

AFTER RECORDING, PLEASE RETURN TO:

Judd A. Austin, Jr.
Henry Oddo Austin & Fletcher, P.C.
1700 Pacific Avenue
Suite 2700
Dallas, Texas 75201

**SECOND SUPPLEMENTAL CERTIFICATE AND MEMORANDUM
OF RECORDING OF ASSOCIATION DOCUMENTS FOR
CASTLEWOOD HOMEOWNERS' ASSOCIATION, INC.**

STATE OF TEXAS §
 §
COUNTY OF DENTON §

The undersigned, as attorney for Castlewood Homeowners' Association, Inc., for the purpose of complying with Section 202.006 of the Texas Property Code and to provide public notice of the following governing document affecting the owners of property described on Exhibit B attached hereto, hereby states that the document attached hereto is a true and correct copy of the following:

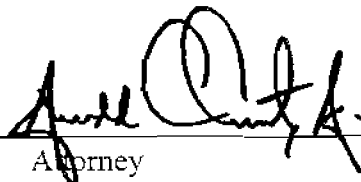
***Resolution of the Board of Directors of the Castlewood Homeowners'
Association, Inc. Adopting Fine Policy for the Castlewood Homeowners'
Association, Inc. (Exhibit "A").***

All persons or entities holding an interest in and to any portion of property described on Exhibit B attached hereto are subject to the foregoing policy until further amended by the Board of Directors.

IN WITNESS WHEREOF, Castlewood Homeowners' Association, Inc. has caused this Second Supplemental Certificate and Memorandum of Recording of Association Documents to be filed of record with the Denton County Clerk's office and supplements that certain Certificate and

Memorandum of Recording of Association Documents for Castlewood Homeowners' Association, Inc., filed on September 29, 2004 and recorded as Instrument No. 2004-127719 in the Real Property Records of Denton County, Texas, and that certain First Supplemental Certificate and Memorandum of Recording of Association Documents for Castlewood Homeowners' Association, Inc., filed on March 8, 2005, and recorded as Instrument No. 2005-26794 in the Real Property Records of Denton County, Texas.

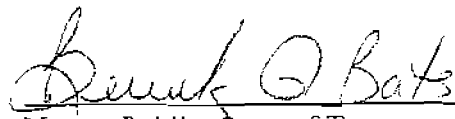
**CASTLEWOOD HOMEOWNERS'
ASSOCIATION, INC.**

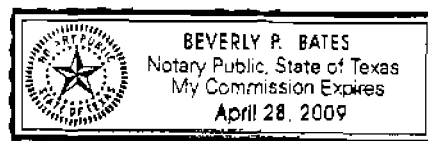
By: 
Its: Attorney

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned Notary Public, on this day personally appeared Judd A. Austin, Jr., attorney for Castlewood Homeowners' Association, Inc., known to me to be the person whose name is subscribed on the foregoing instrument and acknowledged to me that he executed the same for the purposes therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND AFFIRMED SEAL OF OFFICE on this 13th day of June, 2005.


Notary Public, State of Texas



**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CASTLEWOOD HOMEOWNERS ASSOCIATION**

WHEREAS, the Board of Directors of the Castlewood Homeowners Association, Inc. (the "Board") is the entity responsible for the operation of the Castlewood Home Owners Association, Inc. (the "Association") in accordance with and pursuant to that certain Declaration of Covenants and Restrictions for Castlewood recorded under Denton County Clerk's Index Number 97-R0044273 in the Land Records of Denton County, Texas, and any and all supplements thereof and amendments thereto (collectively, the "Declaration"); and

WHEREAS, the Board has authority pursuant to its Declaration of Covenants, Conditions and Restrictions and By-Laws (Governing Documents) to determine, in its reasonable discretion, the manner of remedy for violations of the provisions of the Governing Documents as set forth in the Declaration; and,

WHEREAS, the Board finds there is a need to establish procedures for the enforcement of the Governing Documents and for the elimination of violations which may be found to exist within the Association; and,

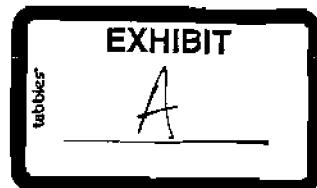
WHEREAS, a meeting of the Board was held on the 14th day of April, 2004 at Highland Village in Denton County, Texas; where a quorum of Directors was present; and

WHEREAS, the Board determined that it was in the best interest of the Association to resolve to adopt a fining policy with respect to those owners that have disregarded all other attempts to be compliant with the Declaration.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that the Board has resolved and does hereby adopt a **Fine Policy for Castlewood Home Owners Association, Inc.** as detailed in Exhibit "A".

