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Temple, Texas 76501

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
Of
THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC.,
A Texas Nonprofit Property Owners' Association,
And Of
THE SETTLEMENT ON STAGECOACH,
A Subdivision in the City of Killeen, Bell County, Texas

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A Subdivision in the City of Killeen, Bell County, Texas

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BELL §

Piota Development, LLC a Texas limited liability company ("Declarant"), is the developer of that certain tract of land situated in Bell County, Texas, more particularly described as

> Lots One through Twenty-Two (1-22), inclusive, Block One (1); Lots Twenty-Four through Forty-One (24-41), inclusive, Block One (1); Lots One through Twenty-One (1-21), inclusive, Block Two (2); Drainage Tract One (1), of THE SETTLEMENT ON STAGECOACH, a subdivision in the City of Killeen, Bell County, Texas, according to the map or plat of record in Document Number 2022-069465, Official Public Records of Bell County, Texas

(collectively referred to herein as the "Property" and sometimes referred to as the "Subdivision").

Declarant makes and imposes the following covenants, conditions and restrictions upon each of the Lots in the Subdivision, which will be covenants running with the land, for the purposes set forth as follows:

PREAMBLE AND DECLARATION:

Declarant has created and is developing the Subdivision for the benefit of the present and future owners of the Lots (as that term is defined below) within the Subdivision, and desires to create and carry out a uniform plan for the improvement, development and sale of the Lots.

Declarant desires to ensure the preservation of the values and amenities of the Subdivision and for the maintenance of the "Common Area" (as defined below), and to this end desires to further subject the Subdivision to the assessments, charges, fines, and late fees (sometimes collectively referred to as "Charges"), conditions, covenants, easements, reservations and restrictions, and liens set forth below, each and all of which is and are for the benefit of the Subdivision and the owners thereof.

Declarant has deemed it desirable for the enforcement of the "Declaration" (as defined below) to create an "Association" (as defined below) to which will be delegated and assigned the power of administering and maintaining the Common Areas in the Subdivision and of administering enforcing the Charges, conditions, covenants, easements, reservations and restrictions, and liens, including levying, collecting, and disbursing the Charges.

There has been or will be incorporated, one or more nonprofit corporations created under the laws of the State of Texas, including the first being THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC., whose directors will establish the Bylaws by which the Association will be governed through its Board of Directors, for the purpose of exercising the functions mentioned in this Declaration. No more than one such non-profit corporation will be in existence at any one time.

Declarant declares that additional land may be annexed into the Association in stages, as provided below and in accordance with Declarant's scheme of the Property. The annexed land will not be dependent upon future stages of the development but will be subject to this Declaration.

Declarant declares that the Subdivision and all future phases or additions to the Subdivision is and will be held, transferred, sold, conveyed, occupied, and enjoyed subject to the following Charges, conditions, covenants, easements, reservations and restrictions, and liens and will be subject to the jurisdiction and assessments of the Association. Declarant may at any time during the Declarant Control Period, in a document signed by Declarant and filed of record in the Bell County Official Public Records, add land to (aka annex) or withdraw land from the Association (may remove land from being subject to the Declaration and subject to membership in the Association), including adding land in the form of subsequent phases or otherwise, to be subject to the Declaration. Such document may impose additional or alternate restrictions on the added property as the Declaration, as further described in any such filing.

ARTICLE I. PURPOSE

The Subdivision is encumbered by this Declaration for the following reasons:

1. To ensure the best and highest use and most appropriate development of the Properties;
2. To protect Owners against improper use of surrounding Lots to preserve so far as practicable the natural beauty of the Properties;
3. To guard against the erection of unusual, radical, curious, odd, bizarre, peculiar, or poorly designed or proportioned structures of improper or unsuitable materials;
4. To encourage and secure the erection of attractive improvements on each Lot with appropriate locations;
5. To secure and maintain proper setbacks from streets and adequate free space; and
6. In general, to provide for development of the highest quality to enhance the value of investment made by Owners.

ARTICLE II. DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) will have the following meanings.

A. Applicable Law.

"Applicable Law" means the statutes and public laws and ordinances in effect at the time a provision of the Governing Documents is applied, and pertaining to the subject matter of the Governing Document provision. Statutes and ordinances specifically referenced in the Governing Documents are "Applicable Law" on the date of the Governing Document, and are not intended to apply to the Subdivision if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

B. ARC and Architectural Review Committee.

"ARC" and "Architectural Review Committee" means the Architectural Review Committee of the Association.

C. Association.

"Association" means THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC., a Texas nonprofit property owners' association, its successors, assigns, and replacements as provided in this Declaration, which has jurisdiction over all Properties located within the land encumbered or to be encumbered under this Declaration, as may be amended; and the power, duty, and responsibility of maintaining and administering the Common Area and administering and enforcing the Declaration and any amended or supplemental

declaration. The Association is a "property owners association" as that term is defined in Texas Property Code §202.001(2). The subsequent failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association.

The Association is subject to the Texas Business Organizations Code ("TBOC"). Because provisions of this Declaration address issues covered by the TBOC, this Declaration is a "Governing Document" as defined by TBOC, and any such provision herein is a "Bylaw" as defined by TBOC. When incorporated, the Association is subject to TBOC Chapter 22 - the Nonprofit Corporation Law. When unincorporated, the Association is subject to TBOC Chapter 252 - the Uniform Unincorporated Nonprofit Association Act.

D. Board and Board of Directors.

"Board" and "Board of Directors" means the Board of Directors of THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC., a Texas nonprofit property owners' association, its successors, assigns, and replacements as provided in this Declaration, the election and procedures of which are set out in the Certificate of Formation and Bylaws of the Association. The Board of Directors will be the elected body having its normal meaning under Texas non-profit corporate law.

E. Builder Guidelines.

"Builder Guidelines" means a publication of the ARC that sets forth general guidelines as to various standards, including but not limited to construction types, aesthetics, and exterior harmony of any and all improvements placed upon or constructed on any Lot, which publication may be amended by the ARC without notice to the Owners.

F. Builder Member.

"Builder Member" means a builder approved by Declarant and who owns onc or more Lots for construction of improvements upon one or more Lot for resale to others.

G. Common Area.

"Common Area" means any easements for the common use and benefit of the Members of the Association, or any real and personal property leased, owned, or maintained by the Association for the common use and benefit of the Members of the Association. Common Area may also include any private streets conveyed to the Association, driveways, driving paths, entrance monuments, security gates, perimeter walls, drainage facilities and detention ponds, esplanade and right-of-way landscaping, any improvement areas lying within indicated public easements or rights-of-way as deemed appropriate by the Board of Directors for the preservation, protection and enhancement of the property values and the general health, safety or welfare of the Owners, safety lanes, marinas, and other areas as may be shown on the Subdivision Plat or as otherwise created by other documentation.

H. Declarant.

"Declarant" means Piota Development, LLC, a Texas limited liability company, its successors or assigns who are designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign. No person or entity purchasing one or more Lots from the Declarant in the ordinary course of business will be considered a "Declarant".

I. Declarant Control Period.

"Declarant Control Period" means the period during which the Declarant intends to develop or sell any portion of the Property. The Declarant Control Period will end only upon written notice from the Declarant to the Board that Declarant has developed and sold all the Property owned by Declarant or intended to be developed and sold by Declarant.

J. Declaration.

"Declaration" means this Declaration of Covenants, Conditions and Restrictions for THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC., a Texas nonprofit property owners' association, and of THE SETTLEMENT ON STAGECOACH, a subdivision in the City of Killeen, Bell County, Texas, and any amendments and supplements to this Declaration made in accordance with the terms of this Declaration.

K. Development Period.

"Development Period" means the period during which Declarant has certain rights pursuant to this Article, such as rights relating to development, construction, expansion, and marketing of the subdivision known as The Settlement on Stagecoach. The Development Period is for a term of twenty (20) years and does not require that Declarant own land within the Subdivision. The Development Period is different from and longer than the Declarant Control Period. Declarant may terminate the Development Period at any time by recording a notice of termination.

L. Governing Documents

"Governing Documents" means, singly or collectively, this Declaration, Restrictive Covenants, Rules and Regulations, Builder's Guidelines, and Bylaws of the Association, as any of these may be amended from time to time.

M. Improved Lot.

"Improved Lot" means a Lot upon which a Residence has been constructed and such Residence is occupied by the Owner or its tenants.

N. Lot or Lots.

"Lot" or "Lots" means any of the plots of land as shown on the Subdivision Plat. The total number of Lots that may be made subject to this Declaration is 500.

O. Majority.

"Majority" means more than half.

P. Majority of Owners.

"Majority of Owners" or "Majority of Members" means, for voting purposes, a number of votes greater than one/half (1/2) of all votes held by all the Owners or Members.

Q. Member or Members.

"Member" or "Members" means all those Owners who are members of the Association as provided in this Declaration.

R. Owner.

"Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot or portion of a Lot, within the Subdivision, including contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or nonjudicial

foreclosure. Persons or entities having Ownership interests merely as security for the performance of an obligation are not "Owners". Every Owner is a Member of the Association. A reference in any Governing Document or Applicable Law to a percentage or share of Owners or Members means Owners of at least that percentage or share of the Lots, unless a different meaning is specified. For example, "a Majority of Owners" means Owners of at least a Majority of the Lots.

S. Property or Properties.

"Property" or "Properties" means the properties collectively known as THE SETTLEMENT ON STAGECOACH, and all additions to the Subdivision, as are subject to this Declaration or any amended or supplemental declaration.

T. Residence.

"Residence" means a single-family residence permitted and constructed on a Lot indicated on the final plat of the Subdivision as a single-family Lot.

U. Restrictions.

"Restrictions" means the covenants, conditions and restrictions that affect the use of the Properties as contained in this Declaration, together with all amendments of the foregoing.

V. Restrictive Covenants.

"Restrictive Covenants" means the restrictive covenants that affect the use of the Properties as contained in the Restrictive Covenants set forth in instruments filed prior to or subsequent to the filing of this Declaration, together with all amendments of the foregoing.

W. Rules and Regulations.

"Rules and Regulations" means the rules and regulations promulgated by the Board of the Association from time to time and which may be filed in the Official Public Records of Bell County, Texas.

X. Subdivision.

"Subdivision" means the Subdivision as defined above.

Y. Subdivision Plat.

"Subdivision Plat" collectively means the map or plat of the Subdivision, filed of record in Document Number 2022-069465, Official Public Records of Bell County, Texas, and any amendment, replat, or modification to the Subdivision Plat, and any master plat or plan, as may be amended or modified from time to time, for additional properties that may be added from time to time as provided by this Declaration. A copy of the master plat or plan may be attached now or at a later time to this Declaration as an exhibit entitled "Master Plat or Plan".

Z. Unimproved Lot.

"Unimproved Lot" means a Lot upon which no improvements have been constructed.

ARTICLE III. PROPERTY RIGHTS

Every Owner, guest, invitee, and tenant will have a right and easement of ingress and egress, use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

1. The right of the Association to charge reasonable admission and other fees for the use of any facility now or hereafter situated or constructed or situated upon the Common Area and to impose reasonable limits on the number of guests who may use the facilities;

2. The right of the Association to suspend an Owner's right to use any facility for any period during which any assessment of the Association against that Owner's Lot remains unpaid, and for infractions by an Owner of the Restrictions, the Restrictive Covenants, and/or the Association's Rules and Regulations for the duration of the infraction;

3. The right of the Association to grant easements in and to the Common Areas to any public agency, authority or utility for such purposes as benefits the Properties and Owners, or to grant an easement in and to the Common Area for the purpose of providing an easement of ingress, egress and regress to adjoining lands as provided in this Declaration;

4. The right of the Association to borrow money for the purpose of improving the Common Area, for acquiring additional Common Area, or for constructing, repairing, or improving any facilities located or to be located on the Common Area, and to give as security for the payment of any such loan a mortgage conveying all or any portion of the Common Area, provided a Majority of each Class of Members present or represented by proxy at a meeting called for such purpose will approve; provided however, the lien and encumbrance of any such mortgage given by the Association will be subject and subordinate to any and all rights, interests, options, easements, and privileges reserved or established in this Declaration for the benefit of Declarant or Owner, or the holder of any mortgage irrespective of when executed, given by Declarant or any Owner encumbering any Lot or other property located within the Subdivision;

5. The right of the Association to dedicate or transfer all or any portion of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members of the Association. No such dedication or transfer will be effective unless an instrument agreeing to such dedication or transfer has been approved by a Majority of the Class A Members of the Association which are present or represented by proxy at a meeting duly called for such purpose, and by the Class B Member so long as the Class B membership exists;

6. The right of the Association to convey small portions of the Common Area to adjacent Owners when, in the sole opinion of the Board, the portion of the Common Area to be conveyed is so small in size, amount and value that it will have no material consequence to or impact upon the Association or the Subdivision or negatively affect the overall usage of the Common Area by the Owners as a result of such conveyance. In such an event, the Board may authorize such conveyance without the joinder of any other Owner; and

7. The right of the Association to prescribe Rules and Regulations as they may be expanded, amended or otherwise modified. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of the Owner's Lot may be affected by this provision and that the Rules and Regulations may change from time to time. The Board has the authority to enforce the Rules and Regulations by all appropriate means, including but not limited to the imposition of fines, if notice and an opportunity to be heard are given, and a Member found to have violated the Rules and Regulations will be liable to the Association for all damages and costs, including reasonable attorney's fees.

