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" FOUND FOR THE NORTHWEST CORNER OF SAID L.I.S.D. TRACT;

THENCE S 00°43'41" E, ALONG THE WEST LINE OF SAID L.I.S.D. TRACT, A DISTANCE OF 150.00 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE MOST NORTHERLY NORTHEAST CORNER OF HOMESTEAD AT CARROLLTON PHASE 1, AN ADDITION TO THE CITY OF CARROLLTON, RECORDED IN CABINET Q, PAGE 18 OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (P.R.D.C.T.);

THENCE ALONG THE NORTH AND WEST LINES OF SAID HOMESTEAD AT CARROLLTON THE FOLLOWING SIX (6) COURSES AND DISTANCES:

S 89°16'19" W, A DISTANCE OF 1417.55 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 524.67 FEET, A DELTA ANGLE OF 127°01'08", A LONG CHORD THAT BEARS S 25°45'45" W A DISTANCE OF 939.17 FEET, AN ARC DISTANCE OF 1163.15 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

S 48°25'42" W, A DISTANCE OF 340.46 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

CC MEMO:
LEGIBILITY OF THIS DOCUMENT

TRACT 2:

BEING a 1.458 acre tract of land situated in the Horatio Grooms Survey, Abstract No. 440, in the City of Carrollton, Denton County, Texas and being a portion of that tract of land described in deed to Maurice Edwin Moore, recorded in Volume 729, Page 631 of the Deed Records of Denton County, Texas (D.R.D.C.T.). Said 1.458 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a P.K. nail set in the approximate centerline of Rabbit Run Road (a variable width prescriptive R.O.W.) at the Northeast corner of that tract of land described in deed to Ike and Betty Davis Toews, the Ike and Betty Davis Toews Charitable Remainder Trust and the First Baptist Church of Farmers Branch, Dallas County, Texas, recorded in County Clerks File No. 98-R0037209, D.R.D.C.T. (hereinafter refered to as Tract B), being the common Southeast corner of said Maurice Edwin Moore Tract;

THENCE S 89 degrees 16 minutes 19 seconds W, along the North line of said Tract B, being the common South line of said Maurice Edwin Moore Tract, a distance of 3175.95 feet to a 5/8" iron rod capped "Carter & Burgess" set for corner;

THENCE departing said common line, over and across said Maurice Edwin Moore Tract the following two (2) courses and distances:

N 00 degrees 43 minutes 41 seconds W, a distance of 20.00 feet to a 5/8" iron rod capped "Carter & Burgess" set for corner;

N 89 degrees 16 minutes 19 seconds E, a distance of 3175.93 feet to a P.K. nail set in the approximate centerline of said Rabbit Run Road, being in the East line of said Maurice Edwin Moore Tract;

THENCE S 00 degrees 46 minutes 45 seconds E, along said East line, a distance of 20.00 feet to the POINT OF BEGINNING, AND CONTAINING 1.458 acres of land, more or less.

EXHIBIT A

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 864.67 FEET, A DELTA ANGLE OF 11°58'25", A LONG CHORD THAT BEARS S 45°14'19" E A DISTANCE OF 180.37 FEET, AN ARC DISTANCE OF 180.70 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

S 48°25'42" W, A DISTANCE OF 213.46 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

S 00°04'33" W, A DISTANCE OF 287.94 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE SOUTHWEST CORNER OF SAID HOMESTEAD AT CARROLLTON, BEING IN THE NORTH LINE OF ROSEMEADE ADDITION SECTION TWO, AN ADDITION TO THE CITY OF CARROLLTON, RECORDED IN VOLUME 13, PAGE 30 P.R.D.C.T.;

THENCE N 89°55'27" W, ALONG SAID NORTH LINE, BEING THE COMMON SOUTH LINE OF SAID TRACT 1, A DISTANCE OF 494.97 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE SOUTHWEST CORNER OF SAID TRACT 1;

THENCE N 00°11'21" W, ALONG THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 647.94 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR A NORTHEAST CORNER OF SAID ROSEMEADE ADDITION SECTION TWO;

THENCE N 00°30'55" W, CONTINUING ALONG SAID WEST LINE, BEING THE COMMON EAST LINE OF TRACT 3, DESCRIBED IN DEED TO MAURICE EDWIN MOORE, RECORDED IN VOLUME 729, PAGE 631 D.R.D.C.T., A DISTANCE OF 1554.52 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE NORTHWEST CORNER OF SAID TRACT 1, BEING THE COMMON SOUTHWEST CORNER OF TRACT 2, DESCRIBED IN DEED TO MAURICE EDWIN MOORE, RECORDED IN VOLUME 729, PAGE 631 D.R.D.C.T.;

THENCE N 89°16'19" E, ALONG THE NORTH LINE OF SAID TRACT 1, BEING THE COMMON SOUTH LINE OF SAID MAURICE EDWIN MOORE TRACT 3, A DISTANCE OF 3425.95 FEET TO THE POINT OF BEGINNING, AND CONTAINING 68.487 ACRES OF LAND, MORE OR LESS.

135757

FOURTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE HOMESTEAD AT CARROLLTON

THIS FOURTH AMENDMENT TO DELCARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE HOMESTEAD AT CARROLLTON (the "**Amendment**") is made by ARCADIA REALTY CORP., a Texas corporation ("**Declarant**").

WITNESSETH:

WHEREAS, ARCADIA LAND PARTNERS 12, LTD. ("**ALP12**") executed that certain Declaration of Covenants, Conditions and Restrictions for the Homestead at Carrollton, Phase I, dated effective as of April 20, 1998, which is recorded in Volume 4082, Page 544 of the Real Property Records of Denton County, Texas, as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions for The Homestead at Carrollton, Phase I, dated as of November 25, 1998, recorded in Volume 4293, Page 1695 of the Real Property Records of Denton County, Texas, that certain Second Amendment to Declaration of Covenants, Conditions and Restrictions for The Homestead at Carrollton, dated March 17, 1999, recorded in Volume 4308, Page 2609 of the Real Property Records of Denton County, Texas, and that certain Annexation Agreement and Third Amendment to Declaration of Covenants, Conditions and Restrictions for The Homestead at Carrollton, Phase I, dated August 10, 1999, recorded in Volume 4402, Page 257 in the Real Property Records of Denton County, Texas (as amended, the "**Declaration**"), the defined terms and conditions of which are hereby incorporated herein by reference for all purposes, relative to the development of those certain tracts of land located in Carrollton, Denton County, Texas (the "**Property**"), as more particularly described in Exhibit "A" attached hereto and made a part hereof by reference; and

WHEREAS, pursuant to the Declaration, ALP12 assigned all of its rights and obligations as "Declarant" under the Declaration to Declarant; and

WHEREAS, the Declarant desires to make certain amendments and modifications to the Declaration.

