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THIRD AMENDMENT
TO
HOLLAND LAKES
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

DATED MARCH 31, 2011

This instrument prepared by:

W. Harold Parrish, Jr.
Leitman, Siegal, Payne & Campbell, P.C.
420 North 20th Street, Suite 2000
Birmingham, Alabama 35203
(205) 251-5900

Upon recording return to:

Mary Thornton Taylor
3570 Grandview Parkway, Suite 100
Birmingham, Alabama 35243
(205) 870-5498

THIRD AMENDMENT TO
HOLLAND LAKES
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS THIRD AMENDMENT TO HOLLAND LAKES DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made as of the ____ day of March, 2011 by THORNTON NEW HOME SALES, INC., an Alabama corporation, the surviving entity and successor by merger to Holland Lakes, Inc., an Alabama corporation according to the Articles of Merger as recorded in Book LR200718, Page 2606, in the Office of the Judge of Probate of Shelby County, Alabama ("Seller").

RECITALS:

Seller has heretofore executed the Holland Lakes Declaration of Covenants, Conditions and Restrictions dated April 22, 2005 and recorded as Instrument #20050425000196100 in the Probate Office of Shelby County, Alabama, as amended by the First Amendment thereto recorded as Instrument #20050602000267270 as further amended by the Second Amendment thereto recorded as Instrument #20070312000109050 (collectively with this Third Amendment, the "Declaration"). Capitalized terms not otherwise expressly defined herein shall have the same meanings given to them in the Declaration.

Pursuant to Section 10.2 of the Declaration, Seller desires to amend Article 12.1 thereof.

NOW, THEREFORE, in consideration of the premises, Seller does hereby amend the Declaration as follows:

1. **Development of Property.** Section 2.5 of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

"2.5 Development of Property. Seller shall have the right, but not the obligation, for so long as D.R. Horton, Inc.-Birmingham ("D. R. Horton") owns any Lot in the Development, to make Improvements and changes to all Common Areas, whether owned by Seller or the Association, including, without limitation, (i) installation and maintenance of any Improvements in or to the Common Areas, (ii) changing the location of the boundaries of the Common Areas whether owned by Seller or the Association, (iii) installation and maintenance of any water, sewer

and any other utility systems and facilities within the Common Areas and (iv) installation of security, trash and refuse facilities. The exercise by Seller of any of the rights set forth in this Section 2.5 may be exercised solely by Seller without any requirement that the consent or approval of any Owners, Occupants or Mortgagees be obtained. Each Owner, by acceptance of a deed to any Lot, acknowledges and agrees that Seller or affiliates thereof may either own or may in the future own real property situated adjacent to or in close proximity with the Property, which real property will not be subject to any of the terms and provisions of this Declaration unless Seller, in its sole and absolute discretion, elects to add such real property to the terms and provisions of this Declaration pursuant to the provisions of Section 2.2 above.”

2. **Board.** Section 4.2 of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

“4.2 **Board.** The Board shall have the rights and duties set forth in the Articles of Incorporation and the Bylaws. Seller hereby retains and shall have the right to appoint or remove, with or without cause, any member or members of the Board and any officer or officers of the Association until such time as D. R. Horton no longer is the Owner of any Lot within the Development; provided, however, that Seller may, with the written consent of D. R. Horton, elect to transfer all such rights to the members of the Association prior to the occurrence of the foregoing. Each Owner, by acceptance of a deed to or other conveyance of a Lot, vests in Seller such authority to appoint and remove members of the Board and officers of the Association as provided by in this Section 4.2.”

3. **Duties and Powers of Association.** Section 4.4 of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

“4.4 **Duties and Powers of Association.** In addition to the rights, duties, responsibilities and obligations of the Association otherwise set forth in this Declaration, the Association shall have the power to do, cause to be done and otherwise perform or cause to be performed any of the duties and powers set forth in the Articles of Incorporation and the Bylaws. The Association may exercise any other right or privilege granted to it expressly by this Declaration or by law, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. In the event of any conflict, ambiguity or inconsistency between the Code of Alabama, this Declaration, the Articles of Incorporation, the Bylaws or any rules and regulations adopted from time to time by the Association, then the provisions of the Code of Alabama, this Declaration, the Articles of Incorporation, the Bylaws and any rules and regulations adopted by the Association, in that order, shall prevail and