ARTICLE IV. ARCHITECTURAL REVIEW

A. ARC Authority and Requirements.

In order to protect the overall integrity of the development of the Subdivision as well as the value of improvements of all Owners, a committee of representatives designated as the Architectural Review Committee (the "ARC") is established to carry out all duties as noted in this Declaration. The ARC will have full authority to approve and disapprove; change, modify or waive; and ultimately control all construction, development, and improvement activities of any kind (including, without limitation, structures, buildings, building materials, and the placement of the improvements) within the Subdivision. The ARC will require that all improvements are constructed in a good and workman-like manner and in accordance with standard industry trade practices. The ARC will further require that all improvements are architecturally, aesthetically, and ecologically designed to be compatible with Declarant's conceptual plan for the overall Subdivision, are in compliance with the Restrictive Covenants, and/or are decided by the ARC.

B. Enforce Builder Guidelines.

The ARC may prescribe Builder Guidelines as they may be expanded, amended or otherwise modified. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of the Owner's Lot may be affected by this provision and that the Builder Guidelines may change from time to time. The ARC has the authority to enforce the Builder Guidelines by all appropriate means, including but not limited to the imposition of fines, subject to the review of the Board, if notice and an opportunity to be heard are given, and a Member found to have violated the Builder Guidelines will be liable to the Association for all damages and costs, including reasonable attorney's fees. The Board will have the authority to enforce the Builder Guidelines in accordance with this provision in the event the ARC fails to enforce the Builder Guidelines.

C. Approve Plans and Specifications.

No building, structure, fence, structure, accessory building, outbuilding, addition, modification, or construction of any kind will be erected, placed, constructed, maintained, modified, redecorated, or altered, until a complete set of plans and specifications and other reasonably requested information (the "Plans and Specifications") have been formally submitted to the ARC with a written request for approval and the ARC's written approval received. Plans and Specifications which are submitted may contain and include, but not necessarily be limited to the following information: nature, kind, shape, height, and location of the Residence and improvements; floor plans, including square footage, roof pitch, percentage of exterior finish materials, and finished floor and ground elevations; exterior elevations for any building, fence or other structure; a plat or site plan showing easements and the location of any building, fence or other structure (including location of landscaping, light poles and curb cuts, if applicable); exterior lighting and location; samples of exterior finish materials and color samples; and any other plans, specifications or information deemed pertinent by the ARC or Declarant.

The ARC will review all Plans and Specifications submitted in accordance with the procedures described in this Article for compliance with all the requirements of this covenant and for the compatibility of any improvements with the architectural, aesthetic, and ecological goals of the Subdivision and Declarant. It is the intent that all improvements will be compatible with all other improvements in the Subdivision and that they will be in harmony with their natural surroundings. The ARC will have full right and authority to utilize its sole discretion in approving or disapproving any Plans and Specifications that are submitted. It is the intent of the ARC to prevent unusual, radical, curious, odd, bizarre, peculiar, or irregular structures from being built

within the Subdivision, and to further prevent the removal of trees and other natural features deemed valuable to the Subdivision and neighbors.

The ARC may disapprove the construction or design of any improvement, or removal of any tree or improvement, on purely aesthetic grounds where, in its sole judgment, such disapproval is required to protect the continuity of design or value of the Subdivision, or to preserve the serenity and natural beauty of any surroundings. Prior approvals or disapprovals of the ARC pertaining to any improvement or activity or regarding matters of design or aesthetics will not be deemed binding upon the ARC for later requests for approval if the ARC feels that the repetition of such matters will have an adverse effect on the Subdivision. The ARC will have the express power to construe and interpret any covenant that may be capable of more than one construction.

D. Compliance Inspection.

During reasonable hours, members of the ARC, any member of the Board, or any authorized representative of any of them, will have the right to enter upon and inspect any Lot and the improvement or structure for the purpose of ascertaining whether or not the provisions of the Declaration have been or are being complied with, and said persons will not be deemed guilty of trespass by reason of such entry.

E. Consult Professionals.

The ARC will have the authority to employ professional consultants or architects at the expense of the Association to assist it in performance of its duties, including but not limited to the review of all plans, specifications and other information which are submitted for compliance. The decision of the ARC will be final, conclusive and binding upon the applicant. The ARC members will not be entitled to any compensation for any services rendered pursuant to this covenant, other than as provided in the Bylaws.

F. ARC Member Indemnification

Members of the ARC will not be liable to any person subject to, possessing, or claiming any benefits of this Declaration.

G. Number of ARC Members and Appointing Successor Members.

The number of and initial ARC members will be decided by Declarant, which number will be a minimum of two (2). During the Declarant Control Period, in the event of the death or resignation of any member of the ARC, Declarant will have full power and authority to appoint a successor ARC member or members, chosen in its sole discretion, with like authority. At the termination of the Declarant Control Period, the Board of Directors will appoint any successor members of the ARC. A person may not be appointed or elected to the ARC by the Board of Directors if such person is a current Board member, a current Board member's spouse, or a person residing in a current Board member's household.

H. Procedures for Approval.

1. A complete copy of the final Plans and Specifications will be submitted in duplicate, with a written request for approval, by direct delivery to the ARC, by certified mail to the ARC, or by any other manner approved by the Board. Such Plans and Specifications must be submitted at least 30 days prior to the proposed construction of improvements or landscaping. The Plans and Specifications will be considered submitted and all timeframes set forth in this Article will begin as of the date the ARC signs a certified mail receipt or a delivery receipt (the "Date of Submission").

2. At such time as the Plans and Specifications meet the approval of the ARC, the ARC will send written authorization to proceed and will retain one set of the Plans and Specifications for its file and future reference. If disapproved by the ARC, the Plans and Specifications will be returned to the submitting party marked "Disapproved" and will be accompanied by a statement of the reasons for disapproval, which statement will be signed by a representative of the ARC. Compliance by the ARC and its response to the Plans and Specifications will be based upon the date the ARC's notice of approval or disapproval is mailed (postmark of certified mail receipt) or delivered (signed delivery receipt) and will not be based upon the date the submitting party actually receives such notice of approval or disapproval. Any modification of the approved set of Plans and Specifications must be resubmitted to the ARC for its approval. The ARC's approval or disapproval will be in writing. In no event will the ARC give verbal approval of any Plans and Specifications.

3. If the ARC fails to approve or disapprove properly submitted Plans and Specifications within 30 days after the Date of Submission, written approval of the matters submitted will not be required and compliance with this Article and this Declaration will be deemed to have been completed. In the case of a dispute about whether the ARC responded within the required time period, the person submitting the Plans and Specifications will have the burden of establishing that the ARC received the Plans and Specifications but failed to respond. The ARC's receipt of the Plans and Specifications may be established by a signed certified mail receipt or by a signed delivery receipt.

4. If the ARC denies an application or request by an Owner for the construction of improvements, the ARC must provide written notice to the Owner by certified mail, hand delivery, or electronic delivery. The notice must:

   a. describe the basis for the denial in reasonable detail and changes, if any, to the application or improvements required as a condition to approval; and

   b. inform the owner that the owner may request a hearing to appeal the denial before the Board of Directors on or before the 30th day after the date the notice was mailed to the owner.

5. If an Owner timely requests a hearing to appeal the denial, such hearing shall occur not later than thirty (30) days after the date the Board of Directors receives the Owner's request for a hearing. The Board of Directors shall notify the Owner of the date, time, and place of the hearing not later than the 10th day before the date of the hearing. Owner is only entitled to one hearing.

   a. During a hearing, the Board of Directors or the designated representative of the Association and the Owner or the Owner's designated representative will each be provided the opportunity to discuss, verify facts, and resolve the denial of the Owner's application or request for the construction of improvements, and the changes, if any, requested by the ARC in the notice provided to the Owner.

   b. The Board of Directors or the Owner may request a postponement of the hearing. If requested, a postponement shall be granted for a period of not more than 10 days. Additional postponements may be granted by agreement of the parties.

   c. The Association or the Owner may make an audio recording of the meeting.

   d. The Board of Directors may affirm, modify, or reverse, in whole or in part, any decision of the ARC as consistent with this Declaration.

I. Procedures for Request for Variance:

In the event a variance is requested, Owner or its builder or a Builder Member must submit to the ARC, in duplicate:

1. A complete copy of the final Plans and Specifications, together with any supporting materials and a survey showing the encroachment across or into any setback line or easement, or other basis or grounds for the variance request;
2. A written request for the variance; and
3. Contact information for the Owner and, if applicable, its builder or the Builder Member.

The request for a variance may be by direct delivery to the ARC, by certified mail to the ARC, or by any other delivery manner approved by the Board. The ARC will send its written decision to the Owner or its builder or the Builder Member within 30 days of the ARC's receipt of a request for a variance. If a request for a variance is made prior to the construction of improvements and such variance is granted, the ARC's approval will be conditional and preliminary until all improvements are constructed. Upon final completion of the improvements, the Owner or its builder or the Builder Member must submit to the ARC, in duplicate, an "as built" survey, reflecting the location of all improvements and the encroachment or subject of the variance. The "as built" survey may be submitted to the ARC by direct delivery or by certified mail. The ARC will send its written decision to the Owner or its builder or the Builder Member within 15 days of the ARC's receipt of the "as built" survey. Final ARC approval and granting of the variance will not be given until the ARC receives the final submissions. In the event the encroachment or subject of the variance differs from and exceeds the original request for a variance, the Owner will be subject to a fine. Any fine assessed by the ARC must be paid in full before the ARC approves the request and grants the requested variance.

J. Construction Deposit:

At the time of the submission of plans and specifications to the ARC, the ARC may require that the Owner deposit $500.00 (the "Construction Deposit") payable to the Declarant during the Development Period and to the Association thereafter. The ARC shall have the right to require the Owner to increase the amount of the Construction Deposit at any time that it has been depleted by prior violations. The purpose of the Construction Deposit is to insure the following:

1. Plans are submitted to the ARC as set forth in the Governing Documents.
2. Landscaping is accomplished in according with the Governing Documents.
3. Maintenance of a clean job site, compliance with the Governing Documents, and that the structure is constructed according to the approved plans. A written notice will be issued by the ARC to the Owner regarding any violations or damage caused by the construction. Examples of damage are the breaking of any sidewalk in the Subdivision, "rutting" of any right of way, servitudes or other lots in the Subdivision caused by construction related vehicles, the spilling of concrete on any streets or other areas of the Subdivision and any trash or debris dispensed in the Subdivision. If the violation or damage has not been corrected within five (5) days after the date of the notice, the violation or damage may be corrected by the ARC and the cost of the same shall be charged to the Owner. Said amount may be deducted, without further notice, from the Construction Deposit until said deposit is exhausted, at which time the Owner will be billed for any additional expense. The Association shall have lien rights to enforce payment of any amount billed but not collected within thirty (30) days after the date of such bill. Notwithstanding the provisions of this Section however, neither Declarant, the Association nor the ARC shall

be responsible for the damage to any Lot caused by the activities of the Owner (or builder or others involved in any activity on their behalf) of any other Lot, and shall not be held responsible for any such damage if deductions are not made from the Construction Deposit or other damage collection provisions are not made for such damage. If no violations or damage occur (or if no deductions for such damage are made from the Construction Deposit by the Declarant or the Association). the Construction Deposit will be refunded in full to the original submitter of the Construction Deposit after satisfactory completion of construction of improvements on the Lot in accordance with the approved plans and completion of landscaping as set forth in these Restrictions. To the extent any of the Construction Deposit was spent for correction of any violations or damage, any balance will be refunded to the original submitter of the Construction Deposit after the satisfactory completion of the improvements and landscaping.

In the event of non-compliance with respect to items 1 and 2 of the foregoing, the Construction Deposit shall be automatically forfeited as liquidated damages to the Declarant or the Association, as the case may be. Further, all other rights of enforcement that the Declarant, the ARC, and the Association may have with respect to any of the foregoing, shall continue, including the right to fine the Owner, rights to injunctive relief, damages, and any other remedies at law or in equity.

ARTICLE V. FILING OF GOVERNING DOCUMENTS

It is the intent of the Association to comply with all provisions of the Texas Property Code, and specifically Section 202.006, including but not limited to the filing of the applicable Association Governing Documents in the Official Public Records of Real Property of Bell County, Texas.

ARTICLE VI. RESTRICTIVE COVENANTS

The Restrictive Covenants are set out in separate instrument, recorded in the Official Public Records of Real Property of Bell County, Texas.

