

PROVIDENCE

2006

RATIFICATION, NOTIFICATION & AMENDMENT OF DECLARATION

RECITALS

A. Providence is a phased planned development located in Denton County, Texas, as described on Exhibit A attached hereto and incorporated herein by reference, which is subject to the Declaration of Covenants, Conditions and Restrictions for Providence, recorded on June 12, 2002, as Document No. 2002-R0073755, in Volume 5105, Page 02787, Real Property Records, Denton County, Texas, as amended and supplemented (the "**Declaration**").

B. The owners of lots in Providence comprise the Providence Homeowners Association, Inc. (the "**Association**"), which administers Providence through its officers and directors.

C. The Association desires to ratify previous amendments to the Declaration, publish certain policies, and amend the Declaration to assist the orderly build-out of the Property, the governance of the Association, and the funding of reserves, and to better inform Owners about certain significant aspects of the community in which they are purchasing.

D. As provided by Section 7.1 of the Declaration, the Declaration may be amended by the affirmative vote or written consent of the Association's Members representing at least 67% of the votes in the Association, and for certain purposes by the Declarant alone, without joinder of any owner.

E. As further provided by Section 7.1 of the Declaration, no amendment may modify any right or privilege of Declarant without the written consent of Declaration.

F. By recording this 2006 Ratification, Notification & Amendment of Declaration, the Association and Declarant jointly give certain notices and amend certain provisions of the Declaration.

RATIFICATIONS

The Association hereby ratifies the amendments of the Declaration that were previously adopted by the Association's Board of Directors and/or by Declarant for the benefit of the Association, as described on Exhibit B attached hereto and incorporated herein by reference.

CLARIFYING THE AMENDMENT REQUIREMENTS (Section 7.1)

As Providence is developed and populated, the Declarant and/or the Association may find occasion to improve a provision of the Declaration to facilitate the development of Providence or the operation of the Association. Because Providence is a large-scale planned community, the amendment process can become bogged down by requirements that amendments be approved by Owners of nearly a thousand lots. Because the Declarant can amend the Declaration in a more efficient manner than

the members of the Association (who must convene a meeting and obtain high levels of consents), Section 7.1 of the Declaration purposefully authorizes the Declarant to unilaterally amend the Declaration for a number of purposes. The Association desires to clarify and confirm that Declarant has specific amendment rights related to development of Providence. Also, the Association desires to reduce the level of Owner consents required to approve an amendment by the Association from 67 percent to a simple majority. Accordingly, the Association hereby amends and restates Section 7.1 of the Declaration, in its entirety, to read as stated in Exhibit C attached hereto and incorporated herein for all purposes.

AMENDMENT OF QUORUM REQUIREMENT
(Subsection 8.3.2)

Because Providence is projected to be a large-scale planned community, the Association desires to establish the minimum level of participation required to convene a meeting of the Association at a level that is likely to be attainable over time. Accordingly, the Association desires to lower the initial quorum requirement to 5 percent. Also, the Association desires to clarify that the quorum is based on numbers of lots, and not on numbers of individual members. The Association hereby amends and restates Subsection 8.3.2. of the Declaration, which was previously amended by the Fourth Amendment, in its entirety, to read as stated in Exhibit D attached hereto and incorporated herein for all purposes.

RENUMBERING AMENDMENT OF ARTICLE 10
(Section 10.16)

To facilitate references to the "Conveyance Fee" provision that was added to the Declaration by the Fifth Amendment as an unnumbered paragraph of Section 10.1, the "Conveyance Fees" provision is hereby renumbered as Section 10.16 of Article X of the Declaration.

AMENDMENT OF CONVEYANCE FEE
(Section 10.16)

Section 10.16 of Article X of the Declaration, titled "Conveyance Fee," is hereby amended and restated in its entirety in Exhibit F attached hereto and incorporated herein for all purposes.