each Owner, by acceptance of a deed or other conveyance to a Lot, covenants and agrees to vote in favor of and execute any amendments as may be necessary to remove or alleviate any such conflict, ambiguity or inconsistency. The powers of the Association shall include, but not be limited to, (i) the power to purchase or lease one or more Lots and any other real or personal property, whether tangible or intangible, and to hold, lease, mortgage, sell and otherwise convey the same, (ii) subject to the provisions of this Section 4.4, the right to borrow money for the purpose of acquiring additional Common Areas, for constructing, repairing, maintaining or improving the Common Areas or any portion thereof or for providing any of the services authorized herein, (iii) subject to the provisions of this Section 4.4, the right to give Mortgages or other security instruments encumbering all or any part of the Common Areas as security for any loan obtained by the Association; provided, however, that the lien and encumbrance of any such Mortgage shall be subject and subordinate to all of the rights, interests, privileges, easements, licenses, and options reserved or established herein for the benefit of Seller, the ARC, the Association and all Owners and Occupants, (iv) the right to grant and accept easements, (v) the right to dedicate or transfer from the Association fee simple title to all or any portion of the Common Areas to any Governmental Authority and (vi) the right to arrange with any of the Governmental Authorities or any public or private utilities or others, for the furnishing of trash collection, water, sewer and/or security services for the Common Areas and/or the Lots. For so long as D. R. Horton shall own any Lot, the Association shall not, without the consent of Seller, borrow money or pledge, mortgage, encumber, sell or otherwise convey any interest it may have in the Common Areas. Except as otherwise specifically provided to the contrary herein, in the Articles of Incorporation or in the Bylaws, the powers and authority granted to the Association may be exercised by the Board, acting through the officers of the Association, without further consent or action on the part of the Owners.”

4. **Management by Seller or its Affiliates.** Section 4.6 of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

“4.6 **Management by Seller or its Affiliates.** Seller or any affiliate thereof may be employed as the manager of the Association and the Development for so long as D. R. Horton owns any Lot within the Development, at such compensation and on such terms as would be usual, customary and obtainable in an arms-length transaction with any third party providing comparable services for any real estate development in the southeastern United States of the size, quality and nature of the Development. Each Owner, by acceptance of a deed to or other conveyance of a Lot, shall be deemed to ratify the provisions of this Section 4.6 and specifically be

deemed to have approved any such management agreement entered into by the Association and Seller or any affiliate thereof.”

5. **Rules and Regulations.** Section 4.7 of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

“4.7 **Rules and Regulations.** The Board may establish and enforce reasonable rules and regulations governing the use of all Lots and Common Areas. Without limiting the foregoing, the Board may adopt rules and regulations which shall govern the use of any of the Common Areas (including, specifically, the use of any of the recreational facilities, if any, situated within the Common Areas), the enforcement of all of the terms and provisions of this Declaration and any rules and regulations adopted by the Board and such other matters, including, without limitation, the limitation, restriction or prohibition of application of fertilizers, pesticides, and other chemicals within the Development. Copies of such rules and regulations shall be binding upon all Owners and Occupants until and unless such rule or regulation is specifically overruled, canceled or modified by the Board or by the majority vote of the total votes of the Association at any regular or special meeting of the Association; provided, however, that no such rules or regulations may be overruled, canceled or modified unless such action is also approved by Seller so long as D. R. Horton owns any Lot in the Development.”

6. **Appointment and Removal of ARC Members.** Section 5.2(a) and Section 5.2(b) of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

“(a) For so long as D.R. Horton is the Owner of any Lot within the Development or any portion of the Development, Seller shall have the sole and exclusive right to appoint and remove all of the members of the ARC.

(b) At such time as D.R. Horton is no longer the Owner of any Lot within the Property or, after Seller having obtained D.R. Horton’s written consent, upon Seller’s written notice to the Association that it no longer desires to exercise the right to appoint and remove members of the ARC as provided in Section 5.2(a) above, then the members of the ARC shall be appointed by the Board.”

7. **Computation of Annual Assessments.** Section 8.4(b) of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

“As of January 1, 2007, the Board and Seller, so long as D. R. Horton owns any Lot within the Development, shall determine and approve annually an annual budget covering the estimated Common Expenses for the Development for the year ending December 31, 2007 (the “Base