ARTICLE VII. ANTENNAS

No exterior antennas, aerials, satellite dishes, or other apparatus for the reception of television, radio, satellite, or other signals of any kind will be placed, allowed, or maintained upon a Lot which is visible from any street, Common Area or other Lot unless it is impossible to receive signals from a non-visible location. In that event the receiving device may be placed in a visible location as approved by the ARC. The ARC may require as much screening as possible while not substantially interfering with reception. The Declarant and the Association will have the right, without obligation, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite, or other signals for the benefit of all or a portion of the Property. No satellite dishes will be permitted which are larger than one meter in diameter. No broadcast antenna mast may exceed the height of the center ridge of the roofline. No Multichannel Multipoint Distribution Service ("MMDS") antenna mast may exceed the center ridge of the roofline by the height established by the Telecommunications Act of 1996 (the "Act") as same may be amended from time to time. No exterior antennas, aerials, satellite dishes, or other apparatus will be permitted, placed, allowed, or maintained upon any portion of the Property that transmits television, radio, satellite, or other signals of any kind. The Declarant by promulgating this Section is not attempting to violate the Act as same may be amended from time to time. This Section will be interpreted to be as restrictive as possible while not violating the Act.

ARTICLE VIII. MODIFICATIONS AND VARIANCES

A. Modifications.

During the Development Period, Declarant will have the authority to modify or waive any and all of the Restrictions or the Restrictive Covenants that would not, in Declarant's sole discretion, impair or detract from the quality of the Subdivision. Upon the termination of the Development Period, the ARC will have the authority to modify or waive any and all of the Restrictions or the Restrictive Covenants that would not, in the ARC's reasonable discretion, impair, or detract from the quality of the Subdivision. Such modification or waiver may be by written instrument in recordable form.

B. Variances.

During the Development Period, Declarant, in its sole discretion, has the authority to grant variances of or alter any setback line (but only to the extent that such setback line exceeds the minimum City of Killeen's standards) (as requested in accordance with ARTICLE IV of this Declaration) and waive any encroachment across or into any setback line (but only to the extent that such setback line exceeds the minimum City of Killeen's standards), Common Area, or easement (but only to the extent that the ARC has the authority to waive such encroachment into an easement), as Declarant deems necessary. Upon the termination of the Development Period, the ARC will have the authority to grant variances of or alter any setback line (but only to the extent that such setback line exceeds the minimum City of Killeen's standards) (as requested in accordance with ARTICLE IV of this Declaration) and waive any encroachment across or into any setback line (but only to the extent that such setback line exceeds the minimum City of Killeen's standards), Common Area, or easement (but only to the extent that the ARC has the authority to waive such encroachment into an easement), as the ARC deems necessary. Such variance or waiver will be by written instrument in recordable form.

ARTICLE IX. EASEMENTS AND ACCESS

A. Facility Easement.

Easements for installation and maintenance of fencing, utilities and drainage facilities (collectively the "Facility Easement") are reserved as shown on the recorded Subdivision Plat, as described in and through the Restrictive Covenants, or as described in and through any other document filed of record in the Official Public Records of Real Property of Bell County, Texas. Within the Facility Easement, if any, no structure, planting, fence, or other material will be placed or permitted to remain which may damage or interfere with the installation and maintenance of the Subdivision's entryway, signage, or utilities or in the case of drainage easements, which may change or impede the direction of flow of water through drainage channels in the area of such Facility Easement (collectively the "Facility Easement Area". The Facility Easement Area of a Facility Easement located on a Lot, if any, and all improvements in such Facility Easement Area will be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible. Additionally, a 5' wide Facility Easement adjacent to and running along each side and rear property lines of each Lot is reserved for drainage and for the use of the Declarant and the Association to allow fences to connect with other fences and to allow the Declarant or Association to repair or replace Association improvements, including any entry monuments, and any Owner-neglected fence or other Owner violation, in the Association's Board's sole discretion, in accordance with the terms of this Declaration. Neither the Association nor Declarant, nor any utility company using the Facility Easement will be liable for any damages done by it or its assigns, agents, employees, or servants

to shrubbery, streets, flowers, or other property of the Owners situated on the land within the Facility Easement Area and covered by the Facility Easement.

B. Restrictions Within the Facility Easement Area

No Owner of any Lot may damage, deface, or mar the surface of any portion of any improvement constructed or installed within the Facility Easement Area. No structure, planting, fence or other material may be placed or permitted to remain within the Fence Easement that may damage the surface of any improvements constructed by Declarant or the Association or interfere with the right of ingress, egress, or regress over the Facility Easement. Neither the Declarant nor the Association will be liable for any damages done by them or their assigns, agents, employees, or servants to the property of the Owners situated on land covered by the Facility Easement.

C. Right of Ingress and Egress.

There is created a right of ingress and egress across, over, and under the Common Area in favor of Declarant and the Association, for the sole purpose of installing, replacing, repairing, and maintaining all facilities for utilities, including, but not limited to, water, sewer, telephone, cable, data, TV, electricity, gas, and appurtenances thereto.

D. Access Easement Area or Common Area.

An easement is extended and acknowledged to all police, fire protection, ambulance, garbage and trash collector pickup vehicles, and all similar persons to enter upon the Access Easement Area or a Common Area in performance of their duties.

E. Lot Subject to Easements, Conditions, and Reservations.

Each Lot is conveyed subject to all easements, conditions, and reservations shown on the Subdivision Plat and each Owner will take notice of all such easements, conditions, and reservations. No Owner will maintain any condition or improvements in any platted or recorded easement or in any easement granted to the Association by this Declaration or by separate instrument recorded in the Official Public Records of Real Property of Bell County, Texas, which will significantly interfere with the intended use of the easement.

F. Drainage Easement.

Easements for drainage throughout the Subdivision (collectively the "Drainage Easement") are reserved as shown on the Subdivision Plat or by written instrument, including the Restrictive Covenants, filed in the Official Public Records of Real Property of Bell County, Texas prior to or subsequent to the filing of the Subdivision Plat. No Owner of any Lot in the Subdivision may perform or cause to be performed any act which would alter or change the course of such Drainage Easement (collectively the "Drainage Easement Area") in a manner that would divert, increase, accelerate, or impede the natural flow of water over and across the Drainage Easement Area or through the Drainage Easement. More specifically and without limitation, no Owner, guest, invitee, or tenant may:

1. Alter, change, or modify the existing natural vegetation of the Drainage Easement Area in a manner that changes the character of the original environment of the Drainage Easement;

2. Alter, change, or modify the existing configuration of the Drainage Easement or the Drainage Easement Area, or fill, excavate, or terrace the Drainage Easement Area, or remove trees or other vegetation from the Drainage Easement Area without the prior written approval of the ARC;

3. Construct, erect, or install a fence or other structure of any type or nature within or upon the Drainage Easement Area unless such fences are found by the ARC not to impede or alter stormwater flow;

4. Permit storage, either temporary or permanent, of any type within or upon the Drainage Easement Area; or

5. Place, store, or permit to accumulate trash, garbage, leaves, limbs, or other debris within or upon the Drainage Easement Area, either on a temporary or permanent basis.

G. Failure by Owner to Comply.

The failure of any Owner to comply with the provisions of this Article will in no event be deemed or construed to impose liability of any nature on the Association, ARC, or Declarant, and the ARC or Declarant will not be charged with any affirmative duty to police, control, or enforce such provisions. Lots containing Association improvements, including, but not limited to the rock entry features acknowledge and agree that such improvements are the property of the Association and the Association has an easement to construct and maintain such features.

ARTICLE X. LOT CONSOLIDATION

Two (2) or more adjoining Lots may be consolidated into a single building site only with written approval of the Declarant. Unless lots are consolidated pursuant to this Declaration and required government approvals, an Owner may own multiple adjoining Lots, but each Lot must stand alone as a "self-contained" lot capable of resale to a third party purchaser., i.e. a Residence, its garage and other necessary facilities, e.g. septic tank, lateral lines, etc., must be located and constructed on one (1) platted Lot, in accordance with the Restrictive Covenants and such other applicable statute, ordinance or regulation. Each adjoining Lot will bear and the Owner will be responsible for all assessments and voting rights attributable to such Lot.

ARTICLE XI. ENFORCEMENT

If the Owner of any Lot, or its heirs, executors, administrators, successors, assigns, or tenants, violates or attempts to violate any of the restrictions and covenants set forth in the Declaration, then the Association, Declarant, or any Owner subject to this Declaration may prosecute any proceedings against the person or persons violating or attempting to violate any such restrictions and covenants. If there is a failure by any Owner, guest, invitee, or tenant to comply with any restriction or covenant in the Declaration and if irreparable damage to Declarant and other Owners results or would result, then the breach of any provision of the Declaration may not only give rise to an action for damages at law, but also may be enjoined or may be subject to an action for specific performance in equity in any court of competent jurisdiction. In the event an action is instituted to enforce the terms of the Declaration or prohibit violations of the Declaration, and the party bringing such action prevails, then in addition to any other remedy provided in this Declaration or provided by law, such party will be entitled to recover court costs and reasonable attorney's fees. Neither the ARC, the Association, nor Declarant will be charged with any affirmative duty to police, control, or enforce the terms of the Declaration and these duties will be borne by and be the responsibility of Owners.

ARTICLE XII. MEMBERSHIP IN THE ASSOCIATION, VOTING RIGHTS, AND REGISTRATION

Every person or entity who is a record Owner of a free or undivided interest in any Lot that is subject to the jurisdiction of and to assessment by the Association will be a Member of the Association.

A. Classes of Membership.

The Association has 2 classes of membership:

1. Class A: Class A members will be all Owners and Builder Members, with the exception of Declarant, and will be entitled to one vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons will be members. The vote for the Lot will be exercised as they among themselves determine, but in no event will more than one vote be cast per Lot.

2. Class B: The Class B member is the Declarant. All Class B members will be entitled to three votes for each Lot or acre owned including all Lots and acreage shown on a Master Plat or Plan, if any. Class B membership will cease and be converted to Class A membership upon the earlier of the following events to occur: (a) such time as the Declarant has conveyed and/or sold the last of the Unimproved Lots within the Subdivision and all of the land area comprising the Properties, whether in a single or multiple transaction, to an Owner or to any governmental authority for public use; or (b) such time as the Declarant is using all Lots owned by Declarant and appurtenant improvements constructed on Declarant's Lots for its personal use. Class B membership shall be reinstated if additional Lots or land owned by Declarant are annexed into the Association after all Class B membership has ceased.

B. Eligibility.

Each Member of the Association is eligible to vote in all matters open to and requiring the vote of the membership of the Association. Each Member of the Association is eligible to serve as a representative, director, or officer, except as provided under the provisions of Texas Property Code, as amended, and specifically Section 209.00591, Texas Property Code.

C. Special Voting Requirements.

In the event a vote is required by the Members to alter or amend this Declaration, it will take a Majority of the votes of the Members who own Lots who are present in person or by proxy at any meeting to approve such amendment or alteration, provided a Majority of the Owners are present in person or by proxy at such meeting.

D. Registration with the Association.

In order that the Declarant and the Association can properly acquaint every Owner and Member with the Governing Documents and the day-to-day matters within the Association's jurisdiction, each Owner and Member will have an affirmative duty and obligation to provide, and subsequently revise and update, within 15 days after a material change has occurred, various items of information to the Association such as:

1. The full name, mailing address, telephone number, facsimile number, and email address of each Owner and Member;

2. The business address, telephone number, facsimile number, and email address of each Owner and Member;

3. The name, address, and telephone number of other local individuals who can be contacted (in the event the Owner or Member cannot be located) in case of an emergency; and

4. Such other information as may be reasonably requested from time to time by the Association.

In the event any Owner or Member fails, neglects, or refuses to so provide, revise, and update such information, the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information, and the non-cooperating Owner and Member will become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

ARTICLE XIII. COVENANTS FOR MAINTENANCE ASSESSMENTS

A. Charges Levied.

Declarant, for each Lot owned by it within the Properties, covenants, and each Builder Member and every Owner, by acceptance of a deed, whether or not it is so expressed in the deed or other conveyance, will be deemed to covenant and agree to pay to the Association:

1. Annual assessments or charges;
2. Membership Assessments;
3. Special assessments, to be fixed, established, and collected from time to time as provided below;
4. Member Charges levied against individual Owners to reimburse the Association for extra or unusual costs incurred by the Association for curing the Owner's violation of a covenant or restriction contained in this Declaration; and
5. Fines and Late Fees levied against individual Owners. The Charges, together with interest, reasonable attorney's fees, and costs of collection, as provided in this Declaration, will be a charge on the land and will be a continuing lien upon the Lot against which the Charges are made. Each Charge, together with interest, reasonable attorney's fees, and cost of collection as provided in this Declaration, also will be the personal obligation of the Owner of the Lot at the time the obligation accrued.