AMENDMENT FOR NOTICE OF HOA SALE FEES
(Section 10.17)

Article X of the Declaration, titled "Covenant for Maintenance Assessments," is hereby amended by the addition of Section 10.17, titled "Notice of HOA Sale Fees," as stated in Exhibit G attached hereto and incorporated herein for all purposes. Section 10.17 of the Declaration references a "Notice of HOA Sale Fees," the initial version of which is published as Exhibit H attached hereto and incorporated herein for all purposes.

AMENDMENT FOR CHANGING TECHNOLOGY
(Section 15.13)

Article XV of the Declaration, titled "General Provisions," is hereby amended by the addition of Section 15.13, titled "Changing Technology," as stated in Exhibit E attached hereto and incorporated herein for all purposes.

NOTICE OF DECLARANT'S ROLE

The Association benefits from a membership that is informed about the nature of the Declarant's role during the early years of the Property, as it is being built-out. Towards that end, the Association hereby amends this Declaration to add disclosures to purchasers during the Class B Member Control Period, as shown on Exhibit I of this 2006 Ratification, Notification & Amendment of Declaration, attached hereto and incorporated herein by reference.

NOTICE OF SUCCESSOR DECLARANT

The Association hereby gives notice the original Declarant of Providence - Valerian Properties Associates, L.P. - has been succeeded by CHS Providence, L.P., as evidenced by the Assignment of Declarant Rights, recorded in April 3, 2006, as Document No. 2006-38125, Real Property Records, Denton County, Texas.

CLOSING RECITALS

A. On the recording of this 2006 Ratification, Notification & Amendment of Declaration, the Association does amend the Declaration and does declare that Providence will be governed by the Declaration as amended by the provisions set forth herein, which constitute covenants running with the land.

B. In the event of a conflict between a provision of the Declaration and a provision of this 2006 Ratification, Notification & Amendment of Declaration, the provision in this 2006 Ratification, Notification & Amendment of Declaration will control.

C. By signing below, the undersigned officer of the Association certifies that this 2006 Ratification, Notification & Amendment of Declaration was approved by Members representing at least 67 percent of the votes in the Association.

D. By signing below, Declarant consents to the amendments contained in this instrument.

E. By signing below, each of the following Builders - D. R. Horton-Texas, Ltd., Supreme Vision Homes, L.P., and Choice Homes, Inc. - consents to the amendments contained in this instrument.

F. The following exhibits are attached hereto and incorporated herein by reference:

- Exhibit A - Property Description
- Exhibit B - Previous Amendments
- Exhibit C - Amended & Restated Section 7.1 (*Amendments*)
- Exhibit D - Amended & Restated Subsection 8.3.2 (*Quorums*)
- Exhibit E - Addition of Section 15.13 (*Changing Technology*)
- Exhibit F - Amended & Restated Section 10.16 (*Conveyance Fees*)
- Exhibit G - Addition of Section 10.17 (*HOA Sale Fees*)
- Exhibit H - Notice of HOA Sale Fees
- Exhibit I - Purchasers Covenants During Class B Member Control Period

(Executed on Next Page)

SIGNED AND ACKNOWLEDGED BY ASSOCIATION

SIGNED on the 16 day of November 2006.

PROVIDENCE HOMEOWNERS ASSOCIATION, INC., a Texas nonprofit corporation and property owners association

By: *Phillip W. Huffines*
Phillip W. Huffines, President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 16 day of November 2006 by Phillip W. Huffines, President of Providence Homeowners Association, Inc., a Texas property owners association, on behalf of the association.



Roxanne M. Cabrera
Notary Public, The State of Texas

SIGNED AND ACKNOWLEDGED BY DECLARANT

By signing below, CHS Providence, L.P., confirms that it (1) is the Declarant of Providence, as successor declarant to Valerian Properties Associates, L.P., (2) owns house lots in Providence, (3) is the Class B Member of Providence Homeowners Association, Inc., (4) less than 75 percent of the lots in the fully developed community of Providence have been sold to Class A Members who are not Builders, and (5) casts all its votes - 3 votes per lot owned - to approve the foregoing 2006 RATIFICATION, NOTIFICATION & AMENDMENT OF DECLARATION.

SIGNED on the 16 day of November 2006.

