

CASTLEWOOD

Section IV-(II)

Supplemental

Declaration

CCRs

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SUPPLEMENTAL DECLARATION TO THE
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR CASTLEWOOD AND
DECLARATION OF COVENANTS AND RESTRICTIONS FOR
CASTLEWOOD SECTION IV - (II) ADDITION

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

This Supplemental Declaration to the Declaration of Covenants, Conditions and Restrictions for Castlewood and Declaration of Covenants and Restrictions for the Castlewood Section IV - (II) Addition, is made on the date hereinafter set forth by Balfour Village Estates, L.P. (hereinafter called "Declarant").

WITNESSETH:

WHEREAS, Declarant has heretofore executed that certain Declaration of Covenants, Conditions, and Restrictions for Castlewood, which was filed for record on July 2, 1997, under clerk's file number 97-R0044273, in the land records of Denton County, Texas (hereinafter called the "Master Declaration"); and

WHEREAS, Declarant desires to subject the real property owned by Declarant and described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes (the "Property"), to the Master Declaration and to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of such property and each owner thereof;

WHEREAS, the Property is included in the real property which, pursuant to Article IX of the Master Declaration, Declarant may unilaterally subject to the provisions of the Master Declaration; and

NOW, THEREFORE, pursuant to Article IX of the Master Declaration, Declarant hereby supplements the Master Declaration and annexes and adds thereto all of the Property so that all of the terms, conditions, covenants and restrictions of the Master Declaration shall extend to the Property as though such Property was originally described in the Master Declaration; and Declarant hereby declares that the Property shall be held, sold, transferred, conveyed, and occupied subject to the Master Declaration, as supplemented hereby, and to the covenants, restrictions, easements, liens, charges and conditions hereof.

ARTICLE I.

DEFINITIONS

All terms shall have the definitions given them in the Master Declaration unless expressly provided otherwise herein.

ARTICLE II.

PROTECTIVE COVENANTS

1. Terms. The following terms when used in these Protective Covenants or any amendment or supplement hereto (unless the context clearly indicates otherwise) shall have the following concepts and meanings:

(a) "Lot" shall mean and refer to any portion of the Castlewood Section IV - (II) Addition (the "Addition") designated as a lot on the Subdivision Plat of the Property as recorded in Cabinet V, Pages 17 & 18 of the plat records of Denton County, Texas (the "Subdivision Plat"), excluding streets and alleys. Where the context requires or indicates, the term Lot shall include the Home and all other improvements which are or will be constructed on the Lot.

(b) "Home" shall mean an individual residential dwelling unit constructed on any Lot, including any parking garage and the Lot upon which Home is located.

(c) "Committee" shall mean either the New Construction Committee or the Modifications Committee, as applicable.

(d) "Association" shall mean Castlewood Homeowners' Association, Inc.

2. Land Use.

(a) All Lots (except those restricted or utilized as Common Area, park, nature reserve or the like) shall be known, described and used as lots for residential purposes only and, except as otherwise provided herein, no structure shall be erected, altered, placed, or permitted to remain on any Lot other than one single-family dwelling, constructed in place. As used herein, the term "residential purposes" shall be construed to prohibit the use of Lots for duplex houses, or apartment houses; or any business or similar activity, except that an Owner or occupant residing in a Home may conduct business activities within the Home so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Home; (ii) the business activity conforms to all zoning requirements for the Lot; (iii) the business activity does not involve regular visitation of the Home by clients, customers, suppliers, or other business invitees or door-to-door solicitation of residents of the Property; and (iv) the business activity is consistent with the residential character of the Lot and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board of Directors of the Association (sometimes herein, the "Board"). Except for portable storage and accessory buildings permitted pursuant to the terms of this

Supplemental Declaration, no modular, prefabricated or other building or residence of any kind or character shall ever be moved onto any Lot, it being the intention that only new in place construction of residential structures shall be permitted on the Lots.

(b) Lease or rental of a Home for residential purposes shall not be considered a violation of this Supplemental Declaration so long as the lease is for not less than the entire Home and all improvements thereon and is for a term of at least six (6) months and is in compliance with this Supplemental Declaration and the Master Declaration.