B. Purposes of Charges Levied.

The Charges levied by the Association will be used for the purpose of promoting the recreation, health, safety, and welfare of the Members, and in particular, for the improvement, maintenance, and operation of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas by the Members.

C. Charges Not Applicable to Declarant.

Regardless of any language to the contrary, the Charges will not apply to Declarant, as owner of or holder of title of any Lot, unless Declarant occupies a Residence constructed upon its Lot, or uses the Lot or Residence for its own personal use. Annual Assessments, Membership Assessments, and Special Assessments (defined below) will not apply to Builder Members in the business of purchasing Lots for construction of improvements and subsequent resale to a third party, unless the Builder Member occupies the Residence constructed on its Lot, or uses the Lot or Residence for its own personal use. , as a Builder Member may maintain a model home, which does not qualify as occupying a Residence or using for own personal use.

D. Annual Assessments.

The annual assessments ("Annual Assessments") for both Class A and Class B membership will be determined by the Board of Directors in the manner provided below after determination of current maintenance costs and anticipated needs of the Association during the year for which the assessment is being made. The maximum Annual Assessment may be adjusted by a majority vote

of the Board of Directors, without membership vote, but will not increase to more than the greater of:

1. 110% above the prior year's Annual Assessment, or

2. the result of multiplying the prior year's Annual Assessment by a fraction, the numerator of which is the latest Consumer Price Index published on or before the 60th day prior to the date the Board sets the new maximum Annual Assessment rate and the denominator of which is the Consumer Price Index published on the year prior to the one used in the numerator. Consumer Price Index is the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers. In the event the compilation or publication of the Consumer Price Index is substantially revised, transferred to any other governmental department or bureau or agency or is discontinued, then the index (or a substitute procedure which reasonably reflects and monitors fluctuations in consumer prices most nearly the same as the Consumer Price Index) will be used to make the calculations.

The Association may increase the maximum Annual Assessment rate by more than the amount specified in the preceding sentence only upon receipt of a Majority of the votes of the Members who own Lots who are present in person or represented by proxy at a meeting called for vote on the proposed increase, provided a Majority of the Owners are present in person or by proxy at such meeting.

The Annual Assessment will be established by Declarant. The initial Annual Assessment for each Lot will be $600.00. The Annual Assessment, or a pro rata portion of the initial Annual Assessment based upon the date of closing of the Lot, will be due and payable from the new owner at the closing of the initial sale of the Lot by Declarant to a third party.

E. Membership Assessment.

In addition to the Annual Assessments provided for above, the Association may levy a membership Assessment ("Membership Assessment") on Class A membership at any time a Lot is sold by the Owner, including Declarant, to a third party. The Membership Assessment will be established by Declarant so long as the Declarant is the Owner of a Lot and thereafter determined and established by the Board. The Membership Assessment will be collected from the purchaser of the Lot at closing.

F. Special Assessments.

In addition to the Annual Assessment, the Association may levy a special assessment ("Special Assessment") on Class A membership and Class B membership as follows:

1. For the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement on or which is a part of the Common Area, in an amount determined by the Board;

2. Respond to the unusual emergency needs of the Association as may be expected to appear from time to time, in an amount determined by the Board, or

3. For such other lawful purpose related to the use of the Properties as the Board or the Owners may determine, provided that this assessment will have the approval of a Majority of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, provided a Majority of the Owners are present in person or by proxy at such meeting. Written notice of the date, time and purpose of the meeting will be sent to all Owners as allowed by the Bylaws of the Association.

G. Member Charge.

In addition to the Annual Assessment and Special Assessment described above, the Association, by vote of the Board, may impose a charge ("Member Charge") upon any Owner for the purposes of reimbursing the Association for all direct and indirect costs incurred by the Association with regard to the maintenance, repair, or replacement of improvements on any particular Lot when the Board has determined the maintenance, repair, or replacement of improvements associated with the Lot has been neglected to the point where conditions existing on the Lot are not in conformance with the maintenance obligations set forth in this Declaration, or an Owner places anything in the Common Area. The Owner of the Lot will be notified in writing of the Board's determination and the specific deficiencies found to exist. The Owner will be afforded a reasonable period of time to respond to the Board's notice and to correct the deficiencies. The Owner will be assessed the cost necessary to reimburse the Association for any and all costs to secure compliance, including attorney's fees.

H. Fines and Late Fees.

In addition to the Annual Assessment, Special Assessment, and Member Charge described above, the Association, by vote of the Board, may impose fines and late fees (sometimes referred to as "Fine and Late Fee" or "Fine or Late Fee") upon any Owner for non-compliance or violations of the covenants of the Declaration or for late or nonpayment of any Annual Assessment, Special Assessment, or Member Charge. The Owner of the Lot will be notified in writing of the Fine or Late Fee assessed to the Owner and the cause of such Fine or Late Fee. The Owner will be afforded a reasonable period of time and notice to pay the applicable delinquent Annual Assessment, Special Assessment, or Member Charge, prior to the assessment of any Fine or Late Fee. The Owner will be assessed the cost necessary to reimburse the Association for any and all costs to secure compliance, including attorney's fees.

I. Due Dates, Budget, and Late Charges.

The Annual Assessments will be due and payable and collected as the Board of Directors determines. The amount of the Annual Assessment will be an amount that bears the same relationship to the Annual Assessment provided for above as the remaining number of months in that calendar year bear to twelve. The Board will use reasonable efforts to provide each Owner with an invoice statement as of the appropriate amount due, but any failure to provide a notice will not relieve any Owner of the obligation.

The due date of any Special Assessment will be as set out above or as fixed in the resolution authorizing such assessment.

The Member Charge and Fine and Late Fee are due and payable within 30 days after the Owner was served with notice by the Association of the amount of the Member Charge or Fine or Late Fee.

Each year, the Board of Directors will adopt an annual budget and set the amount of the Annual Assessment, taking into consideration the Association's operating cost for the then current year, expected increases or decreases in the costs over the next year, and future needs of the Association. The annual budget will be adopted by the Board at least 30 days prior to the commencement of each calendar year.

Any assessment, Member Charge, or Fine or Late Fee not paid within 30 days after the due date will bear interest from the due date at a rate to be determined, from time to time, by the Board, not to exceed the maximum permitted by law. If the Board refuses or fails to determine a rate of interest, the rate of interest will be the lesser of (i) 18% per annum, or (ii) the maximum rate allowed by law.

J. Remedies and Lien for Annual Assessment, Special Assessment, Member Charge, and Fine and Late Fee.

Each Owner, by his acceptance of a deed to a Lot, expressly vests in the Association, or its agents, the right and power to bring all actions against the delinquent Owner personally for the collection of the Charge as a debt and to enforce the lien by all methods available for the enforcement of liens, including judicial foreclosure by an action brought in the name of the Association, and grants to the Association the power of sale in connection with the lien. The President of the Board of Directors will have the right to appoint an agent and trustee, to mail and file the notices required by Texas Property Code, to file suit, to conduct the sale, and to otherwise comply with the statutes of the Texas Property Code, and specifically Section 209, Texas Property Code. The lien provided for in Section 209, Texas Property Code, will be in favor of the Association and will be for the benefit of all other Owners. No Owner may waive or otherwise escape liability for the Charges for nonuse of the Common Area or abandonment of his Lot.

In addition to the foregoing charges for delinquent accounts, each Owner will be obligated to pay to the Association all actual costs of collection incurred by the Association, including attorney's fees, as and when allowed by law, and such reasonable late charges and collection charges as the Board of Directors may establish, all of which will also be subject to the liens of the Association.

In the event of a delinquent account, the Association will provide all notices to the delinquent Owner as required by Texas Property Code, Section 209, or other Applicable Law, and will apply all payments received to the Owner's debt in accordance with Section 209.0063, Texas Property Code.

Notice of the lien may be given, but is not required, by the recordation in the Official Public Records of Real Property of Bell County, Texas, of an affidavit of delinquent payment and notice of assessment lien, duly executed by an officer, managing agent, attorney, or officer of the Association, setting forth the amount owed, the name of the last known Lot Owner or Owners of record, and the legal description of the Lot.

At any foreclosure, the Association will be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any foreclosure, the occupants of the Lot will be required to pay a reasonable rent for the use of the Lot and its improvements. Their occupancy of the Lot will constitute a tenancy-at-sufferance, and the purchaser at the foreclosure sale will be entitled to appoint a receiver to collect rents and, further, will be entitled to sue for recovery of possession of such Lot by forcible detainer or by Writ of Possession.

The lien of the Charges will be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Lots subject to the Charges, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale or transfer of such Lot pursuant to a decree of foreclosure, non-judicial foreclosure, or conveyance in lieu of foreclosure or in satisfaction of mortgage debt. The sale or transfer will not relieve the Lot from liability for any Charges thereafter becoming due nor from the lien of any subsequent Charge.

ARTICLE XIV. MAINTENANCE FUND

The Board, for the benefit of the Owners, shall establish and maintain a maintenance fund into which shall be deposited the Charges collected from Owners and which maintenance fund shall be used, without limitation, for the payment of the following:

1. Taxes and assessments and other liens and encumbrances which shall properly be assessed or charged against the Common Areas rather than against the individual Owners, if any.

2. Care and preservation of the Common Area.

3. The services of a professional person or management firm to manage the Association or any separate portion thereof to the extent deemed advisable by the Board of Directors, (provided that any contract for management of the Association will be terminable by the Association, with no penalty, upon 90 days prior written notice to the managing party) and the services of other personnel as the Board of Directors or the manager deems necessary.

4. Legal and accounting services.

5. A policy or policies of insurance insuring the Common Area, the Association, its Directors, and Officers against any liability to the public or to the Owners (and/or guests, invites, or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board of Directors.

6. Workers compensation insurance to the extent necessary to comply with any applicable laws.

7. Such fidelity bonds as may be required by the Bylaws or as the Board of Directors may determine to be advisable.

8. Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, taxes, or assessments (including taxes or assessments assessed against an individual Owner) which the Board of Directors is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion is necessary or proper for the enforcement of this Declaration.

9. Perpetual maintenance and enhancement of all Common Area including any portion of the private streets owned or maintained by the Association, walls, gates, grounds, landscaping, lights, irrigation, and electric for right-of-way and all entry monuments, walls, and signs owned or maintained by the Association.

10. Enforcement of all this Declaration, the Restrictive Covenants, Builder Guidelines, and Rules and Regulation.

11. The operation of the ARC.

ARTICLE XV. GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

A. General Powers and Duties.

The Board, for the benefit of the Owners, will have the following general powers and duties, in addition to the specific powers and duties provided in this Declaration and in the Bylaws of the Association:

1. To execute all declarations of Ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.

2. To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board see fit.

3. To enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.

4. To protect or defend the Common Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements.

5. To make reasonable Rules and Regulations for the operation of the Common Areas and to amend them from time to time; provided that, any rule or regulation may be amended or repealed by an instrument signed by a Majority of the Owners,

6. To make available for inspection by Owners within 60 days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals. Requests to examine the Association's books, records, and financial statements will be made, in writing, by certified mail, in accordance with the provisions of the Texas Property Code, as amended, and specifically Section 209.005, Texas Property Code.

7. To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

8. To enforce the provisions of any Rules and Regulations, Builder Guidelines and Restrictive Covenants or other provisions of this Declaration or the Bylaws of the Association, and to enjoin and/or seek damages and fines from any Owner for violation of the same.

9. To collect all Charges, and enforce all penalties for non-payment including the assessment of a Fine and Late Fee, the filing of liens and the institution of legal proceedings.

10. To establish or amend a monetary "fines" system which shall include due process hearings and a discretionary range of fine amounts, which, when levied, shall constitute a permitted Member Charge secured by the lien herein established.

11. To establish reserve funds which may be maintained or accounted for separately from other funds maintained for annual operating expenses.

12. To convey small portions of Common Area to adjoining Owners if, in the opinion of the Board, such conveyance does not materially impact the Association or the Subdivision or negatively affect the overall usage of the Common Area by the Owners.

B. Exclusive Right to Contract for Goods, Services, and Insurance.

The Board will have the exclusive right to contract for all goods, services, and insurance payment of which is to be made from the maintenance fund and the exclusive right and obligation to perform the functions of the Board except as provided in this Declaration.

C. Authority to Contract for Performance of Services.

The Board, on behalf of the Association, will have full power and authority to contract with any Owner or other person or entity for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms of this Declaration, 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 Association. Notwithstanding the foregoing, after the termination of the Development Period, the Board of Directors must solicit bids or proposals using a bid process adopted by the Association.

ARTICLE XVI. COMMON AREAS

Any and all Common Areas will be for the common use and benefit of each Member of the Association. The initial Common Areas will include the Subdivision's entryway and its landscaping, any drainage or detention areas, and any tract shown on the Plat to be maintained by the Association.

This ARTICLE XVI will not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property, nor from acquiring title to real property which may or may not be subject to this Declaration, nor from disposing small tracts of Common Area in accordance with the provisions of this Declaration.