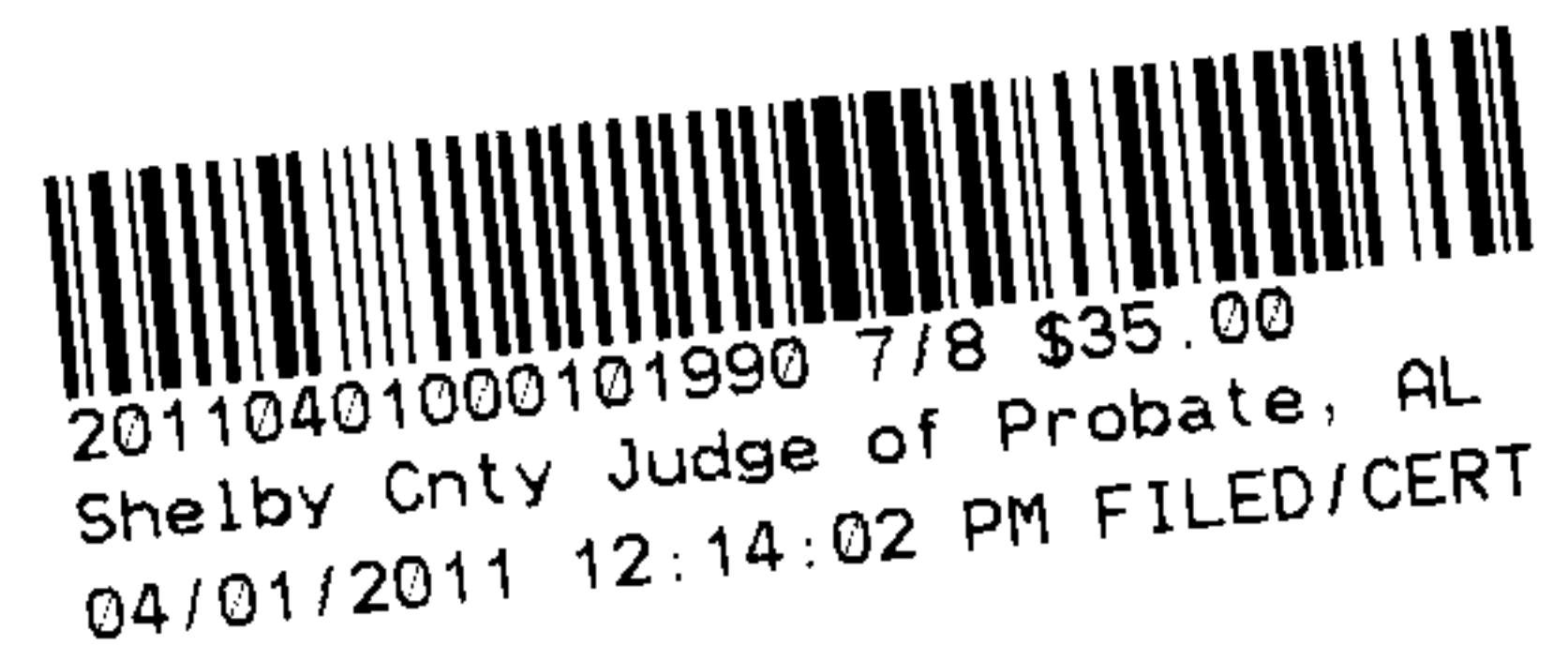
Year”) and for each year thereafter. Based upon such annual budget, the Board and Seller, so long as D. R. Horton owns any Lot within the Development, shall determine the Annual Assessments to be levied against the Lots for the following year. At such time as D. R. Horton no longer owns any Lot within the Development, the Board shall be solely responsible for the annual budget covering the estimated Common Expenses for the Development. A copy of the approved budget setting forth the amount of Annual Assessments to be levied against the Lots for the year shall be delivered to each Owner.”

8. **Amendment by Seller.** Section 10.2 of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

“10.2 **Amendment by Seller.** For so long as D. R. Horton owns any Lot within the Development, Seller may amend this Declaration by a written instrument filed and recorded in the Probate Office of Shelby County, Alabama, without obtaining the approval of any Owner or Mortgagee. Each Owner, by acceptance of a deed or other conveyance to a Lot, and each Mortgagee, by acceptance of a Mortgage on any Lot, agrees to be bound by all amendments permitted by this Section 10.2 and further agrees that, if requested to do so by Seller, such Owner and Mortgagee will consent to the amendment of this Declaration or any other instrument relating to the Development if such amendment is (i) necessary to bring any provision hereof into compliance or conformity with the provisions of any law, ordinance, statute, rule or regulation of any applicable Governmental Authority or the judicial decision of any state or federal court, (ii) necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots, (iii) required by any Mortgagee in order to enable such Mortgagee to make a Mortgage loan on any Lot or (iv) necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on any Lots within the Development.”

9. **Amendment by Association.** Section 10.3(a) of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

“(a) At any annual or special meeting of the members of the Association, an amendment to this Declaration may be proposed by either the Board or by any Owners present in person at such meeting. Any such proposed amendment must be approved by the Owners holding at least two-thirds (2/3) of the total votes in the Association; provided, however, that (i) any amendment which materially, substantially and adversely affects the security, title or interest of any Mortgagee must be approved by such Mortgagee and (ii) during any period in which D.R. Horton owns any Lot within the Development, then Seller must approve such proposed amendment.”