3. Screening and Fences.

(a) No fences, hedges, screens, barriers or walls shall be erected or maintained on any Lot unless first approved by the Committee. No fence shall be erected, placed or altered on any Lot nearer to any front street than the rear face of the Home constructed on the Lot, unless specifically approved by the Committee. Except for the perimeter of the Property where the Developer may construct an eight (8) foot high fence or wall and as approved by the Committee, fences shall not exceed eight (8) feet in height and be constructed only of masonry, decorative iron or wood in accordance with current guidelines prescribed by the Committee. Any fencing constructed on lot lines contiguous with the gas line easement located adjacent to the Property shall be decorative iron fencing. Limited use of decorative wood picket fencing or similar decorative wood features may be considered and approved by the Committee.

(b) Chain link fences for dog runs and similar enclosures are permitted. Such fencing shall not exceed six (6) feet in height. In no case shall chain link fencing be visible from the street or adjacent properties and it shall be screened from all sides in a manner acceptable to the Committee.

(c) Air conditioning equipment and utility meters shall be placed at the side or rear of the Home. Any air conditioning unit shall be screened from adjacent properties and from the street by permanent landscape screening. Utility meters shall be fully accessible to utility employees.

(d) Pool equipment shall be placed at the side or rear of the Home such as not to be visible from the street and shall be screened from view from adjacent properties by permanent landscape screening of sufficient height to screen the highest element of such equipment.

4. Landscaping and Removal of Dirt. All Lots shall be landscaped within sixty (60) days following completion of construction of a Home thereon. Landscaping shall include placement of sod in the front yard and planting of shrubs along the front of the Home's foundation. The New Construction Committee shall have the ability to grant an extension of the time frame for completion of landscaping for seasonal conditions. In front of each Home, at least three (3) trees shall be retained or planted; and if Home is on a corner Lot, three (3) trees shall be planted or retained adjacent to each street. The required trees shall have a minimum size of three (3) caliper inches and be one of the following species: Pecan, Cedar Elm, Live Oak, Red Oak and Arizona Ash. So as to not create a drainage problem, the digging or the removal of any dirt from any Lot is prohibited, except in conjunction with landscaping, drainage or construction of approved improvements thereon.

5. Annoyance or Nuisances. No noxious or offensive activity may be carried on upon any Lot. Nothing shall be done upon any Lot which may be or become an annoyance or a nuisance to the neighborhood by way of odor, fumes, excess light, vibrations, dust, smoke or noise. The Board, in its reasonable discretion, shall determine what constitutes a noxious or offensive activity.

6. Temporary Structures and Vehicles.

(a) Except for children's playhouses, dog houses, greenhouses, tool sheds, and gazebos, no structure of a temporary character, whether trailer, tent, shack, garage, barn or outbuilding shall be maintained or used on any Lot at any time, either temporarily or permanently; provided, however, Declarant reserves the exclusive right for itself and home builders (subject to Committee approval) who have contracted to purchase Lots to erect, place and maintain such facilities in or upon any portions of the Lots as Declarant, in its sole discretion, deem necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Lots. Such facilities include but are not limited to sales and construction offices, storage areas, model units, signs, and portable toilet facilities.

(b) No truck with tonnage in excess of three-quarter (3/4) ton; camper; motor home; trailer; vehicle of any type (whether or not operable); or boat (whether powered, sail or otherwise), other than a conventional automobile, may be parked, kept or stored on any Lot (except in a garage) or on any street, for more than twenty-four (24) continuous hours, unless parked, stored or placed within the garage on the appropriate Lot, or within the building lines of such Lot and screened from the view of the general public and from adjacent Lots. No conventional auto owned by a resident of a Home shall be parked on the street overnight.

7. Signs and Billboards. No signs, billboards, posters, or advertising devices of any character shall be erected, permitted, or maintained on any Lot or Home, except, subject to the rights of the Committee and Declarant to require removal of any distasteful, unsightly, weathered or abandoned signs, one sign of not more than six (6) square feet in surface area advertising the particular Lot or residence on which the sign is situated for sale or lease. The right is reserved by Declarant to construct and maintain and to permit builders or others to construct and maintain such signs, billboards or advertising devices as are customary in connection with the general sale of residential property.

8. Oil and Mining Operations. No oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas or other minerals shall be erected, maintained or permitted upon any Lot.

9. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as a dumping ground for rubbish, garbage or rubble. All trash receptacles shall be screened by fences or shrubbery so as not to be generally visible by the public or from adjacent Lots, unless approved in writing by the Committee. All equipment for the storage or disposal of such waste materials shall be kept in a clean and sanitary condition. No Lot shall be used for the open

storage of any materials whatsoever which materials are visible from the street, except that new building material used in the construction of improvements erected upon any Lot may be placed upon such Lot, but not within the street right-of-way, at the time construction is commenced and may be maintained thereon for a reasonable time, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot.