ARTICLE XVII. INSURANCE AND CONDEMNATION

A. Fire, Hazard, and Casualty Insurance.

1. Each Owner, at his sole cost and expense, covenants and agrees with all other Owners and the Association to carry all-risk casualty insurance on their Lot. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction, the Owner will proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original Residence. In the event the Residence is totally destroyed and the Owner determines not to rebuild or reconstruct, the Owner will clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of the construction.

2. Each Owner will be responsible, at his own cost and expense, for personal liability insurance to the extent not covered by the Association and public liability insurance acquired by the Association on behalf of all Owners with respect to the Common Area. Each Owner will be responsible, at his own cost and expense, to obtain and maintain hazard and/or liability insurance on the Lot once the Residence has been constructed on a Lot.

B. Property and Public Liability Insurance With Respect to Common Area, Errors and Omissions and Indemnification.

1. The Board of Directors may, at the Board's sole discretion, obtain and continue in effect property insurance, to insure the buildings and structures in the Common Area, naming the Association as beneficiary with an endorsement to the mortgagee, if any, against risks of loss or damage by fire and other hazards as are covered under standard fire and extended coverage provisions. This insurance will also include coverage against vandalism.

2. The Board of Directors may, at the Board's sole discretion, obtain comprehensive public liability insurance in such limits as it deems desirable, insuring the Association, its agents and employees, and each Owner, from and against liability in connection with the Common Area.

3. The Board of Directors may, at the Board's sole discretion, obtain liability insurance covering errors and omissions of directors, officers, managers, employees, and representatives of the Association, and fidelity bonds for all officers and employees that have control over the receipt or disbursement of funds.

4. The Association may indemnify directors, officers, employees, and agents and may purchase a policy or policies insuring the Association, its Directors, and Officers against any liability to the public or to the Owners (and/or guests, invitees, or tenants) incident to the operation of the Association in any amount or amounts determined by the Board.

C. Insurance Premiums with Respect to Common Area.

All costs, charges, and premiums for all insurance with respect to the Common Area that the Board of Directors authorizes will be a common expense of all Owners and will be part of the annual assessment.

D. Other Insurance.

None of the above prevents the Board of Directors from obtaining other insurance as may be required by law (e.g. workers compensation) or other insurances which may become the norm for properties of this nature.

E. Condemnation.

If part or all of the Common Area is taken or condemned by any authority having the power of eminent domain, any compensation and damages will be paid to the Association. The Board of Directors will have the exclusive right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation issues affecting the to-be-condemned Common Area. The Owners may, by vote of 75% or more of the total voting power, agree to distribute the proceeds of any condemnation or taking by eminent domain, to each Owner and his mortgagee, if any, as their interest may appear. In the event that the Owners do not agree, the proceeds will be added to the funds of the Association, and the Association will decide on whether or not to replace or restore, as far as possible, the Common Area so taken or damaged.

The Association will give timely notice of the existence of the proceedings to all Owners and, if information is available, to their mortgagees, if any. The expense of participation in the proceedings will be common expenses chargeable to the Owners.

F. Insufficient Proceeds.

If the insurance or condemnation proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special assessment as provided for in this Declaration.

ARTICLE XVIII. AMENDMENT AND ANNEXATION

This Declaration will remain in force and effect for a period of 20 years after this Declaration is recorded, and each 20-year anniversary thereafter, this Declaration will be renewed and continued for a period of 20 years unless amended as provided in this Declaration. This Declaration may be amended by written instrument approved by the affirmative vote of the Majority of Owners in the Association. The amendment will be effective when it is certified by the President of the Association as to the requisite number of votes and recorded in the Official Public Records of Real Property of Bell County, Texas. Any amendment so certified and recorded will be conclusively presumed to have been duly adopted. Declarant will have the right to file an amendment to this Declaration, or any other Restrictive Covenant that may be filed, for any reason, without the necessity of joinder by any other Owner, at any time during the Development Period. Notwithstanding the foregoing, after the termination of the Development Period, Declarant will have the right to file an amendment to this Declaration, without the necessity of joinder by any other Owner, for the limited purposes of correcting a clerical error, clarifying an ambiguity, removing any contradiction in the terms of this Declaration, or for the purpose of making such additions or amendments to this Declaration as may be required by FHA, HUD, VA, or other governmental authority to qualify the Properties for mortgage guaranties issued by FHA or VA.

During the Development Period, Declarant will have the right, privilege, and option to annex additional land to make it subject to this Declaration by filing in the Official Public Records of Real Property of Bell County, Texas, an amendment annexing additional property. Additional property may also be annexed and made subject to this Declaration by written instrument approved by the affirmative vote of a Majority

of Owners of the Association and filed of record in the Official Public Records of Real Property of Bell County, Texas.

ARTICLE XIX. GOVERNMENTAL REQUIREMENTS

By acceptance of a deed to a Lot, or initiating construction of improvements to a Lot, each Builder Member and contractor assumes responsibility for complying with all certifications, permitting, reporting, construction, and procedures required under all applicable governmental rules, regulations, and permits, including, but not limited to those promulgated or issued by the Environmental Protection Agency or any other governmental authority and related to Storm Water Discharges from Construction Sites (see Federal Register, Volume 57, No. 175, Pages 41176 et seq.), and with the responsibility of ascertaining and complying with all regulations, rules, rulings, and determinations of the Texas Water Development Board and Texas Water Commission, related to each Lot, including, without limitation, the provisions of chapters 325 and 331, Texas Administrative Code, and any specific rulings made pursuant to the terms of the foregoing. The foregoing references are made for the benefit of builders and contractors and do not in any way limit the terms and requirements of this covenant and the requirement that all Builder Members and contractors comply with all governmental regulations, and any plan required by such regulations such as Storm Water Pollution Plan, affecting each Lot and construction site with which they are associated, including delivery to Declarant of a certification of understanding relating to any applicable NPDES permit prior to the start of construction. Each Builder Member and contractor, by acceptance of a deed to a Lot or undertaking the making of improvements to a Lot, holds harmless and indemnifies Declarant from all cost, loss, or damage occasioned by the failure to abide by any applicable governmental statute, rule, regulation or permit related to the Properties.

By acceptance of a deed to a Lot, each Builder Member and Owner accepts responsibility to maintain his or its Lot so that any storm water drainage ditch(es) do not fill up, become clogged, or prohibit the free flow of drainage or pollute storm water.

By acceptance of a deed to a Lot, each Builder Member and Owner agrees that Declarant and the Association will have the right to enter upon any Lot on which one or more conditions or activities prohibited by appropriate governmental authority is maintained, or on which there has been a failure to perform any act required by appropriate governmental authority. The Declarant and the Association may enter upon the Lot for the purpose of curing any violation, provided that the Owner or Builder Member has been given 5 days prior written notice and has failed to remedy the complained-of violation within such time. Each Owner and Builder Member indemnifies and holds harmless Declarant and the Association from all cost and expense of such curative action and any cost or expense of penalty or fine levied by any governmental authority as a result of the act or failure to act of the Owner or Builder Member with respect to his Lot or the Properties. The foregoing remedy will be cumulative of all other remedies for violations of provisions of these covenants.

ARTICLE XX. GENERAL PROVISIONS

A. Interpretation.

If this Declaration or any word, clause, sentence, paragraph, or other part thereof will be susceptible to more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration will govern. Whenever in the application of the provisions of this Declaration, or any amendment hereto, conflict with the application of any provision of the Bylaws of the Association, or any other restriction or covenant filed separately or as a part of this Declaration, the provisions or application of this Declaration shall prevail.

If any punctuation, word, clause, sentence, or provision necessary to give meaning, validity, or effect to any other word, clause, sentence, or provision appearing in this Declaration is omitted from this Declaration, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision will be supplied by inference.

The singular, whenever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make the provisions here apply either to corporations or individuals, males or females, will in all cases be assumed as though in each case fully expressed.

B. Notices.

Any notice required to be given to any Owner or Member will be complete when the notice is:

1. deposited in the United States Postal Service mail, postage prepaid, and addressed to the Owner or Member at the last known address as shown by the records of the Association;
2. faxed to the Owner or Member at the last known facsimile number as shown by the records of the Association and a confirmation of successful transmission is obtained and filed by the Association; or
3. emailed to the Owner or Member at the last known email address as shown by the records of the Association.

C. Communications.

This Declaration is drafted in an era of rapidly changing communication technologies. Declarant does not intend to limit the methods by which the Association and Owners, together with its employees, tenants, guests, invitees, and customers, communicate with each other. Such communications may be by any method or methods that are available and customary. For example, if the Association is required by the Governing Documents or applicable law to make information available to Owners of all Lots, that requirement may be satisfied by posting the information on the Association's website or by using electronic means of disseminating the information, unless applicable law requires a specific method of communication. It is foreseeable that meetings of the Association and voting on issues may eventually be conducted via technology that is not widely available on the date of this Declaration. The Association may adopt and employ a combination of methods to communicate with Owners, including both traditional communication and technology.

D. Headings.

The headings contained in this Declaration are for reference purpose only and will not in any way affect the meaning or interpretation of this Declaration.

E. Invalidation.

Invalidation of any one or more of these covenants, restrictions, conditions, and limitations by judgment or court order, will in no way affect any of the other provisions of this Declaration which will remain and continue in full force and effect.

F. Compliance.

These covenants, restrictions, conditions, and limitations are in all respects subject to any required governmental approval and any applicable zoning regulation lawfully in force or hereafter adopted.

TABLE OF ASSESSMENTS

Type	Who	Amount	Due By
Resale Certificate Assessment	Lot Owner/Third Party Buyer (as agreed)	$285.00	Upon request of Resale Certificate
Membership Assessment	Lot Owner	$520.00	Lot closing
Initial Annual Assessment	Lot Owner	$600.00	Annually or 4 equal payments due on the 1st day of each calendar quarter
Member Charge	Lot Owner	TBD	TBD
Late Fee on Dues	Lot Owner	$20	Each Notice
1st Restrictions Violation Fine	Lot Owner	TBD	See Policy Manual
2nd Restrictions Violation Fine	Lot Owner	TBD	See Policy Manual
3rd and All Subsequent Restrictions Violation Fines	Lot Owner	TBD	See Policy Manual

*Assessments are due and payable in accordance with the Minutes and Declaration, on a per Lot basis, beginning with the calendar year 2023.

EXECUTED to be effective on January 27, 2023.

PIOTA DEVELOPMENT, LLC,
A Texas Limited Liability Company, Declarant

By: _____
Richard Steve Young, President

ACKNOWLEDGMENT

State of Texas
County of Bell

This instrument was acknowledged before me on February 14th, 2023, by Richard Steve Young in his capacity as President of PIOTA DEVELOPMENT, LLC, a Texas limited liability company, on behalf of said limited liability company.

PHYLLIS B. MURPHREE
Commission # 128380615
My Commission Expires
September 7, 2026

Phyllis B. Murphree
Notary Public, State of Texas

EXECUTED by the undersigned to RATIFY and CONFIRM that the undersigned (a) is the owner of Lots in the Subdivision; (b) has executed this Declaration as the act of such undersigned owner of Lots in the Subdivision; and (c) ratifies, confirms, accepts and approves, this Declaration for the Subdivision.

PIOTA DEVELOPMENT, LLC,
A Texas Limited Liability Company

By: _____
Richard Steve Young, President

ACKNOWLEDGMENT

State of Texas
County of Bell

This instrument was acknowledged before me on February 14th, 2023, by Richard Steve Young in his capacity as President of PIOTA DEVELOPMENT, LLC, a Texas limited liability company, on behalf of said limited liability company.