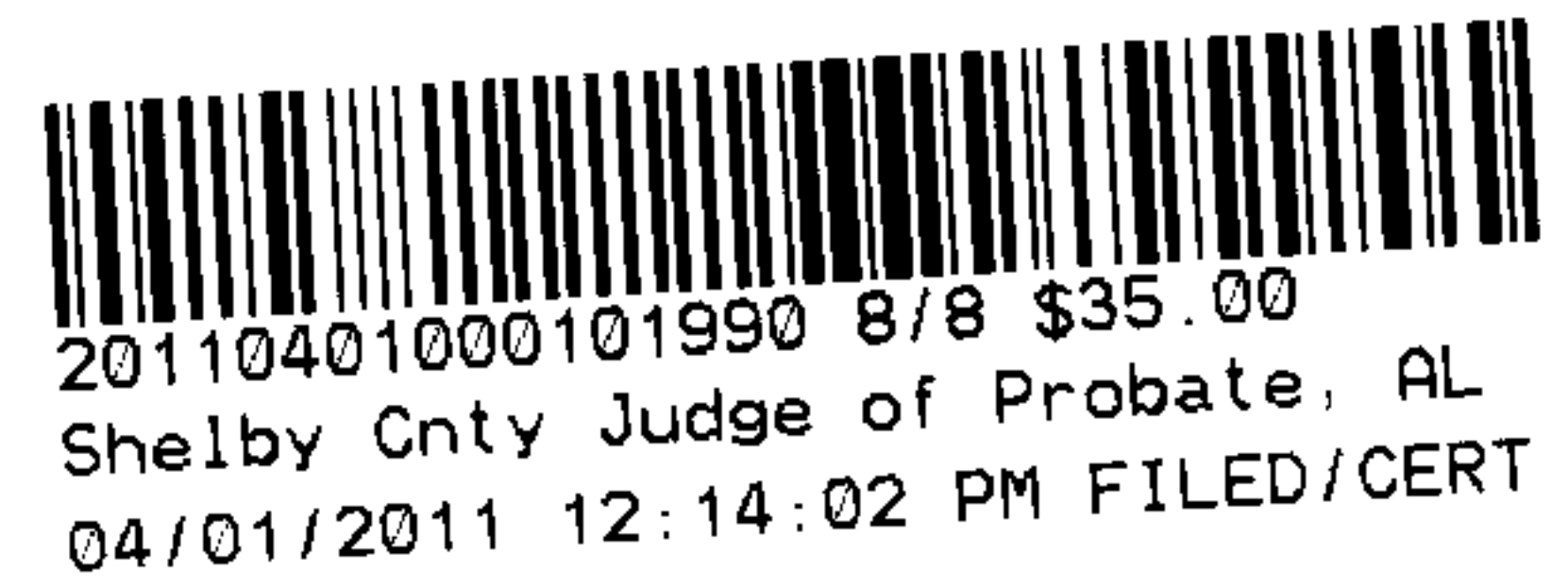


10. **Control by Seller.** Section 12.1 of the Declaration is hereby deleted in its entirety and the following is substituted in lieu thereof:

“12.1 Control by Seller. NOTWITHSTANDING ANYTHING PROVIDED TO THE CONTRARY IN THIS DECLARATION, THE ARTICLES OF INCORPORATION, THE BYLAWS, OR IN ANY OTHER DOCUMENT OR INSTRUMENT RELATING TO THE DEVELOPMENT, SELLER HEREBY RETAINS THE RIGHT TO APPOINT AND REMOVE ANY MEMBER OR MEMBERS OF THE BOARD AND ANY OFFICER OR OFFICERS OF THE ASSOCIATION AS PROVIDED BY AND FOR THE PERIOD OF TIME SET FORTH IN SECTION 4.2 ABOVE. Each Owner, by acceptance of a deed or other conveyance of any interest in a Lot, agrees that Seller shall have the authority to appoint and remove members of the Board and officers of the Association in accordance with the foregoing provisions of this Section 12.1 and the provisions of Section 4.2 above. At such time as D.R. Horton no longer owns any interest in any Lot within the Development, a special meeting of the Association shall be called within a reasonable time thereafter at which time the Owners shall elect a new Board which shall undertake the responsibilities of the Board.”

