

AMENDED AND RESTATED SUPPLEMENTAL DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS
THE RESERVE AT BRIDLEWOOD

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DENTON

001391

THAT WHEREAS, Bridlewood, Ltd., a Texas limited partnership, is the owner of the Property (hereinafter defined); and

WHEREAS, the Declarant (hereinafter defined) has subjected the Property to that certain Master Declaration of Covenants, Conditions and Restrictions for Bridlewood, recorded as Document Number 96-R0028182 in the Real Property Records of Denton County, Texas (the "Original Declaration"); which Original Declaration has been amended and restated in its entirety by that certain Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Bridlewood, dated as of November 1, 1996 and recorded as Document Number 96-R0080148 in the Real Property Records of Denton County, Texas (including the First Amendment to Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Bridlewood, dated as of June 11, 1997, and recorded as Document Number 97-R0050517 in the Real Property Records of Denton County, Texas, and any future amendments or modifications thereof, hereinafter the "Master Declaration"); and

WHEREAS, the Declarant intends to convey individual Lots (hereinafter defined), out of the Property, subject to the Master Declaration and further subject to certain protective covenants, conditions, restrictions, liens or charges (collectively, the "Supplemental Covenants") as set forth in this Amended and Restated Supplemental Declaration of Covenants, Conditions and Restrictions, The Reserve at Bridlewood (the "Supplemental Declaration"), which Supplemental Declaration amends and restates in full, and is to be used in replacement of, that Supplemental Declaration of Covenants, Conditions and Restrictions, The Reserve at Bridlewood, recorded as Document Number 98-R0077674 in the Real Property Records of Denton County, Texas (the "Prior Supplemental Declaration"), each and all of which is and are for the benefit of Declarant, the Property and each Owner (hereinafter defined).

NOW, THEREFORE, it is hereby declared that the Property shall be held, sold and conveyed subject to the Master Declaration, which is incorporated herein by reference as if fully set forth herein, this Amended and Restated Supplemental Declaration and the following Supplemental Covenants which are for the purpose of protecting the value and desirability of the Property, and which shall run with the Property and shall be binding on all parties having any right, title or interest in or to the Property or any part thereof, and their heirs, successors and assigns, and which Master Declaration and Supplemental Covenants of this Supplemental Declaration shall inure to the benefit of the Declarant and each Owner of the Property.

ARTICLE I: DEFINITIONS

- 1.1 "Board" or "Sub-Association Board": The body responsible for administration of the Sub-Association, selected as provided herein and in the By-Laws.
- 1.2 "Builder": Any homebuilder, and its assignee or successor purchasing two or more lots in The Reserve for the purpose of constructing thereon Residences for sale to the public.
- 1.3 "By-laws": The By-Laws of The Reserve Homeowners Sub-Association, Inc., as they may be amended from time to time.
- 1.4 "Committee": The Architectural Review Committee for The Reserve as established by the Master Declaration.
- 1.5 "Common Properties": All real and personal property which the Sub-Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners, which may include easements, and any areas for which the Sub-Association does not have an ownership interest but is responsible for maintenance or operations.
- 1.6 "Declarant": Bridlewood, Ltd., a Texas limited partnership, its successors and assigns and any personal representative of it who has been designated as such in writing by Declarant who succeeds to the interest of the partnership. Additionally, Declarant may, by written instrument, assign all or any portion of its rights hereunder to an assignee who agrees in writing to assume the obligations of Declarant hereunder contemporaneously with such assignment.
- 1.7 "Design Guidelines": Those guidelines which refer to the detailed requirements established from time to time by the Committee with respect to Residence design, materials specifications, landscaping, and other matters related to the construction or installation of any improvements on any Lot in The Reserve.
- 1.8 "Golf Course Lot": Any Lot having any portion of its property line adjacent to any portion of the Bridlewood Golf Course, including the clubhouse area.
- 1.9 "Lot": That portion of the Property consisting of any of the plots of land shown upon the plat and subdivision map of The Reserve at Bridlewood, an Addition to the Town of Flower Mound, Denton County, Texas as recorded in Cabinet P, Page 86 of the Plat Records of Denton County, Texas, on which there is built or is intended to be built a Residence.
- 1.10 "Master Association": Bridlewood Homeowners Association, Inc., a Texas corporation, its successors and assigns.
- 1.11 "Master Association Board": The Board of Directors of the Master Association.

1.12 "Owner". The record owner, and such owner's heirs, successors and assigns, whether one or more persons or entities, of the fee simple title to any Lot or portion of a Lot located on the Property on which there is or will be built a Residence, including Builders, but excluding the Declarant and further excluding those having such interest merely as security for the performance of an obligation.

1.13 "Property". That certain residential neighborhood known as The Reserve at Bridlewood located in the Town of Flower Mound, Denton County, Texas, described in Exhibit "A" hereto and incorporated herein by this reference, and such additions thereto as may hereafter be brought within the jurisdiction hereof.

1.14 "Residence": Any single-family residential dwelling situated upon any Lot within The Reserve.

1.15 "Streets": The right of way of all private streets, , sidewalks and other rights of way situated within the Property, together with all pavement, curbs, street lights, signs and related facilities thereon, as more fully described in Article V hereof.

1.16 "Sub-Association": The Reserve Homeowners Association, Inc., a Texas nonprofit corporation, its successors or assigns.

1.17 "Sub-Association Board": The Board of Directors of the Sub-Association, which shall be established in compliance with the Articles.

1.18 "Sub-Association Articles of Incorporation" or "Articles": The Articles of Incorporation of The Reserve Homeowners Sub-Association, Inc., on file with the Secretary of State for the State of Texas, as they may be amended.

1.19 "Sub-Association Member": An Owner subject to membership in the Sub-Association as hereinafter provided.

1.20 "The Reserve": The residential subdivision so designated on the plat of the Property.

Any other capitalized term used herein and not otherwise defined shall have the meaning given to it in the Master Declaration.

ARTICLE II: THE RESERVE SUB-ASSOCIATION

2.1 ESTABLISHMENT OF ASSOCIATION. The formal establishment of The Reserve Sub-Association, Inc. will be accomplished by the filing of the Articles of Incorporation of The Reserve Sub-Association, Inc. 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 Reserve Homeowners Sub-Association, Inc.

2.2 ADOPTION OF BY-LAWS. The By-Laws for the Sub-Association will be established and adopted by the Sub-Association Board.