CHS PROVIDENCE, L.P., a Delaware limited partnership

By: HC OPERATING PROVIDENCE, LLC, a Texas limited liability company, its general partner

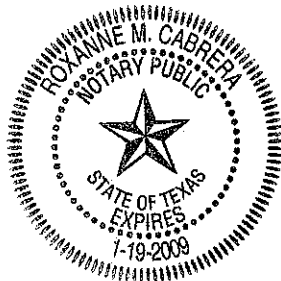
By: HC OPERATING, L.P., a Texas limited partnership, its sole member

By: HC OPERATING GP, LLC, a Texas limited liability company, its general partner

By: *Donald B. Huffines*
Donald B. Huffines, Managing Director

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 16 day of November 2006 by Donald B. Huffines, Managing Director of HC Operating GP, LLC, a Texas limited liability company, on behalf of the company in its capacity as general partner of HC Operating, L.P., a Texas limited partnership, on behalf of the partnership in its capacity as sole member of HC Operating Providence, LLC, a Texas limited liability company, on behalf of the company in its capacity as general partner of CHS Providence, L.P., a Delaware limited partnership, on behalf of the limited partnership.



Roxanne M. Cabrera
Notary Public, The State of Texas

SIGNED AND ACKNOWLEDGED BY BUILDER HORTON

By signing below, D. R. Horton - Texas, Ltd., confirms that it (1) owns house lots in Providence, (2) is a builder who purchases lots for development and sale, (3) is a Class A Member of Providence Homeowners Association, Inc., and (4) casts all its votes to approve the foregoing 2006 RATIFICATION, NOTIFICATION & AMENDMENT OF DECLARATION.

SIGNED on the 27th day of November 2006.

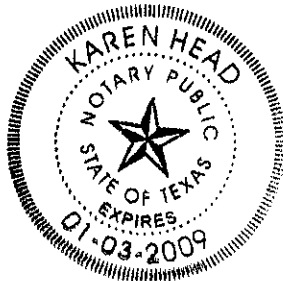
D. R. HORTON - TEXAS, LTD., a Texas limited partnership

By: D. R. HORTON, INC., a Delaware corporation, its authorized agent

By: David L. Booth
David L. Booth, Assistant Vice President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 27th day of November 2006 by David L. Booth, Assistant Vice President of D. R. Horton, Inc., a Delaware corporation, on behalf of said corporation in its capacity as authorized agent for D. R. Horton - Texas, Ltd., a Texas limited partnership, on behalf of the limited partnership.



Karen Head
Notary Public, The State of Texas

SIGNED AND ACKNOWLEDGED BY BUILDER VISION

By signing below, Supreme Vision Homes, L.P., confirms that it (1) owns house lots in Providence, (2) is a builder who purchases lots for development and sale, (3) is a Class A Members of Providence Homeowners Association, Inc., and (4) casts all its votes to approve the foregoing 2006 RATIFICATION, NOTIFICATION & AMENDMENT OF DECLARATION.

SIGNED on the 16 day of November 2006.

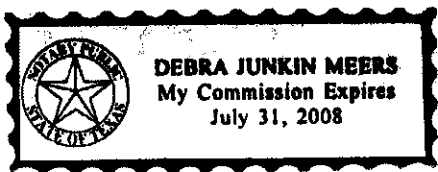
SUPREME VISION HOMES, L.P., a Texas limited partnership

By: SUPREME VISION HOMES GP, LLC, a Texas limited liability company, its general partner

By: [Signature]
Printed Name Mark Jeffers
Title/Capacity Managing Member

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 16 day of November 2006 by Mark Johns, Managing member of Supreme Vision Homes GP, LLC, a Texas limited liability company, on behalf of the limited liability company in its role as general partner of Supreme Vision Homes, L.P., a Texas limited partnership, on behalf of the limited partnership.



[Signature]
Notary Public, The State of Texas

SIGNED AND ACKNOWLEDGED BY BUILDER CHOICE

By signing below, Choice Homes, Inc., confirms that it (1) owns house lots in Providence, (2) is a builder who purchases lots for development and sale, (3) is a Class A Members of Providence Homeowners Association, Inc., and (4) casts all its votes to approve the foregoing 2006 RATIFICATION, NOTIFICATION & AMENDMENT OF DECLARATION.