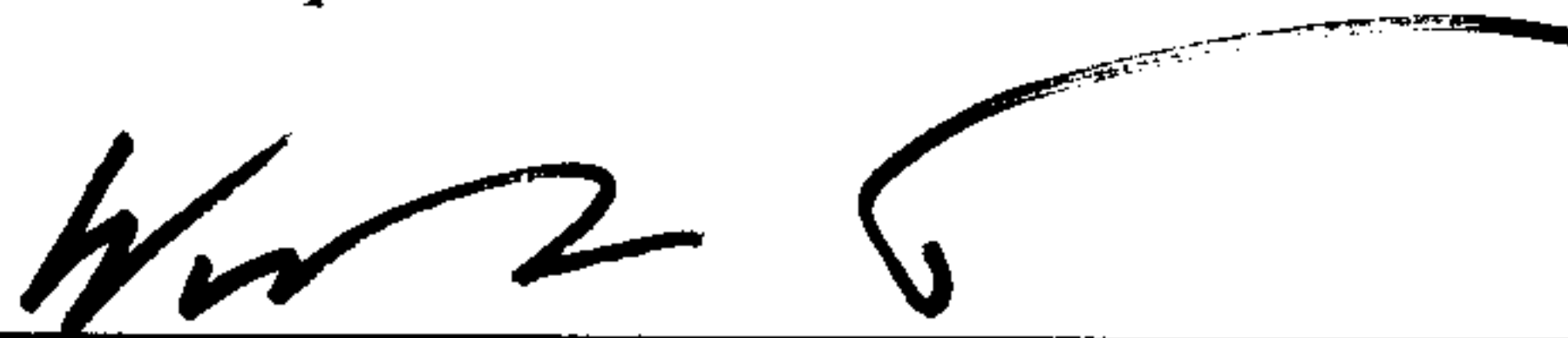
10. **Full Force and Effect.** Except as specifically modified and amended herein, all of the terms and conditions of the Declaration, as amended, shall remain in full force and effect.

[signature of Seller on the following page]



IN WITNESS WHEREOF, Seller has caused this Third Amendment to the Holland Lakes Declaration of Covenants, Conditions and Restrictions to be duly executed as of the day and year first above written.

THORNTON NEW HOME SALES, INC.,
an Alabama corporation

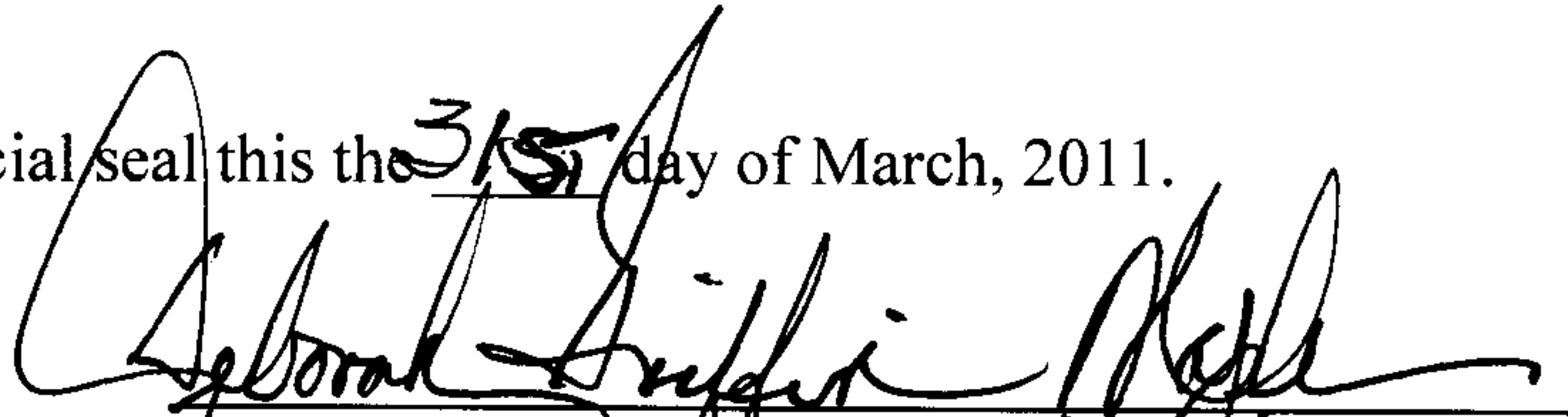
By: 
Name: William L. Thornton, III
Title: Chief Executive Officer

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that William L. Thornton, III, whose name as Chief Executive Officer of **THORNTON NEW HOME SALES, INC.**, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 31st day of March, 2011.


Notary Public
My Commission Expires: 10/16/2012