10. Visual Obstructions at the Intersections of Public Streets. No object, including vegetation, shall be permitted on any corner Lot which obstructs sight lines parallel to the ground surface at elevations between two (2) feet and six (6) feet above roadways, and lies within a triangular area on any corner Lot described by three (3) points, two (2) such points being at the edges of the paving abutting said corner Lot and at points twenty-five (25) feet back along the curb on the two (2) intersecting streets abutting said corner Lot, and the third point being the center of the corner curb curve abutting said Lot.

11. Antennas. Unless otherwise approved by the Committee, no antenna towers other than a traditional rooftop antenna designed to receive television broadcast signals shall be permitted. Notwithstanding the foregoing to the contrary, satellite dishes with a diameter of one (1) meter or less may be installed provided the dish is not visible from the street and is not installed on the front of the Home.

12. Animals. No animals, reptiles, livestock, poultry or birds of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept in reasonable numbers, provided that they are not kept, bred or maintained for any commercial purpose.

13. External Sculpture and Like Accessories. No sculptures, fountains, free standing flag poles, clothes lines and like accessories shall be installed, maintained or permitted on any Lot without the prior approval of the Committee.

14. Compliance With Ordinances and Regulations. All improvements constructed on Lots shall comply with, and all Lots shall be used in accordance with, applicable ordinances or regulations of the City of Highland Village, Texas or any other applicable governmental authority.

15. Inflammatory or Explosive Cargo. No vehicle of any size which transports inflammatory or explosive cargo may be kept within the Property at any time.

16. Sales & Construction Period. Notwithstanding the provisions of this Supplemental Declaration, the Declarant, or any other developer of the Property, and their respective agents, employees and assigns are permitted to maintain such facilities and carry on such activities as may be reasonably required for the completion, improvement and sale of Lots and Homes including without limitation the installation and operation of sales and construction trailers and offices, signs and model residences as may be approved by the Committee. This right to maintain such facilities and carry on such activities shall include the right to use Homes as model residences and to use any Home as an office for sale of Homes and Lots and related activities. During construction, the Owner of a Lot shall provide an enclosure of adequate size wherein all construction debris and waste shall be collected for disposal by the Owner. Once commenced, construction shall be diligently pursued

to the end such that it shall be completed within twelve (12) months from the date that construction commenced on Lot.

17. Utilities. Except as to special street lighting or other aerial facilities which may be required by the City of Highland Village, Texas or may be required by the franchise of any utility company, no aerial utility facilities of any type (except meters, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed within the Property, whether upon Lots, easements, streets, or right-of-way of any type, either by the utility company or any other person or entity (including but not limited to any person owning or acquiring any part of the Property) and all utility services facilities (including but not limited to water, sewer, gas, electricity and telephone) shall be buried underground, under recreational easements, streets, or utility easement areas for the purpose of serving any structure located on any part of the Properties.

18. Minimum Lot Area. No Lot may be re-subdivided. Notwithstanding the foregoing to the contrary, Declarant may subdivide Lots in accordance with any requirements of the City of Highland Village, Texas.

ARTICLE III.

DESIGN GUIDELINES

1. Building Type. No Home shall exceed forty (40) feet in height measured from finished grade to the highest point of the roof peak and shall not be more than two (2) stories as seen from any public street.

2. Minimum Floor Space. Each proposed Home submitted to the New Construction Committee on each Lot shall contain at least 2,500 square feet of air conditioned area, exclusive of all porches, garages or breezeways attached to the main dwelling.

3. Finished Floor Elevations. All Homes constructed on the Lots shall comply with the minimum finished floor elevations as set out in the Subdivision Plat, unless otherwise approved by the New Construction Committee for sound construction reasons.

4. Lot Set Back Requirements. No structure shall be located on a Lot closer to the Lot boundaries than the following set back requirements or such greater set backs as are required by the Subdivision Plat or City ordinance:

(a) Front Yard Set Back - The front yard set back shall be as set out in the Subdivision Plat for each Lot;

(b) Side Yard Set Back - The sum of the two side yard set backs shall total a minimum of fifteen (15) feet with a minimum side yard set back of five (5) feet for any one side yard; and

(c) Rear Yard Set Back - The minimum rear yard set back shall be fifteen (15) feet.