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

1. Special Assessments. Article Six of the Declaration is hereby amended to add a new Section 6.11 as follows:

> "Section 6.11 Special Assessment for New Home Owners. Each Residence that is sold from and after the date of this Amendment is hereby subjected to a one-time special assessment (the "**Special Assessment**") payable to Arcadia Realty Corp., by the purchaser of the Residence in the amount of $300.00. The Special Assessment shall be used for the purpose

of defraying the costs of the development of the Common Areas and for maintenance of the Common Areas. The Association shall collect the Special Assessment on behalf of Arcadia Realty Corp. The Special Assessment shall be paid at each closing of the Residence constructed on each lot and shall be a charge on each Lot pursuant to the provisions of the Declaration."

2. Ratification. Except as expressly amended and modified hereby, the Declaration is hereby ratified and confirmed in all respects.

EXECUTED as of this 2 day of May, 2000.

DECLARANT:

ARCADIA REALTY CORP.

By: _____
William Gietema, Jr., CEO

COUNTY OF DALLAS §

STATE OF DALLAS §

This instrument was acknowledged before me on the 2 day of May, 2000 by William Gietema, Jr., as CEO of Arcadia Realty Corp., a Texas corporation, on behalf of such corporation.

_____
Notary Public in and for the State of Texas

KIM Y. TORBERT
MY COMMISSION EXPIRES
March 20, 2004

After recording, please return to:

CLEMENTS, ALLEN,
WOODS & MARGOLIS, P.C.
15303 DALLAS PARKWAY, SUITE 750
ADDISON, TEXAS 75001

Exhibit "A"

Tract 1

BEING A 78.025 ACRE TRACT OF LAND SITUATED IN THE HORATIO GROOMS SURVEY, ABSTRACT NO. 440, AND THE M.H. REED SURVEY, ABSTRACT NO. 1116, IN THE TOWN OF HEBRON, DENTON COUNTY, TEXAS, AND BEING A PORTION OF THAT CALLED 146.5692 ACRE TRACT OF LAND DESCRIBED IN DEED TO THE IKE AND BETTY DAVIS TOEWS CHARITABLE REMAINDER TRUST AS RECORDED IN COUNTY CLERK'S FILE NO. 95-R055709 OF THE DEED RECORDS OF DENTON COUNTY, TEXAS (D.R.D.C.T.). SAID 78.025 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE SOUTHEAST CORNER OF SAID 146.5692 ACRE TRACT, FROM WHICH THE NORTHEAST CORNER OF ROSEMEADE ADDITION SECTION ONE, AN ADDITION TO THE CITY OF CARROLLTON, TEXAS, RECORDED IN VOLUME 12, PAGE 37 OF THE PLAT RECORDS OF DENTON COUNTY TEXAS (P.R.D.C.T.), BEARS S 89°35'40" W A DISTANCE OF 11.90 FEET;

THENCE S 89°35'40" W, ALONG THE SOUTH LINE OF SAID 146.5692 ACRE TRACT AND THE COMMON NORTH LINE OF SAID ROSEMEADE SECTION ONE, A DISTANCE OF 1467.29 FEET TO A WOOD FENCE POST FOUND FOR CORNER;

THENCE S 00°54'20" E, ALONG THE EAST LINE OF SAID 146.5692 ACRE TRACT AND THE COMMON WEST LINE OF SAID ROSEMEADE SECTION ONE, A DISTANCE OF 522.12 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE MOST SOUTHERLY SOUTHEAST CORNER OF SAID 146.5692 ACRE TRACT AND THE COMMON NORTHEAST CORNER OF ROSEMEADE SECTION TWO, AN ADDITION TO THE CITY OF CARROLLTON, RECORDED IN VOLUME 13, PAGE 30, P.R.D.C.T.;

THENCE N 89°55'27" W, ALONG THE SOUTH LINE OF SAID 146.5692 ACRE TRACT AND THE COMMON NORTH LINE OF SAID ROSEMEADE SECTION TWO, A DISTANCE OF 1478.92 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

THENCE, DEPARTING SAID COMMON LINE, OVER AND ACROSS SAID 146.5692 ACRE TRACT THE FOLLOWING SIX (6) COURSES AND DISTANCES:

N 00°04'33" E, A DISTANCE OF 287.94 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

N 48°25'42" E, A DISTANCE OF 213.48 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 864.67 FEET, A DELTA ANGLE OF 11°58'25", A LONG CHORD THAT BEARS N 45°14'18" W A DISTANCE OF 180.37 FEET, AN ARC DISTANCE OF 180.70 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

N 48°25'42" E, A DISTANCE OF 340.48 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 524.67 FEET, A DELTA ANGLE OF 127°01'06", A LONG CHORD THAT BEARS N 25°45'45" E A DISTANCE OF 939.17 FEET, AN ARC DISTANCE OF 1163.15 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

N 89°16'18" E, A DISTANCE OF 1417.55 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET IN THE EAST LINE OF SAID 146.5692 ACRE TRACT AND THE COMMON WEST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO LEWISVILLE INDEPENDENT SCHOOL DISTRICT (L.I.S.D.), RECORDED IN COUNTY CLERK'S FILE NO. 95-R0059301, D.R.D.C.T.;

THENCE S 00°43'41" E, ALONG SAID COMMON LINE, PASSING AT A DISTANCE OF 285.86 FEET THE SOUTHWEST CORNER OF SAID L.I.S.D. TRACT, CONTINUING OVER AND ACROSS SAID 146.5692 ACRE TRACT A TOTAL DISTANCE OF 447.09 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

THENCE N 89°16'18" E, OVER AND ACROSS SAID 146.5692 ACRE TRACT, A DISTANCE OF 810.71 FEET TO A P.K. NAIL SET IN THE EAST LINE OF SAID 146.5692 ACRE TRACT, BEING THE APPROXIMATE EAST LINE OF THE H.H. REED SURVEY, ABSTRACT NO. 1116, AND THE APPROXIMATE CENTERLINE OF RABBIT RUN ROAD;

THENCE S 00°46'45" E, ALONG SAID COMMON LINE AND THE APPROXIMATE CENTERLINE OF SAID RABBIT RUN ROAD, A DISTANCE OF 879.17 FEET TO THE POINT OF BEGINNING, AND CONTAINING 78.025 ACRES OF LAND.