2.3 MEMBERSHIP. The Declarant and every other Owner, including any successive buyer(s), of a Lot or Lots within The Reserve shall, upon purchase of such Lot, automatically and mandatorily become a Member of the Sub-Association in addition to mandatory membership in the Master Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot within The Reserve. Every Member shall have the right at all reasonable times during business hours and upon reasonable advance notice to the Sub-Association (such notice to be not less than twenty-four (24) hours) to inspect the books of the Sub-Association.

2.4 ASSESSMENTS.

(a) Subject to the terms of this Article, each Owner of any Lot in The Reserve, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay the Sub-Association, in addition to any assessments levied by the Master Association, all assessments levied by the Sub-Association (the "Sub-Association Assessments"), to be established and collected as hereinafter provided. Such Sub-Association Assessments will remain effective for the full term (and extended term, if applicable) of this Supplemental Declaration. All Sub-Association Assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Sub-Association Assessment is made. Each such Sub-Association 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 Sub-Association Assessment fell due. The personal obligation for delinquent Sub-Association Assessments shall not pass to the successors in title of such Owner unless expressly assumed by them.

(b) The Sub-Association Board shall establish an operating account fund (the "Sub-Association Operating Fund") composed of Sub-Association Assessments and shall use the proceeds of the Sub-Association Operating Fund in providing for normal, recurring landscaping, maintenance and repair of the Common Properties (including, but not limited to, planting, mowing, edging, clipping, sweeping, pruning, raking, seasonal spraying or other scheduled treatment and otherwise caring for existing landscaping); repair and cleaning of the Streets within The Reserve, maintenance and repair of a security guardhouse and security gates, which guardhouse shall be air-conditioned and heated as necessary and with telephone service; payment of all reasonable and necessary expenses in connection with the collection and administration of Sub-Association Assessments; employment of personnel including but not limited to a security guard; and doing any other thing or things necessary or desirable in the opinion of the Board to keep the Common Properties neat and in good order, or which is considered of general benefit to the Owners or occupants of The Reserve, it being understood that the judgment of the Board in the expenditure of said funds and the determination of what constitutes normal, recurring expenses shall be final and conclusive so long as such judgment is exercised in good faith. The Sub-Association may, in addition, establish and maintain out

of the Sub-Association Operating Fund an adequate reserve fund to ensure the continuous and perpetual use, operation, maintenance, and/or supervision of all facilities, structures, improvements, Streets, systems, areas or grounds that are the responsibility of the Sub-Association.

2.5 IMPOSITION OF SUB-ASSOCIATION ASSESSMENTS.

(a) Residences Owned by Class A Members. Subject to the terms of this Article, each Lot, is hereby subject to an initial Sub-Association Assessment in an amount to be established by the Sub-Association and which may be increased or decreased in accordance with the By-Laws of the Sub-Association, for the purpose of creating the Sub-Association Operating Fund, which Sub-Association Assessment will be paid by the Owner or Owners of each Lot in advance in quarterly or annual installments, as determined by the Sub-Association Board, commencing as to each Lot on the conveyance of such Lot by Declarant to a Lot Owner. The rate at which each Lot will be assessed, and whether such Sub-Association Assessment shall be payable quarterly or annually, will be determined by the Sub-Association Board at least thirty (30) days in advance of each affected Sub-Association Assessment period. Said rate may be adjusted from time to time by the Sub-Association Board as the needs of the Sub-Association may require, in the judgment of the Sub-Association Board. The Sub-Association Assessment shall be uniform for each Lot except as provided in Subsection (b), (c) and (d) of this Section 2.5. The Sub-Association Assessment against the initial Owner of any Lot shall be prorated to apply only to that portion of the year during which such Owner held title to the Lot. The Sub-Association shall, upon written demand and for a reasonable charge, furnish a certificate signed by an officer of the Sub-Association or a duly authorized designee of the Sub-Association setting forth whether or not the Sub-Association Assessment has been paid for the applicable period. The Sub-Association Board may direct that Sub-Association Assessments be paid concurrently with the assessments provided for in the Master Declaration; provided, however, all Sub-Association Assessments shall be in addition to and not in substitution for the assessments provided for in the Master Declaration.

(b) Residences or Lots Owned by Declarant. No Sub-Association Assessment shall be levied by the Sub-Association against any platted Lots or other property owned by the Declarant; provided, however, in the event that the Sub-Association Account Fund revenues are insufficient to pay the operating expense of the Sub-Association, Declarant may, at Declarant's sole discretion and subject to such conditions as Declarant may impose, provide all or a part of the funds necessary to make up the deficit.

(c) Model Homes. Any Builder may have no more than two unoccupied Residences in The Reserve, which have been constructed, as model homes. No Sub-Association Assessment shall be levied by the Sub-Association against any model home until such time as a model home is conveyed to a non-Builder Owner.

(d) Homes under Construction. With respect to any Residence being constructed by a Builder, until such time as the grass, shrubbery and other landscaping have been installed in the Front Yard the Builder shall pay a pro-rated Sub-Association Assessment established by the Sub-Association and based on all of the Sub-Association's costs per lot other than the cost of landscape maintenance. Thereafter, the Builder shall be responsible for payment of the Sub-Association Assessment until the Lot and Residence have been conveyed to a non-Builder Owner.

(e) Special Sub-Association Assessments. In addition to the regular Sub-Association Assessments authorized above, the Sub-Association may levy special Sub-Association Assessments in an amount established by the Sub-Association for the purpose of defraying, in whole or in part, the cost of any nonrecurring maintenance or other unanticipated nonrecurring expense related to the Common Properties. Such proceeds shall be used solely and exclusively to fund the nonrecurring maintenance or other expenses in question. All such special Sub-Association Assessments shall be subject to the exceptions set forth in Subsections 2.5(b), (c) and (d), above.

2.6 NON-PAYMENT OF SUB-ASSOCIATION ASSESSMENTS; REMEDIES. Any Sub-Association Assessment not paid within ten (10) days after the due date shall bear interest from the due date at the highest non-usurious rate of interest allowed by Texas law or 18% per annum, whichever is less. The Sub-Association shall have the authority to impose late charges to compensate for the administrative and processing costs of late payments on such terms as it may establish by duly adopted resolutions and the Sub-Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien retained herein against the property by means of nonjudicial foreclosure in compliance with applicable Texas law. No Owner may waive or otherwise escape liability for the Sub-Association Assessments provided for by non-use of the Front Yard portion of his Lot or any other Common Properties, or by abandonment of his property.