IT IS, FURTHER, RESOLVED, that the **Fine Policy for Castlewood Home Owners Association, Inc.** shall be effective as of April 4, 2005, 2005 and shall be implemented immediately.

IT IS, FURTHER, RESOLVED, that the Association's Managing Agent shall notify all residents and owners within the Association by disseminating to all owners by U.S. Mail.



Castlewood Homeowners Association

By: Walter / Colquhoun
President

By: Cindy Richter 4/20/05
Secretary

EXHIBIT A

FINE POLICY FOR CASTLEWOOD HOMEOWNERS ASSOCIATION, INC.

1. **Notice of Violation.** Upon verification of the existence of a Violation, the management company (Management) will send the Member a written notice of the discovery of the Violation (Initial Notice). The Initial Notice will inform the recipient as follows:
 - a. The nature, description and location of the Violation; and
 - b. Notification that if the Violation is corrected within seven (7) days from the date of the Notice of Violation, no further action will be taken.; and
 - c. Notification that if the violation is not corrected within the stated seven (7) days the Owner may be fined; and,
 - d. Notice that if the Violation has already been corrected to disregard the notice.
2. **Failure to Remedy.** Failure to remedy the current violation existing upon the Lot within seven (7) days of the date of the Notice of Violation, shall constitute a continuing Violation and result in one or more of the following:
 - a. Management shall send to the Member a formal Notice of Fine informing the recipient of the continuing Violation and the remedy chosen as a result thereof. The date of the Notice of Fine shall be the "Notice of Fine Date"; and,
 - b. A fine being levied by the Association against the Member; or,
 - c. Correction of the Violation by the Association at the expense of the Member through a Special Assessment being levied against the Member, which may be recorded as a lien against the Lot; or
 - d. Any other remedy under law or at equity, the Residential Community's Governing Documents or this Policy, including but not limited to injunctive relief.
3. **Fine Structure.** Any fine imposed pursuant to this Policy shall be imposed at the rate of \$10 per day beginning to accrue no earlier than ten (10) days following the Notice of Fine Date.
4. **Hearing.** Included in the Notice of Fine will be the opportunity for the Member to request and be granted a hearing by the Board prior to any fine or Special Assessment being levied upon the Member. The Notice of Fine will allow the Member thirty (30) days to contact Management, in writing, to request a hearing upon the issue of the continuing Violation. Should the Member fail to contact Management within thirty (30) days of the Notice of Fine Date, that party will have waived its opportunity for a hearing.

- 5. Corrective Action.** Where a Violation is determined to exist and is referred to the Board, pursuant to any provision of this Policy, Management, with the approval of the majority of the Board, may undertake to cause the Violation to be corrected, removed or otherwise abated by qualified contractors if Management, in its reasonable judgment, determines the Violation may be readily corrected, removed or abated without undue expense and without breach of the peace. Where Management decides to initiate any action by qualified contractors, the following will apply:
- a. Management must give the Member and any third party directly affected by the proposed action prior written notice of undertaking of the action. The forgoing notice may be given at any time.
 - b. Cost incurred in correcting or eliminating the Violation will be referred to the Association to be recovered from the Member as a Special Assessment.
 - c. The Association, and its agents and contractors will not be liable to the Member or any third party for any damages or costs alleged to arise by virtue of action taken under this Policy where the Association and its agents have acted reasonably and in conformity with this Policy.
- 6. Referral to Legal Counsel.** Where a Violation is determined to exist and is referred to the Board of the Association pursuant to any of the provisions of this Policy and where Management deems it to be in the best interests of the Association, the Board may, at any time during the enforcement process, refer the Violation to legal counsel for action seeking injunctive relief against the Member to correct or otherwise abate the Violation, or to pursue any other legal or equitable remedy that may be available to the Association.
- 7. Notices.**
- a. Any notice required by this Policy to be given, sent, delivered or received in writing will be deemed to have been given, sent, delivered or received as of the date the notice is deposited into a receptacle of the United States Postal Service with postage prepaid and addressed to the most recent address of the recipient according to the records of the Association or the date such notice is hand delivered to the Member's home at Castlewood.
 - b. Where a representative or agent of such Member handles the interests of a Member, any notice or communication from the Association or Management pursuant to this Policy will be deemed full and effective for all purposes if given to such representative or agent.
- 8. Cure of Violation During Enforcement.** A Member may correct or eliminate a Violation at any time during the execution of any procedure prescribed by this Policy. Upon verification by Management that the Violation has been corrected or eliminated, the Violation will be deemed no longer to exist. The Member will remain liable for all costs and fines under this Policy, which costs and fines, if not paid upon demand, will be referred to the Association for collection as a Special Assessment the Declaration.