Exhibit "A" cont.

Tract 2

BEING A 0.342 ACRE TRACT OF LAND SITUATED IN THE H.H. REED SURVEY, ABSTRACT NO. 1116, IN THE CITY OF HEBRON, DENTON COUNTY, TEXAS AND BEING A PORTION OF THAT TRACT OF LAND DESCRIBED IN DEED TO IKE AND BETTY DAVIS TOEWS CHARITABLE REMAINDER TRUST (TOEWS TRACT), RECORDED IN COUNTY CLERKS FILE NO. 95-R0055709, OF THE DEED RECORDS OF DENTON COUNTY, TEXAS (D.R.D.C.T.). SAID 0.342 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE SOUTHWEST CORNER OF THE REMAINDER OF SAID TOEWS TRACT, AND AN INTERIOR ELL CORNER OF CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO ARCADIA LAND PARTNERS 12, LTD. (ARCADIA TRACT), RECORDED IN COUNTY CLERKS FILE NO. 97-R0090027, D.R.D.C.T.;

THENCE N 00°43'41" W, ALONG THE WEST LINE OF SAID TOEWS TRACT AND THE COMMON EAST LINE OF SAID ARCADIA TRACT, A DISTANCE OF 45.70 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

THENCE DEPARTING SAID COMMON LINE, OVER AND ACROSS TOEWS TRACT THE FOLLOWING FOUR COURSES AND DISTANCES:

N 89°16'19" E, A DISTANCE OF 30.00 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 760.00 FEET, A DELTA ANGLE OF 04°19'05", A LONG CHORD THAT BEARS S 84°15'24" E A DISTANCE OF 57.25 FEET, AN ARC DISTANCE OF 57.28 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 840.00 FEET, A DELTA ANGLE OF 12°07'07", A LONG CHORD THAT BEARS S 86°09'24" E A DISTANCE OF 177.34 FEET, AN ARC DISTANCE OF 177.57 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 600.00 FEET, A DELTA ANGLE OF 22°24'10", A LONG CHORD THAT BEARS S 83°00'53" E A DISTANCE OF 233.11 FEET, AN ARC DISTANCE OF 234.60 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER IN THE SOUTH LINE OF SAID TOEWS TRACT AND A COMMON NORTH LINE OF SAID ARCADIA TRACT;

THENCE S 89°16'19" W, ALONG SAID COMMON LINE, A DISTANCE OF 495.05 FEET THE POINT OF BEGINNING, AND CONTAINING 0.342 ACRES OF LAND, MORE OR LESS.

Exhibit "A" cont.

Save and Except:

BEING A 0.586 ACRE TRACT OF LAND SITUATED IN THE H.H. REED SURVEY, ABSTRACT NO. 1116, IN THE CITY OF HEBRON, DENTON COUNTY, TEXAS AND BEING A PORTION OF THAT TRACT OF LAND DESCRIBED IN DEED TO ARCADIA LAND PARTNERS 12, LTD. (ARCADIA TRACT), RECORDED IN COUNTY CLERKS FILE NO. 97-R0090027 OF THE DEED RECORDS OF DENTON COUNTY, TEXAS (D.R.D.C.T.). SAID 0.586 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A P.K. NAIL SET FOR THE NORTHEAST CORNER OF SAID ARCADIA TRACT AND THE COMMON SOUTHEAST CORNER OF THE REMAINDER OF A TRACT OF LAND DESCRIBED IN DEED TO IKE AND BETTY DAVIS TOEWS CHARITABLE REMAINDER TRUST, RECORDED IN COUNTY CLERKS FILE NO. 95-R0055709, D.R.D.C.T, SAID POINT BEING IN THE APPROXIMATE CENTERLINE OF BUNNY RUN ROAD (A VARIABLE WIDTH PRESCRIPTIVE R.O.W.);

THENCE S 00°46'45" E, ALONG THE EAST LINE OF SAID ARCADIA TRACT AND SAID APPROXIMATE CENTERLINE, A DISTANCE OF 156.42 FEET TO A P.K. NAIL SET FOR CORNER;

THENCE DEPARTING SAID EAST LINE AND SAID APPROXIMATE CENTERLINE, OVER AND ACROSS SAID ARCADIA TRACT THE FOLLOWING FOUR COURSES AND DISTANCES:

N 77°42'47" W, A DISTANCE OF 41.69 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

N 64°11'15" W, A DISTANCE OF 73.44 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 315.00 FEET, A DELTA ANGLE OF 09°59'42", A LONG CHORD THAT BEARS N 59°11'25" W A DISTANCE OF 54.88 FEET, AN ARC DISTANCE OF 54.95 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 600.00 FEET, A DELTA ANGLE OF 17°37'14", A LONG CHORD THAT BEARS N 63°00'11" W A DISTANCE OF 183.80 FEET, AN ARC DISTANCE OF 184.52 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

THENCE N 89°16'19" E, A DISTANCE OF 315.66 FEET THE POINT OF BEGINNING, AND CONTAINING 0.586 ACRES OF LAND, MORE OR LESS.

Exhibit "A" cont.

Tract 3 **PROPERTY DESCRIPTION**

BEING A 1.912 ACRE TRACT OF LAND SITUATED IN THE H.H. REED SURVEY, ABSTRACT NO. 1116, DALLAS COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO ARCADIA LAND PARTNERS 12, LTD., RECORDED IN COUNTY CLERKS FILE NO. 97-R0090027, OF THE DEED RECORDS OF DALLAS COUNTY, TEXAS. SAID 1.912 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A "X" CUT IN CONCRETE SET FOR THE SOUTHEAST CORNER OF SAID ARCADIA LAND PARTNERS TRACT FROM WHICH THE NORTHEAST CORNER OF ROSEMEADE ADDITION SECTION ONE, AN ADDITION TO THE CITY OF CARROLLTON, TEXAS, RECORDED IN VOLUME 12, PAGE 37 OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (P.R.D.C.T.). BEARS S 89° 35' 40" W A DISTANCE OF 11.90 FEET;