2.7 SUBORDINATED LIEN TO SECURE PAYMENT. To secure the payment of the Sub-Association Assessment established hereby and to be levied on individual Lots as above provided, there is hereby reserved a lien for the benefit of the Sub-Association, said lien to be enforceable through appropriate proceedings at law or in equity by such beneficiary; provided, however, that each such lien shall be specifically made secondary, subordinate and inferior to all liens, present and future, given, granted, and created by or at the request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Lot; and further provided that as a condition precedent to any proceeding to enforce such lien upon any Lot upon which there is an outstanding valid and subsisting first mortgage lien, said beneficiary shall give the holder of such first mortgage sixty (60) days written notice of such proposed action, such notice, which shall be sent to the nearest office of the lienholder by prepaid U.S. registered mail, to contain the statement of the delinquent maintenance charges upon which the proposed action is based. Upon the request of any such first mortgage lienholder, the beneficiary shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular property covered by such first mortgage lien to holder thereof. Sale or transfer of a Lot shall not affect the Sub-Association Assessment lien. However, the sale or transfer

of any Lot pursuant to mortgage foreclosure shall extinguish the lien as to payments that became due prior to such sale or transfer. No sale, foreclosure or transfer shall relieve such Lot from liability for any Sub-Association Assessments thereafter becoming due or from the lien thereof. The Sub-Association shall have the right to file notices of liens in favor of such Sub-Association in the Official Records of Denton County, Texas.

2.8 VOTING RIGHTS. The Sub-Association shall have two classes of voting membership.

(a) Class A. Class A Members shall be all Owners with the exception of Declarant (until the time of conversion as described in Subsection 2.8(b) below). Each Class A member shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members, but the vote for such Lot shall be exercised as they among themselves determine, and 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 who shall be entitled to six (6) votes for each Lot owned by it. The Class B membership shall cease and be converted to Class A membership one hundred twenty (120) days after the conveyance by Declarant to Owners of ninety percent (90%) of the Lots located within the Property. Class B membership shall be reinstated at any time before the expiration of twenty (20) years from the date of conveyance of the first Lot if additional Lots owned by the Declarant are annexed to the Property subject to this Supplemental Declaration in sufficient numbers to restore a ratio of at least one Class B Lot for each three Class A Lots in the Property.

(c) All voting rights of any Owner shall be suspended during any period in which such Owner is delinquent in the payment of any Sub-Association Assessment duly established pursuant to this Article or is otherwise in default hereunder or under the By-Laws or rules and regulations of the Sub-Association and such suspension shall apply to the proxy authority of the voting representative, if any.

(d) Notwithstanding any other provision of this Supplemental Declaration or the By-Laws, for so long as Declarant owns any real property in Bridlewood, no action shall be taken or adopted by the Sub-Association which would in any way affect any of the rights, privileges, powers or options of the Declarant (including, but not limited to, development of the Property or the marketing program of the Declarant) without the prior written approval of the Declarant.

(e) In the event an Owner shall lease or permit another to occupy his Residence, the tenant or occupant shall not vote in the affairs of the Sub-Association, except when the Owner shall, by prior written notice to the Sub-Association, authorize the tenant or occupant to exercise the proxy vote of the Owner. The burden of providing such written notice shall be on the Owner.

2.9 NOTICE AND QUORUM. Written notice of any meeting called for the purpose of taking any action authorized herein shall be sent to all Members, or delivered to their Residences, not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At any such meeting called, the presence of Members or of proxies or voting representatives entitled to cast ten percent (10%) of all the votes outstanding shall constitute a quorum. If the required quorum is not present, another meeting may be called immediately and without the necessity for further notice, and at such subsequent meeting the quorum requirement shall be waived, and action may be taken by a vote of a majority of those present and voting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE I: GENERAL POWERS AND DUTIES OF THE BOARD

3.1 PURPOSE OF SUB-ASSOCIATION OPERATING FUND. The Board, for the benefit of the Owners, shall provide and shall pay out of the operating Sub-Association Operating Fund provided for in Section 2.4 above such sums as are necessary for the activities and operations of the Sub-Association, including but not limited to the following:

- (a) Care and preservation of the Common Properties including, without limitation, the activities described in Article II, Section 2.4(b) of this Supplemental Declaration.
- (b) The services of a professional person or management firm (which may be the Declarant or an affiliate of the Declarant) to manage the Sub-Association to the extent deemed advisable by the Board (provided that any contract for management of the Sub-Association shall be terminable by the Sub-Association, with no penalty upon ninety (90) days prior written notice to the management party), and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Sub-Association and the care and upkeep of the Common Properties, whether such personnel are employed directly by the Board or by the manager.
- (c) Legal and accounting services.
- (d) Services of a security company.
- (e) A policy or policies of insurance insuring the Sub-Association against any liability to the public or to the Owners (and/or invitee or tenants) incident to the operation of the Sub-Association, including, without limitation, maintenance of the Common Properties, in any amount or amounts as determined by the Board.
- (f) Workers compensation insurance to the extent necessary to comply with any applicable laws.
- (g) Such fidelity bonds as may be required by the By-Laws or as the Board may determine to be advisable.

(h) Any other materials, supplies, insurance, labor, services, landscaping, plants and materials, street cleaning equipment, maintenance, repairs, or assessments which the Board is required to obtain or pay for pursuant to the terms of this Supplemental Declaration or by law or which in its opinion shall be necessary or proper to enable the Board to carry out its duties pursuant to this Supplemental Declaration.

3.2 SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual Assessments authorized by Section 2.4 above, the Association may levy in any Supplemental Sub-Association year a Special Assessment (herein so called), applicable to that year only, for the purpose of defraying, in whole or in part, any unanticipated cost or expense related to the Common Properties or for the cost of any construction or reconstruction, unexecuted repair or replacement, of a described capital improvement, including the necessary fixtures and personal property related to the Common Properties, PROVIDED THAT any such Special Assessment for capital improvements shall have the assent of the Sub-Association Members entitled to cast two-thirds (2/3) of the votes of the members of the Sub-Association entitled to vote who either (i) are voting in person or by proxy at a meeting duly called for this purpose, as provided in Section 2.8, or (ii) execute a written consent in lieu of a meeting for such purpose.

3.3 POWERS AND DUTIES OF THE BOARD. The Board, for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the By-Laws of the Sub-Association:

(a) To borrow funds to pay costs of carrying out the duties of the Board secured by assignment or pledges of right against delinquent Owners if the Board sees fit.

(b) To enter into contracts, maintain one or more bank accounts, and generally to have all the powers necessary or incidental to the operation and management of the Sub-Association.