PHYLLIS B. MURPHREE
Commission # 128380615
My Commission Expires
September 7, 2026

Phyllis B. Murphree
Notary Public, State of Texas

PREPARED IN THE LAW OFFICE OF:
Baird, Crews, Schiller & Whitaker, P.C.
Attn: Taylor Fitzner/tcf
15 North Main Street
Temple, Texas 76501
www.bcswlaw.com

Bell County
Shelley Coston
County Clerk
Belton, Texas 76513

Instrument Number: 2023006522
As
RESTRICTIONS

Recorded On: February 17, 2023
Parties: PIOTA DEVELOPMENT LLC
To SETTLEMENT ON STAGECOACH
Comment:

Billable Pages: 31
Number of Pages: 32

(Parties listed above are for Clerks' reference only)

**** Examined and Charged as Follows ****

CLERKS RMF:	$5.00
COURT HOUSE SECURITY:	$1.00
RECORDING:	$125.00
Total Fees:	$131.00

********** DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT **********

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information

Instrument Number:	2023006522
Receipt Number:	330196
Recorded Date/Time:	02/17/2023 12:19:58 PM
User / Station:	zbranead - BCCCD0642

Record and Return To:
Baird Crews Schiller and Whitaker PC
15 N MAIN ST
TEMPLE, TX 76501-7629

I hereby certify that this instrument was filed on the date and time stamped hereon and was duly recorded in the Real Property Records in Bell County, Texas

Shelley Coston
Bell County Clerk

Shelley Coston

** EFILED DOCUMENT **
Date 2/17/23
Document No. 2023-6522
Bell County, Texas
By: BCSW/tcf

After Recording, Return To
Baird, Crews, Schiller & Whitaker, P.C.
15 North Main Street
Temple, Texas 76501

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
Of
THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC.,
A Texas Nonprofit Property Owners' Association,
And Of
THE SETTLEMENT ON STAGECOACH,
A Subdivision in the City of Killeen, Bell County, Texas

Prepared By:
Taylor Fitzner
BAIRD, CREWS, SCHILLER & WHITAKER, P.C.
15 North Main
Temple, Texas 76501

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC.,
A Texas Nonprofit Property Owners' Association
And Of
THE SETTLEMENT ON STAGECOACH,
A Subdivision in the City of Killeen, Bell County, Texas

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BELL §

Piota Development, LLC a Texas limited liability company ("Declarant"), is the developer of that certain tract of land situated in Bell County, Texas, more particularly described as

> Lots One through Twenty-Two (1-22), inclusive, Block One (1); Lots Twenty-Four through Forty-One (24-41), inclusive, Block One (1); Lots One through Twenty-One (1-21), inclusive, Block Two (2); Drainage Tract One (1), of THE SETTLEMENT ON STAGECOACH, a subdivision in the City of Killeen, Bell County, Texas, according to the map or plat of record in Document Number 2022-069465, Official Public Records of Bell County, Texas

(collectively referred to herein as the "Property" and sometimes referred to as the "Subdivision").

Declarant makes and imposes the following covenants, conditions and restrictions upon each of the Lots in the Subdivision, which will be covenants running with the land, for the purposes set forth as follows:

PREAMBLE AND DECLARATION:

Declarant has created and is developing the Subdivision for the benefit of the present and future owners of the Lots (as that term is defined below) within the Subdivision, and desires to create and carry out a uniform plan for the improvement, development and sale of the Lots.

Declarant desires to ensure the preservation of the values and amenities of the Subdivision and for the maintenance of the "Common Area" (as defined below), and to this end desires to further subject the Subdivision to the assessments, charges, fines, and late fees (sometimes collectively referred to as "Charges"), conditions, covenants, easements, reservations and restrictions, and liens set forth below, each and all of which is and are for the benefit of the Subdivision and the owners thereof.

Declarant has deemed it desirable for the enforcement of the "Declaration" (as defined below) to create an "Association" (as defined below) to which will be delegated and assigned the power of administering and maintaining the Common Areas in the Subdivision and of administering enforcing the Charges, conditions, covenants, easements, reservations and restrictions, and liens, including levying, collecting, and disbursing the Charges.

There has been or will be incorporated, one or more nonprofit corporations created under the laws of the State of Texas, including the first being THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC., whose directors will establish the Bylaws by which the Association will be governed through its Board of Directors, for the purpose of exercising the functions mentioned in this Declaration. No more than one such non-profit corporation will be in existence at any one time.

Declarant declares that additional land may be annexed into the Association in stages, as provided below and in accordance with Declarant's scheme of the Property. The annexed land will not be dependent upon future stages of the development but will be subject to this Declaration.

Declarant declares that the Subdivision and all future phases or additions to the Subdivision is and will be held, transferred, sold, conveyed, occupied, and enjoyed subject to the following Charges, conditions, covenants, easements, reservations and restrictions, and liens and will be subject to the jurisdiction and assessments of the Association. Declarant may at any time during the Declarant Control Period, in a document signed by Declarant and filed of record in the Bell County Official Public Records, add land to (aka annex) or withdraw land from the Association (may remove land from being subject to the Declaration and subject to membership in the Association), including adding land in the form of subsequent phases or otherwise, to be subject to the Declaration. Such document may impose additional or alternate restrictions on the added property as the Declaration, as further described in any such filing.

ARTICLE I. PURPOSE

The Subdivision is encumbered by this Declaration for the following reasons:

1. To ensure the best and highest use and most appropriate development of the Properties;
2. To protect Owners against improper use of surrounding Lots to preserve so far as practicable the natural beauty of the Properties;
3. To guard against the erection of unusual, radical, curious, odd, bizarre, peculiar, or poorly designed or proportioned structures of improper or unsuitable materials;
4. To encourage and secure the erection of attractive improvements on each Lot with appropriate locations;
5. To secure and maintain proper setbacks from streets and adequate free space; and
6. In general, to provide for development of the highest quality to enhance the value of investment made by Owners.

ARTICLE II. DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) will have the following meanings.

A. Applicable Law.

"Applicable Law" means the statutes and public laws and ordinances in effect at the time a provision of the Governing Documents is applied, and pertaining to the subject matter of the Governing Document provision. Statutes and ordinances specifically referenced in the Governing Documents are "Applicable Law" on the date of the Governing Document, and are not intended to apply to the Subdivision if they cease to be applicable by operation of law, or if they are replaced or superseded by one or more other statutes or ordinances.

B. ARC and Architectural Review Committee.

"ARC" and "Architectural Review Committee" means the Architectural Review Committee of the Association.

C. Association.

"Association" means THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC., a Texas nonprofit property owners' association, its successors, assigns, and replacements as provided in this Declaration, which has jurisdiction over all Properties located within the land encumbered or to be encumbered under this Declaration, as may be amended; and the power, duty, and responsibility of maintaining and administering the Common Area and administering and enforcing the Declaration and any amended or supplemental

declaration. The Association is a "property owners association" as that term is defined in Texas Property Code §202.001(2). The subsequent failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association.

The Association is subject to the Texas Business Organizations Code ("TBOC"). Because provisions of this Declaration address issues covered by the TBOC, this Declaration is a "Governing Document" as defined by TBOC, and any such provision herein is a "Bylaw" as defined by TBOC. When incorporated, the Association is subject to TBOC Chapter 22 - the Nonprofit Corporation Law. When unincorporated, the Association is subject to TBOC Chapter 252 - the Uniform Unincorporated Nonprofit Association Act.

D. Board and Board of Directors.

"Board" and "Board of Directors" means the Board of Directors of THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC., a Texas nonprofit property owners' association, its successors, assigns, and replacements as provided in this Declaration, the election and procedures of which are set out in the Certificate of Formation and Bylaws of the Association. The Board of Directors will be the elected body having its normal meaning under Texas non-profit corporate law.

E. Builder Guidelines.

"Builder Guidelines" means a publication of the ARC that sets forth general guidelines as to various standards, including but not limited to construction types, aesthetics, and exterior harmony of any and all improvements placed upon or constructed on any Lot, which publication may be amended by the ARC without notice to the Owners.

F. Builder Member.

"Builder Member" means a builder approved by Declarant and who owns one or more Lots for construction of improvements upon one or more Lot for resale to others.

G. Common Area.

"Common Area" means any easements for the common use and benefit of the Members of the Association, or any real and personal property leased, owned, or maintained by the Association for the common use and benefit of the Members of the Association. Common Area may also include any private streets conveyed to the Association, driveways, driving paths, entrance monuments, security gates, perimeter walls, drainage facilities and detention ponds, esplanade and right-of-way landscaping, any improvement areas lying within indicated public easements or rights-of-way as deemed appropriate by the Board of Directors for the preservation, protection and enhancement of the property values and the general health, safety or welfare of the Owners, safety lanes, marinas, and other areas as may be shown on the Subdivision Plat or as otherwise created by other documentation.

H. Declarant.

"Declarant" means Piota Development, LLC, a Texas limited liability company, its successors or assigns who are designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of the Declarant with respect to the Lots acquired by such successor or assign. No person or entity purchasing one or more Lots from the Declarant in the ordinary course of business will be considered a "Declarant".

I. Declarant Control Period.

"Declarant Control Period" means the period during which the Declarant intends to develop or sell any portion of the Property. The Declarant Control Period will end only upon written notice from the Declarant to the Board that Declarant has developed and sold all the Property owned by Declarant or intended to be developed and sold by Declarant.

J. Declaration.

"Declaration" means this Declaration of Covenants, Conditions and Restrictions for THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC., a Texas nonprofit property owners' association, and of THE SETTLEMENT ON STAGECOACH, a subdivision in the City of Killeen, Bell County, Texas, and any amendments and supplements to this Declaration made in accordance with the terms of this Declaration.

K. Development Period.

"Development Period" means the period during which Declarant has certain rights pursuant to this Article, such as rights relating to development, construction, expansion, and marketing of the subdivision known as The Settlement on Stagecoach. The Development Period is for a term of twenty (20) years and does not require that Declarant own land within the Subdivision. The Development Period is different from and longer than the Declarant Control Period. Declarant may terminate the Development Period at any time by recording a notice of termination.

L. Governing Documents

"Governing Documents" means, singly or collectively, this Declaration, Restrictive Covenants, Rules and Regulations, Builder's Guidelines, and Bylaws of the Association, as any of these may be amended from time to time.

M. Improved Lot.

"Improved Lot" means a Lot upon which a Residence has been constructed and such Residence is occupied by the Owner or its tenants.

N. Lot or Lots.

"Lot" or "Lots" means any of the plots of land as shown on the Subdivision Plat. The total number of Lots that may be made subject to this Declaration is 500.

O. Majority.

"Majority" means more than half.

P. Majority of Owners.

"Majority of Owners" or "Majority of Members" means, for voting purposes, a number of votes greater than one/half (1/2) of all votes held by all the Owners or Members.

Q. Member or Members.

"Member" or "Members" means all those Owners who are members of the Association as provided in this Declaration.

R. Owner.

"Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot or portion of a Lot, within the Subdivision, including contract sellers and mortgagees who acquire title to a Lot through a deed in lieu of foreclosure or through judicial or nonjudicial

foreclosure. Persons or entities having Ownership interests merely as security for the performance of an obligation are not "Owners". Every Owner is a Member of the Association. A reference in any Governing Document or Applicable Law to a percentage or share of Owners or Members means Owners of at least that percentage or share of the Lots, unless a different meaning is specified. For example, "a Majority of Owners" means Owners of at least a Majority of the Lots.

S. Property or Properties.

"Property" or "Properties" means the properties collectively known as THE SETTLEMENT ON STAGECOACH, and all additions to the Subdivision, as are subject to this Declaration or any amended or supplemental declaration.

T. Residence.

"Residence" means a single-family residence permitted and constructed on a Lot indicated on the final plat of the Subdivision as a single-family Lot.

U. Restrictions.

"Restrictions" means the covenants, conditions and restrictions that affect the use of the Properties as contained in this Declaration, together with all amendments of the foregoing.

V. Restrictive Covenants.

"Restrictive Covenants" means the restrictive covenants that affect the use of the Properties as contained in the Restrictive Covenants set forth in instruments filed prior to or subsequent to the filing of this Declaration, together with all amendments of the foregoing.

W. Rules and Regulations.

"Rules and Regulations" means the rules and regulations promulgated by the Board of the Association from time to time and which may be filed in the Official Public Records of Bell County, Texas.

X. Subdivision.

"Subdivision" means the Subdivision as defined above.

Y. Subdivision Plat.

"Subdivision Plat" collectively means the map or plat of the Subdivision, filed of record in Document Number 2022-069465, Official Public Records of Bell County, Texas, and any amendment, replat, or modification to the Subdivision Plat, and any master plat or plan, as may be amended or modified from time to time, for additional properties that may be added from time to time as provided by this Declaration. A copy of the master plat or plan may be attached now or at a later time to this Declaration as an exhibit entitled "Master Plat or Plan".

Z. Unimproved Lot.

"Unimproved Lot" means a Lot upon which no improvements have been constructed.