THENCE S 89°35'40" W, ALONG THE SOUTH LINE OF SAID ARCADIA LAND PARTNERS TRACT AND THE COMMON NORTH LINE OF SAID ROSMEADE ADDITON SECTION ONE A DISTANCE OF 221.38 FEET TO A 5/8 " IRON ROD CAPPED "CARTER & BURGESS SET FOR CORNER;

THENCE DEPARTING SAID SOUTH LINE, OVER AND ACROSS SAID ARCADIA LAND PARTNERS TRACT THE FOLLOWING FIVE COURSES AND DISTANCES;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 40.00 FEET, A DELTA ANGLE OF 90°00'00", A LONG CHORD THAT BEARS N 45°24'20" W A DISTANCE OF 56.57 FEET, AN ARC DISTANCE OF 62.83 FEET TO A 5/8 " IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

N 00°24'20" W, A DISTANCE OF 280.07 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

N 41°11'58" E, A DISTANCE OF 79.66 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 440.00 FEET, A DELTA ANGLE OF 15°23'14", A LONG CHORD THAT BEARS S 55°29'39" E A DISTANCE OF 117.81 FEET, AN ARC DISTANCE OF 118.16 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

S 64°11'15" E, A DISTANCE OF 121.52 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER IN THE EAST LINE OF SAID ARCADIA LAND PARTNERS TRACT;

THENCE S 00°46'45" E, ALONG SAID EAST LINE, A DISTANCE OF 280.23 FEET TO THE POINT OF BEGINNING, AND CONTAINING 1.912 ACRES OF LAND, MORE OR LESS.

Tract 4

BEING A 68.487 ACRE TRACT OF LAND SITUATED IN THE HORATIO GROOMS SURVEY, ABSTRACT NO. 440, CITY OF CARROLLTON, DENTON COUNTY, TEXAS AND BEING A PORTION OF THE REMAINDER OF THAT TRACT OF LAND DESCRIBED IN THREE DEEDS TO BETTY DAVIS (TOEWS), RECORDED IN VOLUME 387, PAGE 409, OF THE DEED RECORDS OF DENTON COUNTY, TEXAS (D.R.D.C.T.) THE IKE AND BETTY DAVIS TOEWS CHARITABLE REMAINDER TRUST, RECORDED IN COUNTY CLERKS FILE NO 95-R0055709 AND THE FIRST BAPTIST CHURCH OF FARMERS BRANCH, DALLAS COUNTY, TEXAS RECORDED IN COUNTY CLERKS FILE NO. 95-R0054804, D.R.D.C.T. (HEREINAFTER REFERRED TO COLLECTIVELY AS TRACT 1) AND A PORTION OF THAT TRACT OF LAND DESCRIBED IN DEED TO IKE AND BETTY DAVIS TOEWS, THE IKE AND BETTY DAVIS TOEWS CHARITABLE REMAINDER TRUST AND THE FIRST BAPTIST CHURCH OF FARMERS BRANCH, DALLAS COUNTY, TEXAS, RECORDED IN COUNTY CLERKS FILE NO. 98-R0037209, D.R.D.C.T. (HEREINAFTER REFERRED TO AS TRACT 2). SAID 0.801 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A P.K. NAIL SET IN THE APPROXIMATE CENTERLINE OF RABBIT RUN ROAD (A VARIABLE WIDTH PRESCRIPTIVE R.O.W.), FOR THE NORTHEAST CORNER OF SAID TRACT 2;
THENCE S 00°46'45" E, ALONG THE EAST LINE OF SAID TRACT 2 AND SAID APPROXIMATE CENTERLINE, DISTANCE OF 440.00 FEET TO A P.K. NAIL FOUND FOR THE NORTHEAST CORNER OF THE REMAINDER OF THAT TRACT OF LAND DESCRIBED IN DEED TO LEWISVILLE INDEPENDENT SCHOOL DISTRICT (L.I.S.D.), RECORDED IN COUNTY CLERKS FILE NO. 95-R0059301 D.R.D.C.T., SAID POINT BEING N 00 46'45" E, A DISTANCE OF 1.82 FEET FROM A P.K. NAIL FOUND FOR THE SOUTHEAST CORNER OF SAID L.I.S.D. TRACT;

THENCE S 89°16'19" W, ALONG THE NORTH LINE OF SAID L.I.S.D. TRACT, A DISTANCE OF 810.18 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" FOUND FOR THE NORTHWEST CORNER OF SAID L.I.S.D. TRACT;

THENCE S 00°43'41" E, ALONG THE WEST LINE OF SAID L.I.S.D. TRACT, A DISTANCE OF 150.00 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE MOST NORTHERLY NORTHEAST CORNER OF HOMESTEAD AT CARROLLTON PHASE 1, AN ADDITION TO THE CITY OF CARROLLTON, RECORDED IN CABINET O, PAGE 18 OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS (P.R.D.C.T.);

THENCE ALONG THE NORTH AND WEST LINES OF SAID HOMESTEAD AT CARROLLTON THE FOLLOWING SIX (6) COURSES AND DISTANCES:

S 89°16'19" W, A DISTANCE OF 1417.55 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 524.67 FEET, A DELTA ANGLE OF 127°01'08", A LONG CHORD THAT BEARS S 25°45'45" W A DISTANCE OF 939.17 FEET, AN ARC DISTANCE OF 1163.15 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

S 48°25'42" W, A DISTANCE OF 340.46 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

Tract 4 cont.

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 864.67 FEET, A DELTA ANGLE OF 11°58'25", A LONG CHORD THAT BEARS S 45°14'19" E A DISTANCE OF 180.37 FEET, AN ARC DISTANCE OF 180.70 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

S 48°25'42" W, A DISTANCE OF 213.46 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR CORNER;

S 00°04'33" W, A DISTANCE OF 287.94 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE SOUTHWEST CORNER OF SAID HOMESTEAD AT CARROLLTON, BEING IN THE NORTH LINE OF ROSEMEADE ADDITION SECTION TWO, AN ADDITION TO THE CITY OF CARROLLTON, RECORDED IN VOLUME 13, PAGE 30 P.R.D.C.T.;

THENCE N 89°55'27" W, ALONG SAID NORTH LINE, BEING THE COMMON SOUTH LINE OF SAID TRACT 1, A DISTANCE OF 494.97 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE SOUTHWEST CORNER OF SAID TRACT 1;