(c) To protect or defend from loss or damage by suit or otherwise and to provide adequate reserves for replacement of common areas and the facilities located therein.

(d) To make reasonable rules and regulations for the use and protection of the Common Properties and to amend them from time to time as necessary.

(e) To make available for inspection by Owners within one hundred twenty (120) days after the end of each year an annual report and to make all books and records of the Sub-Association available for inspection by Owners at reasonable times and intervals and upon advance written notice of not less than twenty-four (24) hours.

(f) To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property of the Sub-Association, and if proceeds are insufficient to repair

damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

(g) To enforce the provisions of any rules made hereunder whether by assessment of fines, suspension of privileges or by such other action as is allowed by law, including but not limited to the right to enjoin and seek damages from any Owner for violation of such provisions or rules.

(h) To provide for collection of all Sub-Association Assessments and enforce all penalties for late payment, including the imposition of fees to be established by the Board, and for non-payment, including the filing of liens and institution of legal proceedings.

(i) To establish such committees, task forces, or other groups as the Board may deem advisable.

3.4 BOARD POWERS EXCLUSIVE. The Board shall have the exclusive right to contract for all goods, services and insurance, payment of which is to be made from the Sub-Association Operating Fund, and the exclusive right and obligation to perform the functions of the Board except as otherwise provided herein.

3.5 MAINTENANCE CONTRACTS. The Board, on behalf of the Sub-Association, shall have full power and authority to contract with the Declarant or any Owner or other person or entity for the performance of services, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Sub-Association.

ARTICLE IV: CONSTRUCTION AND USE REQUIREMENTS

4.1 LAND USE AND BUILDING TYPE. No Lot shall be used except for construction and occupancy of a Residence as a single family dwelling in compliance with the zoning regulations of the Town of Flower Mound ("Town") governing single-family use. No building shall be placed or permitted to remain on any Lot except new construction and then only after approval of the ARC Committee, provided, however, the Declarant shall be exempt from the control and jurisdiction of the Committee.

4.2 RESIDENCE SIZE. The floor area of the main residential structure on any Lot, exclusive of garages and open porches, shall be not less than 4,000 square feet.

4.3 PROPERTY MAINTENANCE. During construction the site shall be kept clean and free of trash or debris. No brush or tree limbs shall be pushed onto adjacent Lots. A trash container shall be placed on each Residence construction site to handle lightweight materials, packaging, and other debris that might blow onto other Lots or any of the Common Properties. Builders shall cause each Residence site under construction to be cleared of trash on a regular basis, not less than weekly.

Builders violating these requirements may be subject to fees established and enforced by the Sub-Association.

4.4 TRANSPORT VEHICLES. Trucks with tonnage in excess of three-quarters (3/4) of a ton shall not be permitted to park on the streets, driveways or Lots overnight. Pickup campers, trailers, trailer campers, flatbeds and boats or watercraft of any kind shall be kept behind the front line of the house and not be visible from the street or over a fence of 6' in height.

4.5 GARAGES. Each Residence shall provide garage space for at least two conventional automobiles. It is intended that entry to all garages, whether attached or detached, shall be from the side or rear (with corner Lots having rear entry garages). The Committee shall have the authority to approve, in writing, exceptions to the above rules in regard to the entry to garages.

4.6 EXTERIOR MATERIALS. Each Residence shall have at least eighty percent (80%) masonry on the first and second floor (excluding window and door surfaces). All surfaces of each Residence, whether first or second floor, that can reasonably be brick, shall be brick. All chimneys shall be brick or masonry in appearance to match the masonry appearance of the home.

4.7 DRIVEWAYS AND CIRCULAR DRIVES. All driveways are to be constructed of concrete. All driveways must be completed prior to the occupancy of the Residence. Driveway material shall be noted on the plans that are submitted to the Committee for approval and conform to the design guidelines.

4.8 ANTENNAE. All antennae (including radio or television transmitting or receiving) shall be installed so that no antennae are visible from the street. All satellite dish antennae larger than one meter in diameter must be approved by the Committee as to style, size and location on Lot. All satellite dish antennae, regardless of size, shall be painted and screened as required by the guidelines established by the Committee, and shall be located so as to minimize visual intrusion onto adjoining Lots, any of the Common Properties, any Common Area (as defined in the Master Declaration) or public streets.

4.9 CONSTRUCTION TIME LIMIT. All permitted improvements to be constructed on any Lot, including driveways, shall be completed within a period of twelve (12) months from the date of commencement.

4.10 EASEMENTS. Easements for installation and maintenance of utilities and drainage are reserved as shown on the plat of The Reserve at Bridlewood. Declarant and the Sub-Association may grant additional easements as permitted, respectively, by the Master Declaration or this Supplemental Declaration.

4.11 ANIMALS. No animals, horses, livestock or poultry of any kind shall be raised or kept or bred on any Lot except that dogs, cats and other standard household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose.

4.12 FENCES. All front, side and rear yard perimeter fencing on all Golf Course Lots (including any fence returns connecting a perimeter fence to the exterior of the Residence) shall be wrought iron fencing; provided, however, any fence abutting a non-Golf Course Lot may comply with the requirements of Exhibit "C" attached hereto and incorporated herein on such abutting property line. All Golf Course Lot fences that directly abut any portion of the golf course shall comply with the golf course fence design criteria shown on Exhibit "C-1" attached hereto and incorporated herein. No gates of any kind are allowed to be placed in fences that abut golf course property. All fencing on Lots other than Golf Course Lots shall be designed, constructed and installed in compliance with the standard residential design criteria shown on Exhibit "C"; provided however all side yard fencing facing any street on Lots 1, 5, 6, and 10 of Block 34, Lot 1 of Block 31, Lots 10, 11, 18 and 19 of Block 32, and Lots 4, 5, 17 and 18 of Block 33 shall be wrought iron as required on the golf course, with landscaping shrubs of five (5) gallons placed no greater than 4' intervals. Any Lot that is not a Golf Course Lot but which abuts a Golf Course Lot along any of its side or rear property lines shall comply with the fencing requirements shown on Exhibit "C-1". Side yard fences, and any fence return connecting a side yard fence to the exterior facade of the Residence on the Lot, may not extend closer to the street than the portion of the front facade of such Residence that is closest to the side yard property line. (If the front facade of the Residence extends closer to the street on one side of the Lot, the side yard fence on that side may be correspondingly longer.) Landscaping should be used as a screen between adjacent Golf Course Lots as necessary and as a screen on the outside of any fence facing any street with plant/shrub material of at least five (5) gallons and not less than 4' intervals. All proposed fencing shall be drawn on the site plan and submitted, in duplicate, to the Committee and shall be subject to the review and approval of the Committee with respect to materials, locations, height and style. No fence shall be taller than six (6) feet in height at any point. No fence shall be permitted in front of any Residence, except as the Committee may approve in writing. No golf nets or similar barriers shall be constructed, installed, placed or located on any Lot. Any variance with respect to the provisions of this Section 5.12 will be permitted only with the prior written consent of the Committee.