EXHIBIT B

Those lots, blocks, tracts and parcels of real property located in the City of Highland Village, Denton County, Texas more particularly described as follows:

- (i) All property subject to the Declaration of Covenants, Conditions and Restrictions for Castlewood, recorded on July 2, 1997 as Instrument No. 97-R0044273 in the Real Property Records of Denton County, Texas, including that property annexed by supplemental declarations filed as: (i) Instrument No. 97-R0044274; (ii) Instrument No. 97-R0066634; (iii) Instrument No. 98-R0118851; (iv) Instrument No. 99-R0033177; (v) Instrument No. 99-R0124933; (vi) Instrument No. 99-R0124935; (vii) Instrument No. 00-R0097901; (viii) Instrument No. 2001-R0000459; (ix) Instrument No. 2001-R0022599; and (x) Instrument No. 2001-R0022600;
- (ii) **Castlewood Section One**, an Addition to the City of Highland Village, Texas, according to the Plat thereof recorded as Document No. 97-R0018751 in Cabinet N, Page 113 of the Map Records of Denton County, Texas;
- (iii) **Castlewood Section Two - I**, an Addition to the City of Highland Village, Texas, according to the Plat thereof recorded as Document No. 98-R0018832 in Cabinet O, Page 247 of the Map Records of Denton County, Texas;
- (iv) **Castlewood Section Three - I - A**, an Addition to the City of Highland Village, Texas, according to the Plat thereof recorded as Document No. 99-R0021471 in Cabinet Q, Page 42 of the Map Records of Denton County, Texas;
- (v) **Castlewood Section Three - II - A**, an Addition to the City of Highland Village, Texas, according to the Plat thereof recorded as Document No. 99-R0050420 in Cabinet Q, Page 144 of the Map Records of Denton County, Texas;
- (vi) **Castlewood Section Three - I - B**, an Addition to the City of Highland Village, Texas, according to the Plat thereof recorded as Document No. 99-R0050421 in Cabinet Q, Page 146 of the Map Records of Denton County, Texas;
- (vii) **Castlewood Section Three - II - B**, an Addition to the City of Highland Village, Texas, according to the Plat thereof recorded as Document No. 2000-R0121466 in Cabinet S, Page 396 of the Map Records of Denton County, Texas;

- (viii) **Castlewood Section Three - I - C** , an Addition to the City of Highland Village, Texas, according to the Plat thereof recorded as Document No. 2000-R0121465 in Cabinet S, Page 394 of the Map Records of Denton County, Texas;
- (ix) **Castlewood Section Three - I - D** , an Addition to the City of Highland Village, Texas, according to the Plat thereof recorded as Document No. 2000-R0121450 in Cabinet S, Page 392 of the Map Records of Denton County, Texas;
- (x) **Castlewood Section IV (I)** , an Addition to the City of Highland Village, Texas, according to the Plat thereof recorded as Document No. 00-R0069964 in Cabinet S, Page 116 of the Map Records of Denton County, Texas; and
- (xi) **Castlewood Section IV (II)**, an Addition to the City of Highland Village, Texas, according to the Plat thereof recorded as Document No. 2003-R0069964 in Cabinet V, Page 18 of the Map Records of Denton County, Texas.