THENCE N 00°11'21" W, ALONG THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 647.94 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR A NORTHEAST CORNER OF SAID ROSEMEADE ADDITION SECTION TWO;

THENCE N 00°30'55" W, CONTINUING ALONG SAID WEST LINE, BEING THE COMMON EAST LINE OF TRACT 3, DESCRIBED IN DEED TO MAURICE EDWIN MOORE, RECORDED IN VOLUME 729, PAGE 631 D.R.D.C.T., A DISTANCE OF 1554.52 FEET TO A 5/8" IRON ROD CAPPED "CARTER & BURGESS" SET FOR THE NORTHWEST CORNER OF SAID TRACT 1, BEING THE COMMON SOUTHWEST CORNER OF TRACT 2, DESCRIBED IN DEED TO MAURICE EDWIN MOORE, RECORDED IN VOLUME 729, PAGE 631 D.R.D.C.T.;

THENCE N 89°16'19" E, ALONG THE NORTH LINE OF SAID TRACT 1, BEING THE COMMON SOUTH LINE OF SAID MAURICE EDWIN MOORE TRACT 3, A DISTANCE OF 3425.95 FEET TO THE POINT OF BEGINNING, AND CONTAINING 68.487 ACRES OF LAND, MORE OR LESS.

Tract 5

BEING a 1.458 acre tract of land situated in the Horatio Grooms Survey, Abstract No. 440, in the City of Carrollton, Denton County, Texas and being a portion of that tract of land described in deed to Maurice Edwin Moore, recorded in Volume 729, Page 631 of the Deed Records of Denton County, Texas (D.R.D.C.T.). Said 1.458 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a P.K. nail set in the approximate centerline of Rabbit Run Road (a variable width prescriptive R.O.W.) at the Northeast corner of that tract of land described in deed to Ike and Betty Davis Toews, the Ike and Betty Davis Toews Charitable Remainder Trust and the First Baptist Church of Farmers Branch, Dallas County, Texas, recorded in County Clerks File No. 98-R0037209, D.R.D.C.T. (hereinafter refered to as Tract B), being the common Southeast corner of said Maurice Edwin Moore Tract;

THENCE S 89 degrees 16 minutes 19 seconds W, along the North line of said Tract B, being the common South line of said Maurice Edwin Moore Tract, a distance of 3175.95 feet to a 5/8" iron rod capped "Carter & Burgess" set for corner;

THENCE departing said common line, over and across said Maurice Edwin Moore Tract the following two (2) courses and distances:

N 00 degrees 43 minutes 41 seconds W, a distance of 20.00 feet to a 5/8" iron rod capped "Carter & Burgess" set for corner;

N 89 degrees 16 minutes 19 seconds E, a distance of 3175.93 feet to a P.K. nail set in the approximate centerline of said Rabbit Run Road, being in the East line of said Maurice Edwin Moore Tract;

THENCE S 00 degrees 46 minutes 45 seconds E, along said East line, a distance of 20.00 feet to the POINT OF BEGINNING, AND CONTAINING 1.458 acres of land, more or less.

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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

THE STATE OF TEXAS }
COUNTY OF DENTON }

I hereby certify that this instrument was FILED in the File Number sequence on the date and the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Denton County, Texas on

DEC 14 2001

Cynthia Mitchell
COUNTY CLERK
DENTON COUNTY, TEXAS

COUNTY COURT OF DENTON COUNTY, TEXAS

Filed for Record in:
DENTON COUNTY, TX
CYNTHIA MITCHELL, COUNTY CLERK

On Dec 14 2001
At 3:24pm

Receipt #: 63270
Recording: 21.00
Doc/Mgmt : 6.00
Doc/Num : 2001-R0135757
Doc/Type : AMD
Deputy -ELIZABETH

THE HOMESTEAD AT CARROLLTON, PHASE I HOMEOWNERS' ASSOCIATION, INC.

ASSESSMENT COLLECTION POLICY

Pursuant to the provisions of Article 1396-9.10 of the Texas Non-Profit Corporation Act, as amended from time to time, the undersigned, being all of the Directors of The Homestead at Carrollton, Phase I Homeowners' Association, Inc. (the "Association"), do hereby unanimously consent to the adoption of the following resolutions as and for the act of the Directors, to have the same force and effect as if adopted at a meeting of the Directors at which all Directors were present and voted.

WHEREAS, the Association has authority pursuant to Article Six of the Declaration of Covenants, Conditions and Restrictions for The Homestead at Carrollton, Phase I (the "Declaration") to levy assessments against Owners of Lots located within The Homestead at Carrollton, a planned community located in Denton County, Texas (the "Development"); and

WHEREAS, the Board of Directors (the "Board") finds there is a need to establish orderly procedures for the collection of assessments that remain unpaid beyond the prescribed due dates and the application of the payments made by Owners in order to encourage Owners to promptly pay their assessment obligations.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of assessments owing and to become owing by Owners in the Development and the application of payments made by Owners and the same are to be known as the "Assessment Collection Policy" for the Association in the discharge of its responsibilities regarding collection of assessments against Owners and their Lots:

1. Policy Objectives. The collection of assessments and application of payments made by Owners pursuant to the Declaration and this Assessment Collection Policy will be governed by the following objectives:

a. The Association will pursue collection of all assessments, including annual assessments and special assessments, for a given fiscal year such that should the recovery of amounts owing by a particular Owner require commencement of legal proceedings, those proceedings will be initiated and concluded prior to the end of the fiscal year for which the unpaid amounts are due.

b. At each step within the collection process, the Board will analyze the facts and circumstances then known concerning a given delinquency to direct collection efforts toward the most expedient course of action.

2. Ownership Interests. The person who is the Owner of a Lot as of the date an assessment becomes due is personally liable for the payment of that assessment. Further, the personal liability for unpaid assessments passes to the successors in title to a Lot only if expressly assumed by them. As used herein, the term "Delinquent Owner" refers to that person who held title to a Lot on the date an assessment became due. As used herein, the term "Current Owner" refers to that person who then holds title to a Lot. Unless expressly denoted otherwise, the "Owner" of a Lot refers to the Delinquent Owner or the Current Owner or both, as may be appropriate under the circumstances in question.