5. Materials.

(a) At least eighty percent (80%) of the total outside wall areas of any Home (including garage) erected on any Lot shall be constructed of brick, stone, brick veneer, stone veneer, stucco type material or other masonry materials ("Masonry Material"); provided, however, one hundred percent (100%) of the front and side outside wall areas of any Home shall be of Masonry Material; and provided further, if a two (2) story dwelling, gables or other exterior areas above the first floor plate line are excluded from this requirement. A chimney located on the front or side of a Home shall be masonry on the three (3) exterior sides. The side facing the Home may be non-masonry. Any chimney not located on the front or side exterior walls and not located within the front rise of the roof line may be constructed of non-masonry material.

(b) Alternatively, Homes may be designed using authentic traditional architectural styling. In such cases, the outside wall area may be constructed entirely of wood siding. The authenticity of any plan not meeting the Masonry Material requirements outlined above shall be subject to review and approval by the Committee. The Committee shall have the authority to approve or disapprove such plans in their sole discretion.

6. Mail Boxes. Mail boxes for each Home shall be uniform and shall be constructed in accordance with guidelines prescribed by the Committee.

7. Roofs. All roofs shall be of wood shingles, simulated wood shingles, tile, slate, metal or composition shingles [minimum 250# and/or a minimum twenty-five (25) year warranty and be of an "architectural" or "dimensional" or "shadowline" style]. All wood shingles must be treated with a fire proofing substance, and before installation of wood shingles a certificate from the manufacturer or supplier stating the terms of the warranty of the fire proofing shall be presented to the Committee. All major roof lines must be pitched a minimum of eight (8) inches in twelve (12) inches. The Committee may permit a lesser pitch where such pitch is consistent with the architectural style of the Home as judged by the Committee at their sole discretion. All roof venting and roof flashing shall be painted to match roof color.

8. Garages. Each single-family residential dwelling erected on any Lot shall provide garage space for a minimum of two (2) conventional automobiles. The interior walls of every garage shall be finished with taped, bedded and painted sheet rock or other material acceptable to the Committee. Conversion of any carport or garage to finished space for use as an apartment or other internal part of the living area of a Home is prohibited without the prior approval of the Committee.

9. Driveways. Driveways shall be constructed of concrete or other masonry material set on a concrete base.

10. Exterior Structures and Recreational Equipment. Any outbuildings constructed on the Lot shall be constructed of material complementary to the material used in the construction of the

Home. No gazebo, pool pavilion, trellis, greenhouse, storage shed or similar structure and no tennis court, basketball backboard, swing set or similar recreational equipment shall be constructed or placed upon any Lot or Home without prior written approval of the Committee. In no case shall lighting for tennis courts, basketball courts or other recreational purposes be permitted.

11. Retaining Walls. Any retaining walls visible from any street, including those located in front and side yards, shall be constructed of stone, brick or other masonry material as approved by the Committee. Retaining walls located in rear yards where not visible from the street may be constructed of new treated wood cross ties. The cost and maintenance of such retaining wall shall be the responsibility of the property Owner of the property at the higher finished elevation of the contiguous lots. In the event that the Owners of adjacent Lots or dwellings disagree on the necessity of the construction of a retaining wall, the Committee shall be the final arbiter of such issue.

12. Drainage. Prior to construction of any improvements, including swimming pools, a drainage plan showing existing and proposed topography and ultimate direction of all storm water drainage must be submitted to the Committee.

ARTICLE IV

NEW CONSTRUCTION AND MODIFICATION COMMITTEES

1. Administration of Covenants and Guidelines. Responsibility for administration of the Protective Covenants and Design Guidelines set forth in this Supplemental Declaration and review of all applications for construction and modifications under this Article shall be handled by the two committees as described in Sections (2) and (3) below. The members of the Committees need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board. The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review.

2. New Construction Committee. The New Construction Committee (NCC) shall consist of at least three (3), but not more than five (5), persons and shall have exclusive jurisdiction over all original construction on any portion of the Lots. Until one hundred percent (100%) of the Properties subject to the Master Declaration have been developed and conveyed to Owners other than Builders, the Declarant retains the right to appoint all members of the NCC who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board may, at its option, either appoint the members of the NCC, who shall thereafter serve and may be removed in the Board's discretion, or combine the NCC and the MC (hereafter defined) into a single architectural review committee which shall assume all powers and responsibilities of both committees under this Declaration. The NCC may delegate its authority as to the Subdivision, if designated as a separate Village, to the Village Association, if any, so long as the NCC has determined that such Village Association has in force review and enforcement practices, procedures, and appropriate standards at least equal to those of the NCC. Any such delegation may be revoked and jurisdiction reassumed at any time by written notice.