4.13 ROOF MATERIAL. All side to side roof pitches shall be a minimum of 8/12 and shall be composed of a composition shingle of the irregular cut like "Timberline", with no square tab allowed. Clay or concrete tile may be permitted; subject to review and approval by the Committee prior to commencement of construction.

4.14 MAILBOXES. All mailboxes shall be of the style approved for use by the Committee as shown on Exhibit "D" attached hereto and incorporated herein.

4.15 PROHIBITED IMPROVEMENTS. No structure of a temporary character, trailer, mobile home, basement, tent, shack, garage or other outbuilding shall be used on any Lot or on the Property at any time as a dwelling unit, provided, however, that Declarant and any other person or entity engaged in the construction may, during the construction and sales period, construct and maintain such facilities as may be reasonably necessary or convenient for such construction and sale, including, but not limited to, signs, offices, and storage areas. Any such construction or sales facilities shall not be placed or constructed on the Property unless first reviewed and approved by the Committee.

4.16 LANDSCAPING AND YARDS. All front, and side and rear yards shall be served by a complete, functioning automatic sprinkler system. All front, rear and side yards shall initially be planted with grass by using sod. In addition, each builder shall install in the front yard landscaping having a value of at least \$5,000. Such landscaping shall include (i) at least three (3) 15" trees having a minimum caliper of two and one half inches (2 ½"); and (ii) shrubbery and annual flowers (including edging and bark). The outside of all fencing facing any street shall be planted with shrubbery of at least five (5) gallons in size and at intervals not greater than every four (4) feet along the entire fence. In addition to the foregoing requirements, the rear yards of all Golf Course Lots shall be planted with landscaping having a minimum value of \$5,000, which shall include (i) at least two 12" trees having a minimum caliper of three inches (3"), and (ii) all rear or side yard slab edges of Golf Course Lot Residences which are visible from the golf course property shall be screened with a variety of shrubbery. All Golf Course Lot fences directly abutting the golf course property shall be screened with shrubbery covering a minimum of thirty percent (30%) of the length of such fence. Approved varieties of landscape plants are described on Exhibit "E" attached hereto and incorporated herein. No Residence shall be delivered to any purchaser without complying with these landscaping requirements prior to closing; provided, however, on wooded Lots having sufficient mature trees to comply with the foregoing minimum tree size requirements, the Committee may grant a variance from the required new tree plantings.

4.17 SIGNS. No signs of any kind or character shall be allowed on any Lot except one sign of not more than six (6) square feet advertising the property for sale or rent.

4.18 TRASH CONTAINERS. All garbage, trash, and recycling materials shall be placed in containers approved by the Town. No such containers may be placed in the front yard or curb area of any Residence more than twelve (12) hours prior to the scheduled pick-up. All such containers must be removed from the front yard or curb area within twelve (12) hours following pick-up of their contents. All trash containers shall be stored within the garage or behind a six-foot high fence so that no such container is visible from the front yard of any other Lot except during the curb pick-up times permitted by this Section 5.18.

ARTICLE V: STREETS AND EASEMENTS

5.1 PRIVATE STREET. The Streets situated and to be situated within the Common Properties are and shall be private streets and sidewalks that have not been dedicated to, and are not owned by, the Town of Flower Mound (the "Town"). The following special provisions are applicable to the Streets:

(a) All Streets situated from time to time within the Common Properties shall be owned by the Sub-Association; provided, however, that neither the Declarant nor the Sub-Association makes any commitment nor shall either be under any obligation whatsoever to assure that the Streets will at all times remain private. Declarant and the Sub-Association expressly reserve the right at any time or from time to time to dedicate all or any portion of the Streets to the Town, and the Streets shall at all times be subject to the lawful exercise by the Town of its police powers.

(b) The Sub-Association shall, and has the sole responsibility to, maintain the Streets in a condition not less than the minimum standards required for public streets and in the Town, and the Sub-Association shall make all repairs to the Streets deemed reasonably necessary by the Town from time to time to insure emergency access. The Town, so long as the Streets are private and owned by the Sub-Association, shall have no obligation or right to maintain the Streets or to provide any street cleaning services. All costs and expenses incurred by the Sub-Association in maintaining the Streets shall be paid from the Sub-Association Operating Fund provided in Section 2.4(b) hereof.

(c) The Sub-Association shall, as part of the Sub-Association Operating Fund, establish and maintain a street reserve fund (the "Street Reserve Fund") to pay future extraordinary maintenance costs of the Streets, which Street Reserve Fund shall be maintained with a portion of the Sub-assessments collected by the Sub-Association. The amount of the Sub-assessments allocable to the Street Reserve Fund shall be as determined from time to time by a Reserve study.

(d) Non-exclusive easements are hereby reserved for the benefit of, and granted to, the Town, all providers of utility services within the Common Properties, and all other governmental services of the Common Properties (including without limitation the U.S. Postal Service), to enter into and use the Streets for the provision of all governmental and utility services necessary and/or required for the benefit of the Owners in the proper exercise of governmental functions and the providing of utility services, including without limitation, the right in the Town to remove any vehicle or obstacle from the Streets that impairs emergency access.

(e) Utilities serving the Common Properties shall be installed only in the Streets or in designated utility easement(s) as shown on the recorded plat for The Reserve (the "Plat") (except for individual utility connections from the common utility lines to improvements constructed on a Lot).

(f) The Plat shall contain a dedication to the Town and to all public utility entities providing utility service to the Common Properties of the right to use the Streets to construct, install, maintain, operate, inspect, remove and reconstruct the facilities, equipment and systems that serve the Common Properties, but the Town and such utility companies shall repair any damage to the pavement or other improvements on the Streets resulting from any such installation, maintenance, reconstruction or such other work.

(g) If the Sub-Association maintains mechanism(s) to control access to the Streets, the Sub-Association shall maintain such mechanism(s) in good operating condition so as to allow twenty-four (24) hour access to the Streets by the Town and the providers of utility services to the Common Properties.