3. Due Dates. Pursuant to Article Six of the Declaration, the due date for the quarterly installment of the annual assessment is the first day of January, April, July and October of each year. The due date for a special assessment shall be set by the Board, but in no event shall it be less than thirty (30) days after the date the Owner is invoiced therefor. The due date for any assessment shall be collectively referred to in this Assessment Collection Policy as the "Due Date". Any installment of the annual assessment which is not paid in full within thirty (30) days of the date it is due, and each special assessment which is not paid by the tenth (10th) day after it is due is delinquent (the "Delinquency Date").

4. Reminder Notice. If an assessment has not been paid by the Delinquency Date, the Association will send a second invoice or notice (referred to as the "Reminder Notice") which will include the unpaid assessments, collection fees and interest charges claimed to be owing. The Reminder Notice will be sent via first-

class United States mail.

5. Default Letter. If an assessment has not been paid within the sixty (60) days following the Due Date, the Association will send a notice (referred to as the "Default Letter") to the Owner making formal demand for payment of all outstanding amounts. The Default Letter will be sent via certified mail, return receipt requested, and via first-class United States mail and will, at a minimum, include the following information:

a. The unpaid assessments, interest, and collection costs claimed to be owing.

b. A statement that if either (i) the delinquency is not cured in full, including all accrued interest and other charges then owing, within thirty (30) days of the date of the Owner's receipt of the Default Letter, or (ii) the Owner does not dispute, in writing, the amounts set forth in the Default Letter within thirty (30) days of the Owner's receipt of the Default Letter, the delinquency will be assumed to be valid and will be referred to the legal counsel for the Association for further collection action including the possibility of seeking foreclosure of the assessment lien, and that once such referral has occurred all attorney's fees and related costs incurred will be charged to the Owner and Lot.

c. A statement that the Owner's voting rights and rights to use the Common Areas will be suspended upon expiration of the thirty-day period described in Paragraph 5(b) unless the delinquency is cured or otherwise resolved.

d. Such other information as may be required by the debt collection statutes to the extent that any such statutes apply.

6. Interest. In the event any assessment, or any portion thereof, is not paid in full on or before the Delinquency Date, interest on the principal amount due may be assessed against the Owner, the rate of said interest to be ten percent (10%) per annum and shall accrue from the Due Date until paid. Such interest, as and when it accrued hereunder, will become part of the assessment upon which it has accrued and, as such, will be subject to recovery in the manner provided herein for assessments.

7. Handling Charges and Return Check Fees. In order to recoup for the Association the costs incurred because of the additional administrative expenses associated with collecting delinquent assessments, collection of the following fees and charges are part of the Assessment Collection Policy:

a. Any handling charges, administrative fees, collection costs, postage or other expenses incurred by the Association in connection with the collection of any assessment or related amount owing beyond the Delinquency Date for such assessment will become due and owing by the Delinquent Owner.

b. A charge of $25.00 per item will become due and payable for any check tendered to the Association which is dishonored by the drawee of such check, the charge being in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments owing with respect to such Owner's Lot.

c. Any fee or charge becoming due and payable pursuant to this Paragraph 7 will be added to the amount then outstanding and is collectible to the same extent and in the same manner as the assessment, the delinquency of which gave rise to the incurrence of such charge, fee or expense.

8. Application of Funds Received. All monies received by the Association will be applied to amounts outstanding to the extent of and in the following order unless an Owner has placed a restrictive notation on the check or other form of payment or in correspondence accompanying the payment that a payment is to be applied in another specified manner:

a. First, to interest;

b. Next, to handling charges, returned check fees and collection costs incurred by the Association;

c. Next, to attorney's fees and related costs advanced by the attorney for and on behalf of the Association;

d. Next, to delinquent special assessments;

e. Next, to delinquent annual assessments;

f. Next, to outstanding special assessments, though same may not then be delinquent;

g. Last, to outstanding annual assessments, though same may not then be delinquent.

9. Ownership Records. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of a Lot for which assessments are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Assessment Collection Policy until such time as there is actual receipt by the Association of written notification from the Owner of any change in the identity or status of such Owner or its address or both.

10. Notification of Owner's Representative. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interests in a Lot have been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Assessment Collection Policy will be deemed full and effective for all purposes if given to such representative or agent.

11. Referral to Legal Counsel. If an Owner remains delinquent in the payment of assessments and related costs for more than thirty (30) days after the sending of the Default Letter (as provided for above), Management, on behalf of the Board, or the Board may, as soon as possible thereafter, refer the delinquency to the legal counsel for the Association for the legal action as required by this Assessment Collection Policy. Any attorney's fees and related charges incurred by virtue of legal action taken will become part of the assessment obligation and may be collected as such as provided herein.

12. Legal Action. Legal counsel for the Association will take the following actions with regard to delinquencies referred to it upon legal counsel's receipt of a written request by Management and/or the Board to take a specific collection action:

a. Demand Letter. As the initial correspondence to a Delinquent Owner, counsel will send a demand letter (the "Demand Letter") to the Owner advising the Owner of the Association's claim for all outstanding assessments and related charges, adding to the charges the attorney's fees and costs incurred for counsel's services. The Demand Letter will inform the Owner that the Owner may dispute the validity of the amounts owing, in writing, within thirty (30) days of the Owner's receipt of the Demand Letter. If the amounts owing are disputed, Management and/or Legal Counsel will provide verification of the amounts claimed to be owing in accordance with Paragraph 13 of this Policy.

b. Title Search. If a Delinquent Owner fails to pay the amounts set forth in the initial Demand Letter sent by counsel or fails to dispute the amounts within the allotted thirty (30) day period, counsel will, upon direction from the Board and/or Management, order a search of the land records to verify current ownership of the Lot on which the delinquency exists. If the title report indicates that the Current Owner is other than the Delinquent Owner, counsel will communicate that fact to the Association. A determination will then be made by the Board whether to pursue collection of the unpaid assessments from the Delinquent Owner or the Current Owner or both. Based on that determination, the Board and/or Management will direct counsel to proceed according to this Assessment Collection Policy. Where the title report confirms that the Current Owner is the Delinquent Owner, the Association, Management and counsel will likewise proceed according to this Assessment Collection Policy.

c. Notice of Lien. Where the Board has determined that foreclosure of the Association's assessment lien is to be pursued, if an Owner fails to pay in full all amounts indicated by the Demand Letter by the date specified or fails to dispute the debt within the allotted thirty (30) day period, counsel, upon being requested to do so by the Board and/or Management, will cause to be prepared, executed by a duly authorized agent of the Association, and recorded in the Real Property Records of Denton County, a written notice of lien (referred to as the "Notice of Lien") setting forth therein the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot covered by the lien. A copy of the Notice of Lien will be sent to the Owner contemporaneously with the filing of same with the County Clerk's office, together with an additional demand for payment in full of all amounts then outstanding, within thirty (30) days of the date of the transmittal to the Owner of the Notice of Lien.