ARTICLE III. PROPERTY RIGHTS

Every Owner, guest, invitee, and tenant will have a right and easement of ingress and egress, use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

1. The right of the Association to charge reasonable admission and other fees for the use of any facility now or hereafter situated or constructed or situated upon the Common Area and to impose reasonable limits on the number of guests who may use the facilities;

2. The right of the Association to suspend an Owner's right to use any facility for any period during which any assessment of the Association against that Owner's Lot remains unpaid, and for infractions by an Owner of the Restrictions, the Restrictive Covenants, and/or the Association's Rules and Regulations for the duration of the infraction;

3. The right of the Association to grant easements in and to the Common Areas to any public agency, authority or utility for such purposes as benefits the Properties and Owners, or to grant an easement in and to the Common Area for the purpose of providing an easement of ingress, egress and regress to adjoining lands as provided in this Declaration;

4. The right of the Association to borrow money for the purpose of improving the Common Area, for acquiring additional Common Area, or for constructing, repairing, or improving any facilities located or to be located on the Common Area, and to give as security for the payment of any such loan a mortgage conveying all or any portion of the Common Area, provided a Majority of each Class of Members present or represented by proxy at a meeting called for such purpose will approve; provided however, the lien and encumbrance of any such mortgage given by the Association will be subject and subordinate to any and all rights, interests, options, easements, and privileges reserved or established in this Declaration for the benefit of Declarant or Owner, or the holder of any mortgage irrespective of when executed, given by Declarant or any Owner encumbering any Lot or other property located within the Subdivision;

5. The right of the Association to dedicate or transfer all or any portion of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members of the Association. No such dedication or transfer will be effective unless an instrument agreeing to such dedication or transfer has been approved by a Majority of the Class A Members of the Association which are present or represented by proxy at a meeting duly called for such purpose, and by the Class B Member so long as the Class B membership exists;

6. The right of the Association to convey small portions of the Common Area to adjacent Owners when, in the sole opinion of the Board, the portion of the Common Area to be conveyed is so small in size, amount and value that it will have no material consequence to or impact upon the Association or the Subdivision or negatively affect the overall usage of the Common Area by the Owners as a result of such conveyance. In such an event, the Board may authorize such conveyance without the joinder of any other Owner; and

7. The right of the Association to prescribe Rules and Regulations as they may be expanded, amended or otherwise modified. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of the Owner's Lot may be affected by this provision and that the Rules and Regulations may change from time to time. The Board has the authority to enforce the Rules and Regulations by all appropriate means, including but not limited to the imposition of fines, if notice and an opportunity to be heard are given, and a Member found to have violated the Rules and Regulations will be liable to the Association for all damages and costs, including reasonable attorney's fees.

ARTICLE IV. ARCHITECTURAL REVIEW

A. ARC Authority and Requirements.

In order to protect the overall integrity of the development of the Subdivision as well as the value of improvements of all Owners, a committee of representatives designated as the Architectural Review Committee (the "ARC") is established to carry out all duties as noted in this Declaration. The ARC will have full authority to approve and disapprove; change, modify or waive; and ultimately control all construction, development, and improvement activities of any kind (including, without limitation, structures, buildings, building materials, and the placement of the improvements) within the Subdivision. The ARC will require that all improvements are constructed in a good and workman-like manner and in accordance with standard industry trade practices. The ARC will further require that all improvements are architecturally, aesthetically, and ecologically designed to be compatible with Declarant's conceptual plan for the overall Subdivision, are in compliance with the Restrictive Covenants, and/or are decided by the ARC.

B. Enforce Builder Guidelines.

The ARC may prescribe Builder Guidelines as they may be expanded, amended or otherwise modified. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of the Owner's Lot may be affected by this provision and that the Builder Guidelines may change from time to time. The ARC has the authority to enforce the Builder Guidelines by all appropriate means, including but not limited to the imposition of fines, subject to the review of the Board, if notice and an opportunity to be heard are given, and a Member found to have violated the Builder Guidelines will be liable to the Association for all damages and costs, including reasonable attorney's fees. The Board will have the authority to enforce the Builder Guidelines in accordance with this provision in the event the ARC fails to enforce the Builder Guidelines.

C. Approve Plans and Specifications.

No building, structure, fence, structure, accessory building, outbuilding, addition, modification, or construction of any kind will be erected, placed, constructed, maintained, modified, redecorated, or altered, until a complete set of plans and specifications and other reasonably requested information (the "Plans and Specifications") have been formally submitted to the ARC with a written request for approval and the ARC's written approval received. Plans and Specifications which are submitted may contain and include, but not necessarily be limited to the following information: nature, kind, shape, height, and location of the Residence and improvements; floor plans, including square footage, roof pitch, percentage of exterior finish materials, and finished floor and ground elevations; exterior elevations for any building, fence or other structure; a plat or site plan showing easements and the location of any building, fence or other structure (including location of landscaping, light poles and curb cuts, if applicable); exterior lighting and location; samples of exterior finish materials and color samples; and any other plans, specifications or information deemed pertinent by the ARC or Declarant.

The ARC will review all Plans and Specifications submitted in accordance with the procedures described in this Article for compliance with all the requirements of this covenant and for the compatibility of any improvements with the architectural, aesthetic, and ecological goals of the Subdivision and Declarant. It is the intent that all improvements will be compatible with all other improvements in the Subdivision and that they will be in harmony with their natural surroundings. The ARC will have full right and authority to utilize its sole discretion in approving or disapproving any Plans and Specifications that are submitted. It is the intent of the ARC to prevent unusual, radical, curious, odd, bizarre, peculiar, or irregular structures from being built

within the Subdivision, and to further prevent the removal of trees and other natural features deemed valuable to the Subdivision and neighbors.

The ARC may disapprove the construction or design of any improvement, or removal of any tree or improvement, on purely aesthetic grounds where, in its sole judgment, such disapproval is required to protect the continuity of design or value of the Subdivision, or to preserve the serenity and natural beauty of any surroundings. Prior approvals or disapprovals of the ARC pertaining to any improvement or activity or regarding matters of design or aesthetics will not be deemed binding upon the ARC for later requests for approval if the ARC feels that the repetition of such matters will have an adverse effect on the Subdivision. The ARC will have the express power to construe and interpret any covenant that may be capable of more than one construction.

D. Compliance Inspection.

During reasonable hours, members of the ARC, any member of the Board, or any authorized representative of any of them, will have the right to enter upon and inspect any Lot and the improvement or structure for the purpose of ascertaining whether or not the provisions of the Declaration have been or are being complied with, and said persons will not be deemed guilty of trespass by reason of such entry.

E. Consult Professionals.

The ARC will have the authority to employ professional consultants or architects at the expense of the Association to assist it in performance of its duties, including but not limited to the review of all plans, specifications and other information which are submitted for compliance. The decision of the ARC will be final, conclusive and binding upon the applicant. The ARC members will not be entitled to any compensation for any services rendered pursuant to this covenant, other than as provided in the Bylaws.

F. ARC Member Indemnification

Members of the ARC will not be liable to any person subject to, possessing, or claiming any benefits of this Declaration.

G. Number of ARC Members and Appointing Successor Members.

The number of and initial ARC members will be decided by Declarant, which number will be a minimum of two (2). During the Declarant Control Period, in the event of the death or resignation of any member of the ARC, Declarant will have full power and authority to appoint a successor ARC member or members, chosen in its sole discretion, with like authority. At the termination of the Declarant Control Period, the Board of Directors will appoint any successor members of the ARC. A person may not be appointed or elected to the ARC by the Board of Directors if such person is a current Board member, a current Board member's spouse, or a person residing in a current Board member's household.

H. Procedures for Approval.

1. A complete copy of the final Plans and Specifications will be submitted in duplicate, with a written request for approval, by direct delivery to the ARC, by certified mail to the ARC, or by any other manner approved by the Board. Such Plans and Specifications must be submitted at least 30 days prior to the proposed construction of improvements or landscaping. The Plans and Specifications will be considered submitted and all timeframes set forth in this Article will begin as of the date the ARC signs a certified mail receipt or a delivery receipt (the "Date of Submission").

2. At such time as the Plans and Specifications meet the approval of the ARC, the ARC will send written authorization to proceed and will retain one set of the Plans and Specifications for its file and future reference. If disapproved by the ARC, the Plans and Specifications will be returned to the submitting party marked "Disapproved" and will be accompanied by a statement of the reasons for disapproval, which statement will be signed by a representative of the ARC. Compliance by the ARC and its response to the Plans and Specifications will be based upon the date the ARC's notice of approval or disapproval is mailed (postmark of certified mail receipt) or delivered (signed delivery receipt) and will not be based upon the date the submitting party actually receives such notice of approval or disapproval. Any modification of the approved set of Plans and Specifications must be resubmitted to the ARC for its approval. The ARC's approval or disapproval will be in writing. In no event will the ARC give verbal approval of any Plans and Specifications.

3. If the ARC fails to approve or disapprove properly submitted Plans and Specifications within 30 days after the Date of Submission, written approval of the matters submitted will not be required and compliance with this Article and this Declaration will be deemed to have been completed. In the case of a dispute about whether the ARC responded within the required time period, the person submitting the Plans and Specifications will have the burden of establishing that the ARC received the Plans and Specifications but failed to respond. The ARC's receipt of the Plans and Specifications may be established by a signed certified mail receipt or by a signed delivery receipt.

4. If the ARC denies an application or request by an Owner for the construction of improvements, the ARC must provide written notice to the Owner by certified mail, hand delivery, or electronic delivery. The notice must:

   a. describe the basis for the denial in reasonable detail and changes, if any, to the application or improvements required as a condition to approval; and

   b. inform the owner that the owner may request a hearing to appeal the denial before the Board of Directors on or before the 30th day after the date the notice was mailed to the owner.

5. If an Owner timely requests a hearing to appeal the denial, such hearing shall occur not later than thirty (30) days after the date the Board of Directors receives the Owner's request for a hearing. The Board of Directors shall notify the Owner of the date, time, and place of the hearing not later than the 10th day before the date of the hearing. Owner is only entitled to one hearing.

   a. During a hearing, the Board of Directors or the designated representative of the Association and the Owner or the Owner's designated representative will each be provided the opportunity to discuss, verify facts, and resolve the denial of the Owner's application or request for the construction of improvements, and the changes, if any, requested by the ARC in the notice provided to the Owner.

   b. The Board of Directors or the Owner may request a postponement of the hearing. If requested, a postponement shall be granted for a period of not more than 10 days. Additional postponements may be granted by agreement of the parties.

   c. The Association or the Owner may make an audio recording of the meeting.

   d. The Board of Directors may affirm, modify, or reverse, in whole or in part, any decision of the ARC as consistent with this Declaration.

I. Procedures for Request for Variance:

In the event a variance is requested, Owner or its builder or a Builder Member must submit to the ARC, in duplicate:

1. A complete copy of the final Plans and Specifications, together with any supporting materials and a survey showing the encroachment across or into any setback line or easement, or other basis or grounds for the variance request;

2. A written request for the variance; and

3. Contact information for the Owner and, if applicable, its builder or the Builder Member.

The request for a variance may be by direct delivery to the ARC, by certified mail to the ARC, or by any other delivery manner approved by the Board. The ARC will send its written decision to the Owner or its builder or the Builder Member within 30 days of the ARC's receipt of a request for a variance. If a request for a variance is made prior to the construction of improvements and such variance is granted, the ARC's approval will be conditional and preliminary until all improvements are constructed. Upon final completion of the improvements, the Owner or its builder or the Builder Member must submit to the ARC, in duplicate, an "as built" survey, reflecting the location of all improvements and the encroachment or subject of the variance. The "as built" survey may be submitted to the ARC by direct delivery or by certified mail. The ARC will send its written decision to the Owner or its builder or the Builder Member within 15 days of the ARC's receipt of the "as built" survey. Final ARC approval and granting of the variance will not be given until the ARC receives the final submissions. In the event the encroachment or subject of the variance differs from and exceeds the original request for a variance, the Owner will be subject to a fine. Any fine assessed by the ARC must be paid in full before the ARC approves the request and grants the requested variance.

J. Construction Deposit:

At the time of the submission of plans and specifications to the ARC, the ARC may require that the Owner deposit $500.00 (the "Construction Deposit") payable to the Declarant during the Development Period and to the Association thereafter. The ARC shall have the right to require the Owner to increase the amount of the Construction Deposit at any time that it has been depleted by prior violations. The purpose of the Construction Deposit is to insure the following:

1. Plans are submitted to the ARC as set forth in the Governing Documents.

2. Landscaping is accomplished in according with the Governing Documents.

3. Maintenance of a clean job site, compliance with the Governing Documents, and that the structure is constructed according to the approved plans. A written notice will be issued by the ARC to the Owner regarding any violations or damage caused by the construction. Examples of damage are the breaking of any sidewalk in the Subdivision, "rutting" of any right of way, servitudes or other lots in the Subdivision caused by construction related vehicles, the spilling of concrete on any streets or other areas of the Subdivision and any trash or debris dispensed in the Subdivision. If the violation or damage has not been corrected within five (5) days after the date of the notice, the violation or damage may be corrected by the ARC and the cost of the same shall be charged to the Owner. Said amount may be deducted, without further notice, from the Construction Deposit until said deposit is exhausted, at which time the Owner will be billed for any additional expense. The Association shall have lien rights to enforce payment of any amount billed but not collected within thirty (30) days after the date of such bill. Notwithstanding the provisions of this Section however, neither Declarant, the Association nor the ARC shall

be responsible for the damage to any Lot caused by the activities of the Owner (or builder or others involved in any activity on their behalf) of any other Lot, and shall not be held responsible for any such damage if deductions are not made from the Construction Deposit or other damage collection provisions are not made for such damage. If no violations or damage occur (or if no deductions for such damage are made from the Construction Deposit by the Declarant or the Association). the Construction Deposit will be refunded in full to the original submitter of the Construction Deposit after satisfactory completion of construction of improvements on the Lot in accordance with the approved plans and completion of landscaping as set forth in these Restrictions. To the extent any of the Construction Deposit was spent for correction of any violations or damage, any balance will be refunded to the original submitter of the Construction Deposit after the satisfactory completion of the improvements and landscaping.