(h) Declarant or the Owners of at least fifty-one percent (51%) of the Lots plus Declarant (for so long as Declarant owns at least one (1) Lot) shall have the right, at any time upon not less than sixty (60) days' prior written notice given to Declarant and the Sub-Association, to request the Town to accept dedication of all (but not less than all) of the Streets to the Town as public streets.

5.2 LIMITED ACCESS SYSTEM. Declarant will install a mechanical system that limits vehicular access to the Streets from public streets (the "System"). By accepting a deed to a Lot, each Owner acknowledges the following:

(a) The Board will have the sole authority, in the Board's sole and exclusive discretion, to determine when the System will become operational.

(b) Neither Declarant nor the Sub-Association shall be responsible for providing security to the Owners or their family members, guests, invitees or their property. The purpose of the System will be to provide some degree of restriction of vehicular access onto the Streets. Neither Declarant, the Sub-Association nor any Owner guarantees or assures to any other Owner or any other party whomsoever that the System will in any manner whatsoever provide personal protection or security to any Owner, such Owner's personal possessions or members, guests or invitees, or to any other person, and each Owner assumes the entire risk as between such Owner and Declarant or the Sub-Association of any loss or damage to persons or property within the Common Properties arising from any deficiency, failure or defect in the System or otherwise.

(c) The Town will have access to the Property for law enforcement purposes. Each Owner shall look solely to the Town for the provision of law enforcement and police protection; provided, however, the Town police will not make routine patrols, enforce traffic or parking ordinances or prepare accident reports in the Property.

(d) The System is not intended to replace or to serve in lieu of individual alarm systems or other measures to provide security at a residence or within any Lot or Lots. Each

Owner is encouraged to install personal security devices upon and within such Owner's Residence to the same extent that would be prudent if the System did not exist.

(e) The System will be installed based upon the representations of vendors regarding the operational and performance capabilities of the components of the System. DECLARANT DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, AND DECLARANT MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY NATURE WHATSOEVER REGARDING THE SYSTEM, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR THE PURPOSE OF WHICH IT WAS DESIGNED. Declarant does not expressly or impliedly guarantee that the System will avert or prevent occurrences or consequences which the System is designed to avert or prevent.

(f) The System will be owned by the Sub-Association. Operation of the System shall be the responsibility of the Sub-Association. Declarant shall not be required to operate or maintain the System. The costs of operation and maintenance of the System will be paid by the Owners through Sub-assessments.

(g) Each residence constructed on a Lot must be connected into the System, and each Owner is responsible for using the System in the proper manner and within the rules and regulations relating thereto as may be adopted from time to time by the Sub-Association.

5.3 EASEMENT RESERVED FOR THE SUB-ASSOCIATION. Full rights of ingress and egress shall be had by the Sub-Association at all times over and upon each Lot and the Common Properties for the carrying out by the Sub-Association of its rights, functions, duties and obligations hereunder; provided, that any such entry by the Sub-Association upon any Lot shall be made with as minimum inconvenience to the Owner as practical, and any damage caused thereby shall be repaired by the Sub-Association at the expense of the Sub-Association Operating Fund.

ARTICLE VI: ARCHITECTURAL REVIEW COMMITTEE

6.1 COMMITTEE ESTABLISHED. The Architectural Review Committee for The Reserve shall be the Architectural Review Committee established for Bridlewood by the Master Declaration.

(a) Committee established. There is established the Architectural Review committee for Bridlewood, herein called the "Committee." The Committee is composed of three (3) individuals selected and appointed by Declarant until such time as Declarant no longer holds Class B membership in the Association, after which time members of the Committee shall be appointed by the Board. Each member by the Committee shall be appointed for a term of three (3) years and may be reappointed. The members shall appoint a chairman from their number. Each member shall be generally familiar with residential and community development design matters and knowledgeable about the Declarant's concern for a high level of taste and design standards within the Property. The Committee shall use

its best efforts to promote and ensure a high level of aesthetic quality, design, quality of materials, harmony, and conformity throughout the Property.

(b) Successor member. In the event of the death or resignation of any member of the Committee, Declarant shall appoint a successor until such time as the Declarant no longer holds Class B membership as described in the Master Declaration, after which time the remaining members shall have full authority to designate and appoint a successor for the remainder of the term.

(c) Indemnification. Neither Declarant, the Association, the Committee, nor employees, officers, directors and agents of any of them, shall be liable for any claim, cause of action or damages to anyone submitting plats or plans and specifications to any of them for approval, or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications or any other action of failure to act by the Committee or its employees, officers, directors or agents, except in the event of gross negligence or willful misconduct by a member of the Committee. Every person who submits plans or specifications, and every Owner of any of said property agrees that he will not bring any action or suit against Declarant, the Committee, or officers, directors, employees and agents of any of them, to recover any such damages and hereby releases, remises, and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

(d) Delegation of duties. The Committee may from time to time, by the vote or written consent of a majority of its members, delegate any of its rights or responsibilities hereunder to one or more duly licensed architects or other qualified persons or subcommittees which shall have full authority to act on behalf of said Committee in all matters delegated.

6.2 SCOPE OF COMMITTEE REVIEW

(a) Improvements subject to review. No building, fence, wall, or other structure or improvement, including without limitation, swimming pools or spas and related facilities (all of the foregoing being hereinafter collectively referred to as "Improvements"), shall be commenced, erected, or maintained within the Reserve, nor shall any exterior addition to, or change or alteration therein, be made until the plans showing nature, kind, shape, height, materials and location of the Improvements shall have been submitted to, and approved in writing by the Committee as being (i) in compliance with all use and design criteria set forth in the Master Declaration and in this Supplemental Declaration for the neighborhood in which the improvement is to be located and (ii) exhibiting harmony of external design and location in relation to surrounding structures and topography.

(b) Submission of plans. Final plans for any Residence or other Improvements to be constructed, erected or located on any Lot in The Reserve shall be submitted, in duplicate, by each Owner or the Owner's representative, to the Committee for approval or disapproval. The Committee is authorized to request the submission of samples of proposed construction materials. If the plans are approved by the Committee, one complete set of plans will be retained by the Committee and the other set will be marked approved and returned to the Owner or his representative. If the plans are found not to be in compliance with these covenants, conditions and restrictions, one set of the plans will be returned marked "disapproved" and accompanied by a reasonable statement of items found not to comply with these covenants, conditions and restrictions.