SIGNED on the 18th day of December 2006.

CHOICE HOMES, INC., a Texas corporation

By: Mike Edge

Printed Name MIKE EDGE

Title/Capacity VP

12/18/06

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 18th day of December 2006 by Mike Edge, Vice President of Choice Homes, Inc., a Texas corporation, on behalf of the corporation.

Lisa Osburn
Notary Public, The State of Texas

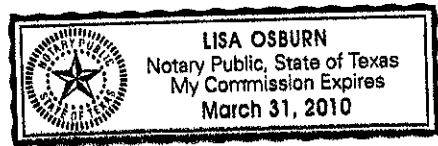


EXHIBIT A
PROPERTY DESCRIPTION

BEING ALL OF THE REAL PROPERTY described in Exhibit A of the Declaration of Covenants, Conditions and Restrictions for Providence, recorded on June 12, 2002, as Document No. 2002-R0073755, in Volume 5105, Page 02787, Real Property Records, Denton County, Texas, as supplemented by the annexation instruments recorded (First Supplemental) on February 11, 2003, as Document No. 2003-R0021879, in Volume 5270, Page 05324, Real Property Records, Denton County, Texas; (Second Supplemental) on February 11, 2004, as Document No. 2004-17855, Real Property Records, Denton County, Texas; (Third Supplemental) on August 11, 2004, as Document No. 2004-106622, Real Property Records, Denton County, Texas; and (Fourth Supplemental) on July 14, 2005, as Document No. 2005-0085675, Real Property Records, Denton County, Texas, which real property has been (or is being) platted as follows (in alphabetical order of phase names):

(Cape Village) PROVIDENCE PHASE 1, by the Third Amending Plat recorded on April 8, 2004, as Document No. 2004-44126, in Cabinet V, Page 602, Plat Records, Denton County, Texas, and containing 391 house lots.

(Cape Village) PROVIDENCE PHASE 1A, by the Amending Plat recorded on February 14, 2003, as Document No. 2003-R0023432, in Cabinet U, Page 883, Plat Records, Denton County, Texas, and containing 24 house lots.

(Club Village) PROVIDENCE - PHASE 4, by the Final Plat recorded on September 10, 2003, as Document No. 2003-R0152028, in Cabinet V, Page 246, Plat Records, Denton County, Texas, and containing 264 house lots.

CREEK VILLAGE AT PROVIDENCE, by the Amended Plat recorded on December 16, 2005, as Document No. 2005-155924, in Cabinet W, Page 694, Plat Records, Denton County, Texas, and containing 402 house lots.

EAGLE VILLAGE AT PROVIDENCE PHASE 7, by the Final Plat recorded on February 21, 2006, as Document No. 2006-0019835, in Cabinet W, Page 853, Plat Records, Denton County, Texas, and containing 185 house lots.

HARBOR VILLAGE AT PROVIDENCE PHASE 1, by the Final Plat recorded on July 13, 2005, as Document No. 2005-84778, in Cabinet W, Page 390, Plat Records, Denton County, Texas, and containing 69 house lots.

HARBOR VILLAGE AT PROVIDENCE PHASE 2, by the Final Plat recorded or to be recorded in the Plat Records of Denton County, Texas, and containing 132 house lots.

ISLAND VILLAGE AT PROVIDENCE, by the Final Plat recorded on July 13, 2005, as Document No. 2005-84779, in Cabinet W, Page 394, Plat Records, Denton County, Texas, and containing 225 house lots.

ISLAND VILLAGE II AT PROVIDENCE PHASE 5, by the Final Plat recorded on January 25, 2006, as Document No. 2006-0009371, in Cabinet W, Page 798, Plat Records, Denton County, Texas, and containing 4 commercial lots.

(Lake Village) PROVIDENCE PHASE 2, by the Final Plat recorded on November 6, 2002, as Document No. 2002-R0141899, in Cabinet U, Page 707, Plat Records, Denton County, Texas, and containing 290 house lots.