3. Modifications Committee. The Board of Directors may establish a Modifications Committee (MC) to consist of at least three (3) and no more than five (5) persons, all of whom shall be appointed by and shall serve at the discretion of the Board. In the event the MC is not established, the NCC shall retain all power granted to the MC by this provision. The MC, if established, shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing structures on Units or containing Units and the adjacent open space. The MC may delegate its authority as to a particular Village to the Village Association, if any, so long as the MC has determined that such Village Association has in force review and enforcement practices, procedures, and appropriate standards at least equal to those of the MC. Any such delegation may be revoked and jurisdiction reassumed at any time by written notice. The NCC shall have the right to veto any action taken by the MC or a Village Association which the NCC determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the NCC.

4. Guidelines and Procedures.

(a) The Declarant shall prepare the initial design and development guidelines and application and review procedures (the "Design Guidelines") which shall apply to all construction activities within the Properties. The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary from one portion of the Properties to another depending upon the location, unique characteristics, or intended use. Notwithstanding the foregoing to the contrary, the Declarant, in its sole discretion, may allow an architectural review committee appointed for a particular Village to adopt and administer Design Guidelines for such Village. If such authorization is granted, the remaining provisions of this Article shall not apply to such Village unless the architectural review committee assigns its rights to the NCC or MC.

(b) The NCC shall adopt the Design Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend them. Any amendments to the Design Guidelines shall apply to construction and modifications commenced after the date of such amendment only and shall not require modifications to or removal of structures previously approved once the approved construction or modification has commenced.

(c) The NCC shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Properties and all such Persons shall conduct their activities in accordance with such Design Guidelines. In the Declarant's discretion, such Design Guidelines may be recorded in the County Clerk's Office, Denton County, Texas, in which event the recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

(d) The MC may promulgate detailed procedures and standards governing its area of responsibility, consistent with those set forth in the Design Guidelines and subject to review and approval or disapproval by the NCC.

(e) Plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the appropriate

committee for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, and other features of proposed construction shall be submitted as applicable. In reviewing each submission, the committees may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other things. In the event that the NCC or MC fails to approve or to disapprove an application within thirty (30) days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the NCC pursuant to Section 6.

5. No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

6. Variance. The NCC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; or (b) estop the NCC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, the terms of any financing, or the cost of complying with the NCC guidelines or procedures shall not be considered a hardship warranting a variance.

7. Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the NCC nor the MC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, compliance with building codes and other governmental requirements or the value of any improvement. Neither the Declarant, the Association, the Board, any committee, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit.

8. Enforcement.

(a) Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, which may include monetary fines imposed by the NCC, together with the interest at the maximum rate then allowed by law, may be assessed against the benefitted Unit and collected as a Specific Assessment.

(b) Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines, in addition to the fees, costs and fines provided in the preceding paragraph, may be excluded by the Board from the Properties, subject to the notice and hearing procedures contained in the By-Laws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

(c) In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the NCC and MC.

ARTICLE V

AMENDMENTS

1. By Declarant. Until termination of the Class "B" membership, Declarant may amend this Supplemental Declaration for any purpose. At any time, the Declarant may unilaterally amend this Supplemental Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units (as defined in Master Declaration) within the Property; (c) to enable any institutional or governmental lender, purchaser, guarantor or insurer or mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, guarantee or insure mortgage loans on the Units; (d) to enable any reputable private insurance company to insure mortgage loans on the Units; or (e) to otherwise satisfy the requirements of any governmental agency; provided such amendment does not adversely affect the title to any unit without the Owner's written consent.

2. By Owners.

(a) Except as provided above and otherwise as specifically provided herein, this Supplemental Declaration may be amended only by (i) the affirmative vote or written consent, or any combination thereof, of a majority of the Owners of the Units subject to this Supplemental Declaration; (ii) following sale of all the Lots to homebuyers, the written consent of the Association acting upon resolution of its Board of Directors, and (iii) so long as the Declarant owns any property subject to the Master Declaration, the consent of the Declarant.

(b) No amendment may remove, revoke, or modify any right, or privilege of the Declarant without the written consent of the Declarant or the assignee of such right or privilege.

3. Rights of City. Notwithstanding the foregoing, the prior written consent of the City of Highland Village, Texas, shall be necessary for any amendment that modifies or alters the rights or obligations of the City of Highland Village, Texas.

EXECUTED to be effective as of the 8th day of May, 2003.