6.3 COMMITTEE PROCEDURES

(a) Guidelines. Attached hereto as Exhibit "A" are the initial Design Guidelines for the Property, including procedures governing submission of plans, construction matters, design features and other procedures. The Committee may, from time to time, amend or supplement such Design Guidelines so long as they shall not be inconsistent with this Supplement Declaration. Such Design Guidelines shall be explanatory and illustrative of the provisions hereof and the general intent of the development of the Property and are intended as a guide to assist Owners and their representatives in reviewing plats or plans and specifications. The submission guidelines shall specify such matters as the scale of drawings submitted to the Committee and the information that shall be included in the plans and specifications submitted to the Committee for approval.

The provisions of the Design Guidelines shall be entirely subordinate to the general requirements of harmonization, conformity, and quality of design and materials as are set forth in Section 6.1(a) hereof. Accordingly, the conformance of plans to provisions of the Design Guidelines shall not, ipso facto, require approval thereof by the Committee acting in the exercise of its sound and reasonable discretion. The Committee determinations and decisions as to matters of harmonization of construction, design, quality, and conformity shall be made under principles of general applicability, provided that such general applicability may address harmonization and conformity in terms of immediate surroundings or portions, rather than the entirety, of the Property. So long as the Committee shall act in good faith and without bias with respect to any particular Owner, the exercise by the Committee of its discretionary authority shall not be subject to reversal by the Board of Directors and shall be determinative as to all matters within its mandate as hereinabove set forth.

(b) Committee Action. The Committee's approval or disapproval as required in these covenants, conditions and restrictions shall be in writing. In the event the Committee fails to approve or disapprove within thirty (30) days after the plans have been submitted to it, approval will not be required and the related covenants, conditions and restrictions shall be deemed to have been fully complied with.

(c) Variances. Upon submission of a written request for same and a showing that the granting of such request shall not be contrary to the Committee's mandate to promote the high level of aesthetic quality, design, conformity, quality of materials, and harmony throughout the Property as required by Section 6.1 hereof, the Committee may, from time to time, in its discretion, permit Owners to construct, erect, or install Improvements which are in variance from the covenants and restrictions or architectural standards which are provided in this Master Declaration, the applicable Supplemental Declaration or which may be promulgated in the future, provided written requests for variances shall be deemed to be disapproved if the Committee has not, expressly and in writing, approved such request within thirty (30) days of the submission of such request. No member of the Committee shall be liable to any Owner for any claims, causes of action, or damages arising out of the grant of a variance to any Owner shall not constitute a waiver of the Committee's right to strictly enforce the covenants, restrictions and architectural standards provided hereunder, against any other Owner.

(d) Non-conforming Improvements. The committee may require any Owner to restore such Owner's Improvements to the condition existing prior to the construction thereof (including, without limitation, the demolition and removal of any unapproved Improvement) if such Improvements were commenced or constructed in violation of this Master Declaration or any applicable Supplemental Declaration. In addition, the Committee may, after written notice to an Owner and the expiration of thirty (30) day cure period, but has no obligation to do so, carry out such restoration, demolition and removal and recover the amount of the cost thereof from the Owner of the Lot upon which such Improvements were commenced or constructed."

(e) Common Maintenance Areas. The Association is hereby granted a license to enter upon those portions of the Lots that are located outside of the rear yard fenced lot area.

All Lots located in The Reserve and any and all Residences or other Improvements located thereon shall be subject to the architectural requirements, design criteria, and other aesthetic standards set forth in this Supplemental Declaration and the Master Declaration and as established by the Committee with respect to the entire Bridlewood development along with additional standards set forth specifically for The Reserve neighborhood as follows.

ARTICLE VII: PROHIBITED ACTIVITIES

7.1 OIL DEVELOPMENT PROHIBITED. No oil well drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted on any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted on any Lot. No derrick or other structure designed to use in boring for oil, natural gas or other minerals shall be erected, maintained or permitted on any Lot.

7.2 WASTE. No Lot or part of any Lot shall be used or maintained as a dumping ground for rubbish, trash or garbage. Waste of any nature shall not be kept on any Lot except in sanitary containers not exposed to the public view, and only temporarily pending pick up, which shall be on a regularly scheduled basis, no less often than weekly. Any incinerators or other equipment used for the storage or other disposal of waste material shall be kept in a clean and sanitary condition.

7.3 STORAGE OF MATERIALS. No articles, goods or materials of any kind or character shall be kept or stored in the open or exposed to public view. All storage areas shall be placed so as to conform with any building line restrictions established by the Committee.

7.4 NUISANCES. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance to the neighborhood.

ARTICLE VIII: REQUIRED ACTIVITIES

8.1 HOMEOWNERS ASSOCIATION. The Declarant and every other Owner, including any successive buyer(s) of a Lot, or Lots, in The Reserve shall, upon purchase of a Lot, automatically and mandatorily become a Member of the Bridlewood Homeowner's Association established by the Master Declaration as well as a member of The Reserve Homeowners Association, Inc.

8.2 SAFE CONDITIONS AND COMPLIANCE WITH REGULATIONS. All Owners shall at all times keep their Lots in a safe, clean, wholesome condition and shall comply in all respects with all government, health, fire and police requirements and regulations; and said Owners shall remove at their own expense any rubbish of any character whatsoever which may accumulate on their Lots. This includes the maintenance of all grassed and landscaped areas. Bridlewood Golf Club is to maintain the grounds, up to the property line, of all golf course rear lots.

ARTICLE IX: GENERAL PROVISIONS

9.1 ENFORCEMENT. The Declarant, the Master Association, the Sub-Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, and reservations now or hereafter imposed by the provisions of this Supplemental Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Master Association and the Sub-Association shall use reasonable business judgment in carrying out their duties and enforcement under this Supplemental Declaration.

9.2 REMEDIES. In the event of any default by any Owner under the provisions of the Supplemental Declaration, By-Laws or rules and regulations of the Sub-Association, the Declarant, the Master Association, the Sub-Association or any Owner shall have each and all of the rights and remedies set forth below in carrying out their respective enforcement rights as described in Section .1 hereof. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. All expenses of the Declarant, the Sub-Association or the Master Association in connection with any such actions or proceedings, including court costs and attorney's fees or other fees and expenses, and all damages permitted by law, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of respective Sub-Association or Master Association Assessment (to the same extent as the lien provided herein for unpaid assessments), upon the Lot and upon all of his additions and improvements thereto, and upon all of his personal property upon the Lot. Any and all of the following rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise.