SEASIDE VILLAGE AT PROVIDENCE, by the Final Plat recorded or to be recorded in the Plat Records of Denton County, Texas, and containing 304 house lots.

SEASIDE VILLAGE II AT PROVIDENCE PHASE 7, by the Final Plat recorded on March 1, 2006, as Document No. 2006-23604, in Cabinet W, Page 886, Plat Records, Denton County, Texas, and containing 136 house lots.

EXHIBIT B
PREVIOUS AMENDMENTS

The Declaration has been amended and supplemented by a number of instruments since it was recorded on June 12, 2002. The following substantive amendments of the Declaration are ratified by the Association.

1. FHA Amendment to Declaration of Covenants, Conditions and Restrictions for Providence, recorded on October 23, 2002, as Document No. 2002-R0134956, in Volume 5198, Page 2470, Real Property Records, Denton County, Texas, which was repealed by the Second Amendment.
2. First Supplemental Declaration and **Second Amendment** of Covenants, Conditions and Restrictions for Providence, recorded on February 11, 2003, as Document No. 2003-R0021879, in Volume 5270, Page 05324, Real Property Records, Denton County, Texas, which restored the status quo of the original Declaration.
3. **Third Amendment** to Declaration of Covenants, Conditions and Restrictions for Providence, recorded on February 5, 2004, as Document No. 2004-15170, Real Property Records, Denton County, Texas, which changes the property description to remove 3 lots from the effects of the Declaration.
4. **Fourth Amendment** to Declaration of Covenants, Conditions and Restrictions for Providence, recorded on December 6, 2005, as Document No. 2005-151285, Real Property Records, Denton County, Texas, which revises the following sections of the Declaration:
 - Article II is amended by the addition of Sec. 2.14, titled "Variances."
 - Sec. 2.5(k) of Article II, regarding signs, is revised and restated.
 - Sec. 2.5 of Article II, titled "Uses Specifically Prohibited," is amended by the addition of two new subsections.
 - Sec. 8.3.2 of Article VIII, regarding quorums, is revised and restated. [**NOTE:** Section 8.3.2 is further amended and restated by this instrument.]
5. **Fifth Amendment** to Declaration of Covenants, Conditions and Restrictions for Providence, recorded on March 27, 2006, as Document No. 2006-34600, Real Property Records, Denton County, Texas, which revises the following sections of the Declaration:
 - Sec. 10.1, titled "Creation of the Lien and Personal Obligation of Assessments," is amended by the addition of a paragraph captioned "Conveyance Fees." [**NOTE:** The "Conveyance Fees" provisions is renumbered by this instrument as Section 10.16.]

(End of Exhibit B)

EXHIBIT C
AMENDED & RESTATED SECTION 7.1

Section 7.1 Amendment.

Except as provided in Article XII below, at any time, this Declaration may be amended by an instrument containing such amendment(s) and recording same in the Public Real Estate Records of the County, provided, that (i) for the period which Declarant owns at least one Lot, no such amendment shall be valid or effective without the joinder and consent of Declarant and (ii) such amendment shall first be approved by the affirmative vote or written consent of the Association's Members representing more than 50% of the votes in the Association. In addition, Declarant, at its sole discretion and without a vote or the consent of any other party, may modify or amend this Declaration for the following limited purposes:

- a. To add real property to the Property.
- b. To withdraw real property from the Property.
- c. To create Lots, easements, and Common Properties within the Property.
- d. To subdivide, combine, or reconfigure Lots.
- e. To convert Lots into Common Properties.
- f. To modify any construction-related provisions.
- g. To comply with requirements of an underwriting lender.
- h. To comply with requirements of the Water District.
- i. To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions.
- j. To enable any reputable title insurance company to issue title insurance coverage on the Lots.
- k. To enable an institutional or governmental lender to make or purchase mortgage loans on the Lots.
- l. To change the name or entity of Declarant.
- m. For any other purpose, provided the amendment has no direct, material, and adverse effect on any right of an Owner who has not consented to the amendment.