f. Judicial Foreclosure/Personal Judgment. When the Board has directed that the collection action to be taken is a suit for personal judgment against the Owner and/or for foreclosure of the assessment lien, upon the expiration of the time period given in the demand letter accompanying the Notice of Lien, the continued delinquency of unpaid assessments owing will be reported to the Board by Management. As soon as practical thereafter, the Board and/or Management will direct counsel to initiate legal proceedings in a court of competent jurisdiction seeking foreclosure of the assessment lien and/or recovery of a personal judgment against the Current Owner and, where different, the Delinquent Owner, or from the Current Owner only, for all amounts owing arising from the unpaid assessments and the collection thereof, including all attorney's fees and costs.

13. Verification of Indebtedness. For so long as the collection of assessments may be subject to the requirements of the Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) (the "FDCPA"), all communications from Management and legal counsel will include such required notices as are prescribed by the FDCPA. Furthermore, where an Owner requests verification of the indebtedness, Management will, upon notification of the Owner's request, supply such verification before any further collection action is taken with respect to such Owner. The exercise of the collection rights of the Association regarding assessments will in all ways comply with the FDCPA to the extent such act may apply.

14. Compromise of Assessment Obligations. In order to expedite the handling of collection of delinquent assessments owed to the Association, the Board may, at any time, compromise or waive the payment of any assessment, interest, handling charge, collection cost, legal fee or any other applicable charge. The Association may, at its option, notify the Internal Revenue Service of the waiver or forgiveness of any assessment obligation.

15. Credit Bureaus. The Association may also notify any credit bureau of an Owner's delinquency. The Association will notify the Owner that it has filed such a report and will comply with any local, state, or federal laws in connection with the filing of such report.

IT IS FURTHER RESOLVED that this Assessment Collection Policy replaces and supersedes in all respects all prior policies and resolutions with respect to the collection of assessments by the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on NOV 15., 2001, and has not been modified, rescinded or revoked.

DATE: Nov 15, 2001

Secretary

THE HOMESTEAD AT CARROLLTON, PHASE I HOMEOWNERS' ASSOCIATION, INC.

COVENANT ENFORCEMENT AND FINING POLICY

WHEREAS, the Board of Directors of The Homestead at Carrollton, Phase I Homeowners' Association, Inc. (the "Association") finds there is a need to establish orderly procedures for the enforcement of the restrictive covenants set forth in the Declaration of Covenants, Conditions and Restrictions for The Homestead at Carrollton, Phase I, as amended from time to time (the "Declaration") and for the levying of fines against violating owners.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the enforcement of the restrictive covenants of the Declaration and for the elimination of violations of such provisions found to exist in, on and about the Lots within The Homestead at Carrollton and the same are to be known as the "Covenant Enforcement and Fining Policy" (to be referred to herein as the "Enforcement Policy") of the Association in the discharge of its responsibilities for determination and enforcement of remedies for violations within The Homestead at Carrollton:

1. Establishment of Violation. Any condition, use, activity or improvement which does not comply with the provisions of the Declaration, Bylaws or the rules and regulations of the Association, shall constitute a "Violation" under this Policy for all purposes.

2. Report of Violation. The existence of a Violation will be verified by a field observation conducted by the Board or its delegate. For the purpose of this Enforcement Policy, the delegate of the Board may include Management, an officer or member of the Board, a member of the Architectural Control Committee, or a member of any other committee established by the Board for this purpose. A timely written report shall be prepared by the field observer for each Violation which will include the following information:

a. Identification of the nature and description of the Violation(s).

b. Identification by street address and legal description, if available, of the Lot on which the Violation exists.

c. Identification of the authority establishing that the subject improvements, modifications, etc. constitute a Violation(s).

d. Date of the verification observation and name of the person making such observation.

3. Notice of Violation. As soon as practicable after the field observation report is prepared, the Association will forward to the Owner of the Lot in question written notice of the Violation(s) by first class mail or personal delivery and by certified mail, return receipt requested (the "Notice of Violation"). A Notice of Violation need not be sent if the alleged

violator has previously received a Notice of Violation relating to a similar Violation within six (6) months of the occurrence of the current Violation and was gives a reasonable opportunity to cure the Violation. If the alleged violator was given notice and an opportunity to cure the similar Violation within the previous six (6) months, the Board may impose sanctions as authorized by the Declaration and/or this Enforcement Policy without notice to the Owner other than the Final Notice of Violation described in Paragraph 4 below. The Notice of Violation will state the following:

a. The nature, description and location of the Violation, including any property damage caused by the Owner.

b. The authority for establishing the Violation, including the authority for recovering property damages caused by the Owner.

c. The proposed sanction to be imposed, including the amount of any fine or the amount claimed to be due from the owner for property damage.

d. If the Violation is corrected or eliminated within a reasonable time after the Owner's receipt of the Second Notice that a fine will not be assessed and that no further action will be taken.

e. The recipient may, on or before thirty (30) days from the receipt of the Notice of Violation, deliver to the Association a written request for a hearing.

f. If the Violation is not corrected or eliminated within the time period specified in the Notice of Violation, or if a written request for a hearing is not submitted on or before thirty (30) days from the receipt of the Notice of Violation, that the sanctions delineated in the Notice of Violation may be imposed and that any attorney's fees and costs will be charged to the Owner.

4. Final Notice of Violation. A formal notice of the Violation and the sanction to be imposed, including the amount of any fine or the amount of any property damage (the "Final Notice of Violation") will be sent by the Association to the Owner by regular first-class mail and by certified mail, return receipt requested, under any of the following situations:

a. Where, within the time period specified in the Notice of Violation, the Violation has not been corrected or eliminated;

b. Where, within thirty (30) days from the date of receipt by the Owner of the Notice of Violation, the Association has not received a written request for a hearing; or

c. Where, the Owner was previously notified of, and was given a reasonable opportunity to cure, a similar Violation within the preceding six (6) months.