(a) Any and all rights and remedies which may be provided for in this Supplemental Declaration, the By-Laws and said rules and regulations, and those which may be available at law or in equity, including prosecution of any action or other proceedings against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including non-judicial foreclosure of such lien and the appointment of a receiver for the Lot and ownership interest of such Owner, or for damages or injunction, or specific performance, or for judgment, for the payment of the money and collection thereof, or for any combination of the remedies, or for any other relief.

(b) In the event an Owner shall fail to comply with any or all of the terms of this covenant, then the Sub-Association or the Master Association shall have the right, privilege and license to enter upon the Lot in question without liability for any manner of trespass and make any and all corrections or improvements that may be necessary to meet the terms of this covenant and to charge such Owner the expenses incurred in doing so, including all damages, costs and attorney's fees incurred in connection therewith and in the event such Owner fails to pay all such expenses, damages, costs and fees, the Sub-Association or Master Association, as applicable, may place a lien upon the Lot in question to secure such payment.

(c) Except during any time period in which a ban on watering of yards has been imposed by the Town, the Sub-Association may establish a fine to be assessed daily against any Owner failing to provide sufficient watering of the Front Yard to allow for healthy landscaping and lawn growth.

9.3 SEVERABILITY. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provision, and all other provisions shall remain in full force and effect.

9.4 DURATION AND AMENDMENT. The covenants, conditions and restrictions of this Supplemental Declaration shall run with and bind the land, and shall inure to the benefit of and

be enforceable by, the Declarant or the Owner of any Lot subject to this Supplemental Declaration, and their respective legal representatives, heirs, successors, and assigns and shall be effective for a term of twenty-five (25) years from the date this Supplemental Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of twenty-five (25) years. For so long as Declarant owns an interest in any Lot which is subject to this Supplemental Declaration, it shall have the authority to amend this Supplemental Declaration at its sole discretion, with the prior written consent of the Town with respect to any such amendment affecting the use, operation or maintenance of the Common Properties. Additionally, this Supplemental Declaration may be amended or, after expiration of the initial twenty-five (25) year term, terminated by an instrument signed by not less than eighty-seven percent (87%) of the Lot Owners in The Reserve; provided however, (i) any amendment affecting the use, operation or maintenance of the Common Properties or (ii) any termination of the Sub-Association shall be effective only upon the prior written consent of the Town; and, further provided, no such amendment affecting any rights, privileges, powers or options of Declarant shall be effective unless Declarant joins in the adoption and execution thereof.

No amendment of this Supplemental Declaration shall be effective until recorded in the records of Denton County, Texas, nor until the approval of any governmental regulatory body that is required shall have been obtained. The Sub-Association may be dissolved only upon the prior written consent of the Town.

9.5 CONFLICTS. In the event of any conflict between the terms of this Supplemental Declaration and the terms of the Master Declaration, the terms of the Master Declaration shall control.

9.6 NOTIFICATION TO LENDERS.

(a) Upon the request and the providing of an address for notice of an institutional lender holding a first mortgage lien on a Residence on a Lot, the Sub-Association shall provide notice of the following actions: (i) abandonment or termination of the Sub-Association; or (ii) material amendment to this Supplemental Declaration. As used herein, the term "institutional lender" shall mean a state or federally chartered savings bank, savings and loan association, commercial bank or trust company, an insurance company, a mortgage banking company, a commercial finance company, a college or university, a welfare, pension or retirement fund or system of a state or municipality or of a corporation or other entity whose shares are listed on the New York Stock Exchange or NASDAQ or any other nationally recognized stock exchange, or a real estate investment trust or other entity, any of which is at the time applicable hereto regularly involved in the business of making mortgage loans and is authorized to do business in Texas.

(b) Upon the request and the providing of an address for notice of any first mortgagee of a Residence on a Lot, the Sub-Association shall furnish to such mortgagee a written notice of any default by the Owner of such Residence in the performance of such Owner's obligations under this Supplemental Declaration or the By-Laws or Sub-Association

rules and regulations which is not cured within thirty (30) days. Any first mortgagee of a Residence who comes into possession of such Residence pursuant to the remedies provided in the mortgage, a foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall take such property free of any claims for unpaid Sub-Assessments or charges in favor of the Sub-Association against the mortgaged Residence which accrued prior to the time such holder comes into possession of the Residence but such holder shall be responsible for all Sub-Association Assessments which become due and payable during such holder's possession of the Residence. Any unpaid Sub-Association Assessment at the time of such foreclosure or deed (or assignment) in lieu thereof shall remain a personal obligation of the Owner at the time of such foreclosure or deed (or assignment) in lieu thereof.

9.7 HEADINGS. The headings contained in this Supplemental Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Supplemental Declaration.

9.8 GENDER, PLURALS. All personal pronouns used in this Supplemental Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa

9.9 FAILURE OF SUB-ASSOCIATION TO PERFORM DUTIES. Should the Sub-Association fail to carry out its duties as specified in this Supplemental Declaration, or should the Master Association fail to perform its obligations as provided in this Declaration, the Town or its lawful agents shall have the right and ability, after due notice to the applicable association, to take the following actions: to remove any landscape systems, features or elements that cease to be maintained by the applicable association; to perform the responsibilities of the applicable association if such association fails to do so in compliance with any of the provisions of the agreements, covenants, conditions or restrictions hereof or of any applicable Town codes or regulations; to assess the applicable association for all costs incurred by the Town in performing said responsibilities if such 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 applicable 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 applicable association or from the Town's performance of the aforementioned operations, maintenance or supervision responsibilities of the applicable association due to such association's failure to perform said responsibilities.

9.10 TERMINATION OF PRIOR SUPPLEMENTAL DECLARATION. The Prior Supplemental Declaration is hereby terminated and replaced in its entirety by this Amended and Restated Supplemental Declaration executed by the said Declarant, this 27th day of December 2000.

BRIDLEWOOD, LTD.,
a Texas limited partnership

BY: BRIDLEWOOD I, INC.,
a Texas corporation,
its General Partner

By: WPT/BARLAS JOINT VENTURE,
its authorized manager and representative

By: *Marc A. Footlik*
Marc A. Footlik, authorized signatory
4000 W. Windsor Drive
Flower Mound, Texas 75028

THE STATE OF TEXAS
COUNTY OF DENTON

Before me the undersigned authority, on this day personally appeared MARC A. FOOTLIK, authorized signatory of WPT/BARLAS JOINT VENTURE, the authorized manager and representative of BRIDLEWOOD I, INC., the general partner of BRIDLEWOOD, LTD., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act for the purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this th 20 day of December 2000.

Kathleen Craig-Silvia
Notary Public in and for
State of Texas

My Commission Expires:

11-1-2003