(End of Exhibit C)

EXHIBIT D
AMENDED & RESTATED SUBSECTION 8.3.2

8.3.2 Quorum. At any meeting of the Association, the presence in person or by proxy of Owners of at least five percent (5%) of the Lots in the Property constitutes a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of members constituting a quorum. If a quorum is not present at a meeting of the Association for which proper notice was given, members representing at least a majority of the votes present at the meeting, although not constituting a quorum, may vote to recess the meeting for not more than 24 hours in order to attain a quorum, provided the place of the meeting remains as stated in the notice. If the meeting is adjourned without attainment of a quorum, notice of a new meeting for the same purposes within 15 to 60 days may be given to an Owner of each Lot, at which re-called meeting the quorum requirement is lowered to one-half of the number of Lots required for the first call of the meeting. If the re-called (second) meeting is adjourned without attainment of a quorum, notice of a new (third) meeting for the same purposes within 15 to 60 days may be given to an Owner of each Lot, at which re-called (third) meeting the quorum requirement is lowered to one-half of the number of Lots required for the second call of the meeting.

EXHIBIT E
ADDITION OF SECTION 15.13

Section 15.13 Changing Technology.

This Declaration and the Association's other governing documents were drafted in an era of rapidly changing communication technologies, and at the end of an era that uses ink on paper to communicate, to give notice, and to memorialize decisions. The next era of communications may be paperless, relying on electronic communications for many activities that are customarily papered on the date of this Declaration. Declarant does not intend to limit the methods by which the Association, Owners, and residents communicate with each other. As technology changes, the terms of this Declaration and the other governing documents that pertain to communications, notices, and documentation of decisions may be interpreted and applied in ways that are consistent with and customary for the then-current technology for standard business practices, without necessity of amending this Declaration or the other governing documents, as applicable. Such communications may be by any method or methods that are available and customary. For example, if the Association is required by its governing documents or applicable law to make information available to Owners of all Lots, that requirement may be satisfied by posting the information on the Association's website or by using electronic means of disseminating the information, unless applicable law requires a specific method of communication. It is foreseeable that meetings of the Association and voting on issues may eventually be conducted via technology that is not widely available on the date of this Declaration. As communication technologies change, the Association may adopt as its universal standard any technology that is used by Owners of at least 85 percent of the Lots. Also, the Association may employ multiple methods of communicating with Owners and residents.

EXHIBIT F
AMENDED & RESTATED SECTION 10.16

Section 10.16 Conveyance Fees.

At time of transfer of a home to an owner other than a Builder or Declarant, a Conveyance Fee payable to the Association is due and payable by buyer and/or seller. The amount of the Conveyance Fee is subject to change from time to time, in accordance with the following requirements.

- (1) The Conveyance Fee shall be collected by the title company at each closing of a new home, and shall be paid by the buyer directly to the Association, or shall be collected in such other manner as the Board and the title company shall determine from time to time. Conveyance Fees may not be avoided by effecting the transfer without the services of a title company.
- (2) For new homes, sold by Builders to the initial home owners, the Conveyance Fee will be **\$100** per lot, to be applied to the Association's operating funds as an initial contribution. As applied to new home sales, the Conveyance Fee may be referred to as an "Initiation Fee." The amount of the Initiation Fee is determined by Declarant, and may not be changed by the Association without the express written authorization of Declarant. During the Declarant Control Period, applications to operating funds may be used to defray Declarant's obligation, if any, for the Association's operating expenses that are not funded by regular assessments received from other owners.
- (3) For resales, sold by home owners, the Conveyance Fee will be a uniform amount per lot, to be applied to the Association's reserve funds, subject to the following:
 - (a) The Board may change the amount of the Conveyance Fee from time to time by posting the changed amount on or in any medium that is available to the general public and to title companies, such as the Association's website or the county records.
 - (b) The amount of the Conveyance Fee may not exceed one-fourth of one percent (0.25%) of the gross sales price stated in a contract for the purchase and sale of a Lot and/or home.

(End of Exhibit F)