DECLARANT:

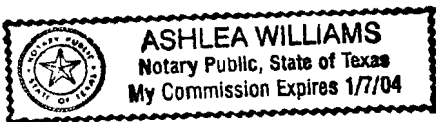
BALFOUR VILLAGE ESTATES, L.P.

By: BRE/CASTLEWOOD L.L.C.
General Partner

By: *Julian Hawes, Jr.*
JULIAN HAWES, JR., Vice President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 8th day of May, 2003, by Julian Hawes, Jr., Vice President of BRE/Castlewood L.L.C., a Delaware limited liability company, General Partner of Balfour Village Estates, L.P., a Texas limited partnership, on behalf of said limited liability company and partnership.



Ashlea Williams
Notary Public in and for the State of Texas

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Return to:
Balfour
PMB 1723
P.O. Box 25048
Dallas, TX 75225

Exhibit "A"

STATE OF TEXAS)
 COUNTY OF DENTON)(

WHEREAS BALFOUR VILLAGE ESTATES, L.P. are the owners of a 16.054 acre tract of land situated in the William Herod Survey, Abstract No. 591, in the City of Highland Village, Denton County, Texas, and being a portion of a 185.222 acre tract of land according to deed recorded in Denton County Clerk's File No. 96-R0059030 of the Deed Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a five-eighths inch iron rod set with "Huitt-Zollars" cap at the most easterly southeast corner of Castlewood Section Four, an addition to the City of Highland Village and recorded in Cabinet S, Page 116 of the Plat Records of Denton County, Texas, said rod also being on the platted northwesterly right-of-way line of Castlewood Boulevard, a 60.0 foot wide right-way, as established by Castlewood Section Three-II-A, an addition to the City of Highland Village and recorded in Cabinet Q, Page 144 of the Plat Records of Denton County, Texas;

THENCE, departing the northwesterly right-of-way line of Castlewood Boulevard, North 27 degrees 54 minutes 02 seconds West along the easterly platted line of Castlewood Section Four a distance of 738.00 feet to a five-eighths inch iron rod set with "Huitt-Zollars" cap;

THENCE, North 27 degrees 16 minutes 56 seconds West continuing along the said easterly line of Castlewood Section Four a distance of 196.80 feet to a Corp of Engineer's concrete monument with brass cap stamped "530-4" found on the north line of said 185.222 acre tract of land;

THENCE, along the north line of said 185.22 acre tract of land the following courses and distances:

North 60 degrees 14 minutes 49 seconds East a distance of 354.42 feet to a Corp of Engineer's concrete monument with brass cap stamped "530-5" found;

North 76 degrees 28 minutes 15 seconds East a distance of 397.73 feet to a Corp of Engineer's concrete monument with brass cap stamped "530-6" found;

North 76 degrees 13 minutes 19 seconds East a distance of 20.15 feet to a five-eighths inch iron rod set with "Huitt-Zollars" cap;

South 89 degrees 15 minutes 25 seconds East a distance of 204.17 feet to a Corp of Engineer's concrete monument with brass cap stamped "530-8" found;

South 06 degrees 59 minutes 57 seconds West a distance of 11.23 feet to a Corp of Engineer's concrete monument with brass cap stamped "530-9" found;

South 83 degrees 29 minutes 28 seconds East a distance of 240.99 feet to a Corp of Engineer's concrete monument with brass cap stamped "530-10" found;

THENCE, along the east line of said 185.22 acre tract of land the following courses and distances:

South 39 degrees 04 minutes 49 seconds West a distance of 251.17 feet to a Corp of Engineer's concrete monument with brass cap stamped "530-11" found;

South 07 degrees 54 minutes 21 seconds East a distance of 117.27 feet to a five-eighths inch iron rod set with "Huitt-Zollars" cap;

South 05 degrees 59 minutes 02 seconds East a distance of 303.25 feet to a five-eighths inch iron rod found with "Servcon" cap on the north right-of-way line of said Castlewood Boulevard at the beginning of a non-tangent curve to the left having a radius of 630.00 feet;

THENCE, along said curve to the left and along said right-of-way line of Castlewood Boulevard in a southwesterly direction through a central angle of 54 degrees 52 minutes 01 second an arc length of 603.29 feet and being subtended by a chord bearing South 60 degrees 29 minutes 28 seconds West, 580.51 feet to a five-eighths inch iron rod set with "Huitt-Zollars" cap;

THENCE, South 33 degrees 03 minutes 27 seconds West continuing along said right-of-way line of Castlewood Boulevard a distance of 192.20 feet to the PLACE OF BEGINNING and CONTAINING 16.054 acres of land, more or less.