5. Request for a Hearing. If the Owner challenges the proposed action by timely requesting a hearing, the hearing shall be held in executive session of the Board affording the

alleged violator a reasonable opportunity to be heard. Such hearing shall be held no later than the 30th day after the date the Board receives the Owner's request for a hearing. Prior to the effectiveness of any sanction hereunder, proof of proper notice of the hearing shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, agent or delegate who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The notice of the hearing shall be sent no later than the 10th day before the date of the hearing. The Board or the Owner may request a postponement, and, if requested, a postponement shall be granted for a period of not more than ten (10) days. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed by the Board. The Board shall notify the Owner in writing of its action within ten (10) days after the hearing. The Board may, but shall not be obligated to, suspend any proposed sanction if the Violation is cured within the ten-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Owner.

6. Correction of Violation. Where the Owner corrects or eliminates the Violation(s) prior to the imposition of any sanction, no further action will be taken (except for collection of any monies for which the Lot Owner may become liable under this Enforcement Policy and/or the Declaration). Written notice of correction or elimination of the Violation may be obtained from the Board upon request for such notice by the Owner and upon payment of a fee for same, the amount of which is set by the Board.

7. Corrective Action. Notwithstanding any other provision contained herein to the contrary, where a Violation is determined or deemed determined to exist, the Board may undertake to cause the Violation to be corrected, removed or otherwise abated if the Board, in its reasonable judgment, determines the Violation may be readily corrected, removed or abated without undue expense and without breach of the peace. Where the Board decides to initiate any such action, the following will apply:

a. The Board must give the Owner and any third party that is known to the Association to be directly affected by the proposed action prior written notice of undertaking of the action.

b. Costs incurred in correcting or eliminating the Violation will be referred to the Association to be recovered from the Owner.

c. The Association, and its agents and contractors, will not be liable to the Owner or any third party for trespass or any damages or costs alleged to arise by virtue of action taken under this Paragraph 7.

8. Referral to Legal Counsel. Where a Violation is determined or deemed determined to exist and where the Board deems it to be in the best interests of the Association to refer the Violation to legal counsel for appropriate action, the Board may do so at any time. Such legal action may include, without limitation, sending demand letters to the violating Owner and/or seeking injunctive relief against the Owner to correct or otherwise abate the Violation.

Attorney's fees and all costs incurred by the Association in enforcing the Declaration and administering this Enforcement Policy shall become the personal obligation of the Owner.

9. Fines. Subject to the provisions of this Enforcement Policy and/or the Declaration, the imposition of fines will be on the following basis:

a. Fines will be based on a per diem charge in an amount that is reasonably related to the nature of the Violation. The Board shall have final discretion in determining the appropriate fine for the Violation in question. The Board may adopt and amend, from time to time, a schedule of fines applicable to Violations within The Homestead at Carrollton which may include a progression of fines for repeat offenders.

b. Imposition of fines will be in addition to and not exclusive of any other rights, remedies and recoveries of the Association as created by the Declaration or this Enforcement Policy.

c. Fines are imposed against Lots and become the personal obligation of the Owners of such Lots. Upon presentation of outstanding fines to the Board for action, the same will be levied against the respective Lots and their Owners as a special assessment pursuant to Article Six of the Declaration.

10. Notices. Unless otherwise provided in the Enforcement Policy, all notices required by this Enforcement Policy shall be in writing and shall be deemed to have been duly given if delivered personally and/or if sent by United States Mail, first-class postage prepaid, to the Owner at the address which the Owner has designated in writing and filed with the Secretary of the Association or, if no such address has been designated, to the address of the Lot of the Owner.

a. Where the notice is directed by personal delivery, notice shall be deemed to have been given, sent, delivered or received upon actual receipt by any person accepting delivery thereof at the address of the recipient as set forth in such notice or if no person is there, by leaving the notice taped to the front door of the residence.

b. Where the notice is placed into the care and custody of the United States Postal Service, notice shall be deemed to have been given, sent, delivered or received, as of the third (3rd) calendar day following the date of postmark of such notice bearing postage prepaid and the appropriate name and address as required herein.

c. Where a day required for an action to be taken or a notice to be given, sent, delivered or received, as the case may be, falls on a Saturday, Sunday or United States Postal Service holiday, the required date for the action or notice will be extended to the first day following which is neither a Saturday, Sunday or United States Postal Service holiday.

d. Where the Board has actual knowledge that such situation exists, any action to be taken pursuant to this Enforcement Policy which would directly affect the property of a third party or would be the responsibility of a party other than the Owner, notices required

under this Enforcement Policy may be given, if possible, to such third party in addition to the Owner. Notwithstanding any notice sent to a third party, the Owner remains the party responsible for compliance with the requirements of the Declaration. The Board shall accept a response from any such third party only upon the written direction of the Owner of the Lot upon which the Violation exists.

e. Where the interests of an Owner in a Lot have been handled by a representative or agent of such Owner or where an Owner has otherwise acted so as to put the Association on notice that its interest in a Lot has been and are being handled by a representative or agent, any notice or communication from the Association pursuant to this Enforcement Policy will be deemed full and effective for all purposes if given to such representative or agent.

f. Where an Owner transfers record title to a Lot at any time during the pendency of any procedure prescribed by this Enforcement Policy, such Owner shall remain personally liable for all costs and fines under this Enforcement Policy. As soon as practical after receipt by the Association of a notice of a change in the record title to a Lot which is the subject of enforcement proceedings under this Enforcement Policy, the Board may begin enforcement proceedings against the new Owner in accordance with this Enforcement Policy. The new Owner shall be personally liable for all costs and fines under this Enforcement Policy which are the result of the new Owner's failure and/or refusal to correct or eliminate the Violation in the time and manner specified under this Enforcement Policy.

11. Cure of Violation During Enforcement. An Owner may correct or eliminate a Violation at any time during the pendency of any procedure prescribed by this Enforcement Policy. Upon verification by written report to the Board and sent, where appropriate, to the Board that the Violation has been corrected or eliminated, the Violation will be deemed no longer to exist. The Owner will remain liable for all costs and fines under this Enforcement Policy, which costs and fines, if not paid upon demand therefor by Management, will be referred to the Board of Directors of the Association for collection.

12. Definitions. The definitions contained in the Declaration and Bylaws are hereby incorporated herein by reference.

IT IS FURTHER RESOLVED that this Covenant Enforcement and Fining Policy is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on Nov 15, 2001, and has not been modified, rescinded or revoked.

DATE: Nov. 15, 2001

Secretary