In the event of non-compliance with respect to items 1 and 2 of the foregoing, the Construction Deposit shall be automatically forfeited as liquidated damages to the Declarant or the Association, as the case may be. Further, all other rights of enforcement that the Declarant, the ARC, and the Association may have with respect to any of the foregoing, shall continue, including the right to fine the Owner, rights to injunctive relief, damages, and any other remedies at law or in equity.

ARTICLE V. FILING OF GOVERNING DOCUMENTS

It is the intent of the Association to comply with all provisions of the Texas Property Code, and specifically Section 202.006, including but not limited to the filing of the applicable Association Governing Documents in the Official Public Records of Real Property of Bell County, Texas.

ARTICLE VI. RESTRICTIVE COVENANTS

The Restrictive Covenants are set out in separate instrument, recorded in the Official Public Records of Real Property of Bell County, Texas.

ARTICLE VII. ANTENNAS

No exterior antennas, aerials, satellite dishes, or other apparatus for the reception of television, radio, satellite, or other signals of any kind will be placed, allowed, or maintained upon a Lot which is visible from any street, Common Area or other Lot unless it is impossible to receive signals from a non-visible location. In that event the receiving device may be placed in a visible location as approved by the ARC. The ARC may require as much screening as possible while not substantially interfering with reception. The Declarant and the Association will have the right, without obligation, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite, or other signals for the benefit of all or a portion of the Property. No satellite dishes will be permitted which are larger than one meter in diameter. No broadcast antenna mast may exceed the height of the center ridge of the roofline. No Multichannel Multipoint Distribution Service ("MMDS") antenna mast may exceed the center ridge of the roofline by the height established by the Telecommunications Act of 1996 (the "Act") as same may be amended from time to time. No exterior antennas, aerials, satellite dishes, or other apparatus will be permitted, placed, allowed, or maintained upon any portion of the Property that transmits television, radio, satellite, or other signals of any kind. The Declarant by promulgating this Section is not attempting to violate the Act as same may be amended from time to time. This Section will be interpreted to be as restrictive as possible while not violating the Act.

ARTICLE VIII. MODIFICATIONS AND VARIANCES

A. Modifications.

During the Development Period, Declarant will have the authority to modify or waive any and all of the Restrictions or the Restrictive Covenants that would not, in Declarant's sole discretion, impair or detract from the quality of the Subdivision. Upon the termination of the Development Period, the ARC will have the authority to modify or waive any and all of the Restrictions or the Restrictive Covenants that would not, in the ARC's reasonable discretion, impair, or detract from the quality of the Subdivision. Such modification or waiver may be by written instrument in recordable form.

B. Variances.

During the Development Period, Declarant, in its sole discretion, has the authority to grant variances of or alter any setback line (but only to the extent that such setback line exceeds the minimum City of Killeen's standards) (as requested in accordance with ARTICLE IV of this Declaration) and waive any encroachment across or into any setback line (but only to the extent that such setback line exceeds the minimum City of Killeen's standards), Common Area, or easement (but only to the extent that the ARC has the authority to waive such encroachment into an easement), as Declarant deems necessary. Upon the termination of the Development Period, the ARC will have the authority to grant variances of or alter any setback line (but only to the extent that such setback line exceeds the minimum City of Killeen's standards) (as requested in accordance with ARTICLE IV of this Declaration) and waive any encroachment across or into any setback line (but only to the extent that such setback line exceeds the minimum City of Killeen's standards), Common Area, or easement (but only to the extent that the ARC has the authority to waive such encroachment into an easement), as the ARC deems necessary. Such variance or waiver will be by written instrument in recordable form.

ARTICLE IX. EASEMENTS AND ACCESS

A. Facility Easement.

Easements for installation and maintenance of fencing, utilities and drainage facilities (collectively the "Facility Easement") are reserved as shown on the recorded Subdivision Plat, as described in and through the Restrictive Covenants, or as described in and through any other document filed of record in the Official Public Records of Real Property of Bell County, Texas. Within the Facility Easement, if any, no structure, planting, fence, or other material will be placed or permitted to remain which may damage or interfere with the installation and maintenance of the Subdivision's entryway, signage, or utilities or in the case of drainage easements, which may change or impede the direction of flow of water through drainage channels in the area of such Facility Easement (collectively the "Facility Easement Area". The Facility Easement Area of a Facility Easement located on a Lot, if any, and all improvements in such Facility Easement Area will be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible. Additionally, a 5' wide Facility Easement adjacent to and running along each side and rear property lines of each Lot is reserved for drainage and for the use of the Declarant and the Association to allow fences to connect with other fences and to allow the Declarant or Association to repair or replace Association improvements, including any entry monuments, and any Owner-neglected fence or other Owner violation, in the Association's Board's sole discretion, in accordance with the terms of this Declaration. Neither the Association nor Declarant, nor any utility company using the Facility Easement will be liable for any damages done by it or its assigns, agents, employees, or servants

to shrubbery, streets, flowers, or other property of the Owners situated on the land within the Facility Easement Area and covered by the Facility Easement.

B. Restrictions Within the Facility Easement Area

No Owner of any Lot may damage, deface, or mar the surface of any portion of any improvement constructed or installed within the Facility Easement Area. No structure, planting, fence or other material may be placed or permitted to remain within the Fence Easement that may damage the surface of any improvements constructed by Declarant or the Association or interfere with the right of ingress, egress, or regress over the Facility Easement. Neither the Declarant nor the Association will be liable for any damages done by them or their assigns, agents, employees, or servants to the property of the Owners situated on land covered by the Facility Easement.

C. Right of Ingress and Egress.

There is created a right of ingress and egress across, over, and under the Common Area in favor of Declarant and the Association, for the sole purpose of installing, replacing, repairing, and maintaining all facilities for utilities, including, but not limited to, water, sewer, telephone, cable, data, TV, electricity, gas, and appurtenances thereto.

D. Access Easement Area or Common Area.

An easement is extended and acknowledged to all police, fire protection, ambulance, garbage and trash collector pickup vehicles, and all similar persons to enter upon the Access Easement Area or a Common Area in performance of their duties.

E. Lot Subject to Easements, Conditions, and Reservations.

Each Lot is conveyed subject to all easements, conditions, and reservations shown on the Subdivision Plat and each Owner will take notice of all such easements, conditions, and reservations. No Owner will maintain any condition or improvements in any platted or recorded easement or in any easement granted to the Association by this Declaration or by separate instrument recorded in the Official Public Records of Real Property of Bell County, Texas, which will significantly interfere with the intended use of the easement.

F. Drainage Easement.

Easements for drainage throughout the Subdivision (collectively the "Drainage Easement") are reserved as shown on the Subdivision Plat or by written instrument, including the Restrictive Covenants, filed in the Official Public Records of Real Property of Bell County, Texas prior to or subsequent to the filing of the Subdivision Plat. No Owner of any Lot in the Subdivision may perform or cause to be performed any act which would alter or change the course of such Drainage Easement (collectively the "Drainage Easement Area") in a manner that would divert, increase, accelerate, or impede the natural flow of water over and across the Drainage Easement Area or through the Drainage Easement. More specifically and without limitation, no Owner, guest, invitee, or tenant may:

1. Alter, change, or modify the existing natural vegetation of the Drainage Easement Area in a manner that changes the character of the original environment of the Drainage Easement;

2. Alter, change, or modify the existing configuration of the Drainage Easement or the Drainage Easement Area, or fill, excavate, or terrace the Drainage Easement Area, or remove trees or other vegetation from the Drainage Easement Area without the prior written approval of the ARC;

3. Construct, erect, or install a fence or other structure of any type or nature within or upon the Drainage Easement Area unless such fences are found by the ARC not to impede or alter stormwater flow;

4. Permit storage, either temporary or permanent, of any type within or upon the Drainage Easement Area; or

5. Place, store, or permit to accumulate trash, garbage, leaves, limbs, or other debris within or upon the Drainage Easement Area, either on a temporary or permanent basis.

G. Failure by Owner to Comply.

The failure of any Owner to comply with the provisions of this Article will in no event be deemed or construed to impose liability of any nature on the Association, ARC, or Declarant, and the ARC or Declarant will not be charged with any affirmative duty to police, control, or enforce such provisions. Lots containing Association improvements, including, but not limited to the rock entry features acknowledge and agree that such improvements are the property of the Association and the Association has an easement to construct and maintain such features.

ARTICLE X. LOT CONSOLIDATION

Two (2) or more adjoining Lots may be consolidated into a single building site only with written approval of the Declarant. Unless lots are consolidated pursuant to this Declaration and required government approvals, an Owner may own multiple adjoining Lots, but each Lot must stand alone as a "self-contained" lot capable of resale to a third party purchaser., i.e. a Residence, its garage and other necessary facilities, e.g. septic tank, lateral lines, etc., must be located and constructed on one (1) platted Lot, in accordance with the Restrictive Covenants and such other applicable statute, ordinance or regulation. Each adjoining Lot will bear and the Owner will be responsible for all assessments and voting rights attributable to such Lot.

ARTICLE XI. ENFORCEMENT

If the Owner of any Lot, or its heirs, executors, administrators, successors, assigns, or tenants, violates or attempts to violate any of the restrictions and covenants set forth in the Declaration, then the Association, Declarant, or any Owner subject to this Declaration may prosecute any proceedings against the person or persons violating or attempting to violate any such restrictions and covenants. If there is a failure by any Owner, guest, invitee, or tenant to comply with any restriction or covenant in the Declaration and if irreparable damage to Declarant and other Owners results or would result, then the breach of any provision of the Declaration may not only give rise to an action for damages at law, but also may be enjoined or may be subject to an action for specific performance in equity in any court of competent jurisdiction. In the event an action is instituted to enforce the terms of the Declaration or prohibit violations of the Declaration, and the party bringing such action prevails, then in addition to any other remedy provided in this Declaration or provided by law, such party will be entitled to recover court costs and reasonable attorney's fees. Neither the ARC, the Association, nor Declarant will be charged with any affirmative duty to police, control, or enforce the terms of the Declaration and these duties will be borne by and be the responsibility of Owners.

ARTICLE XII. MEMBERSHIP IN THE ASSOCIATION, VOTING RIGHTS, AND REGISTRATION

Every person or entity who is a record Owner of a free or undivided interest in any Lot that is subject to the jurisdiction of and to assessment by the Association will be a Member of the Association.

A. Classes of Membership.

The Association has 2 classes of membership:

1. Class A: Class A members will be all Owners and Builder Members, with the exception of Declarant, and will be entitled to one vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons will be members. The vote for the Lot will be exercised as they among themselves determine, but in no event will more than one vote be cast per Lot.

2. Class B: The Class B member is the Declarant. All Class B members will be entitled to three votes for each Lot or acre owned including all Lots and acreage shown on a Master Plat or Plan, if any. Class B membership will cease and be converted to Class A membership upon the earlier of the following events to occur: (a) such time as the Declarant has conveyed and/or sold the last of the Unimproved Lots within the Subdivision and all of the land area comprising the Properties, whether in a single or multiple transaction, to an Owner or to any governmental authority for public use; or (b) such time as the Declarant is using all Lots owned by Declarant and appurtenant improvements constructed on Declarant's Lots for its personal use. Class B membership shall be reinstated if additional Lots or land owned by Declarant are annexed into the Association after all Class B membership has ceased.

B. Eligibility.

Each Member of the Association is eligible to vote in all matters open to and requiring the vote of the membership of the Association. Each Member of the Association is eligible to serve as a representative, director, or officer, except as provided under the provisions of Texas Property Code, as amended, and specifically Section 209.00591, Texas Property Code.

C. Special Voting Requirements.

In the event a vote is required by the Members to alter or amend this Declaration, it will take a Majority of the votes of the Members who own Lots who are present in person or by proxy at any meeting to approve such amendment or alteration, provided a Majority of the Owners are present in person or by proxy at such meeting.

D. Registration with the Association.

In order that the Declarant and the Association can properly acquaint every Owner and Member with the Governing Documents and the day-to-day matters within the Association's jurisdiction, each Owner and Member will have an affirmative duty and obligation to provide, and subsequently revise and update, within 15 days after a material change has occurred, various items of information to the Association such as:

1. The full name, mailing address, telephone number, facsimile number, and email address of each Owner and Member;

2. The business address, telephone number, facsimile number, and email address of each Owner and Member;

3. The name, address, and telephone number of other local individuals who can be contacted (in the event the Owner or Member cannot be located) in case of an emergency; and

4. Such other information as may be reasonably requested from time to time by the Association.

In the event any Owner or Member fails, neglects, or refuses to so provide, revise, and update such information, the Association may, but is not required to, use whatever means it deems reasonable and appropriate to obtain such information, and the non-cooperating Owner and Member will become automatically jointly and severally liable to promptly reimburse the Association for all reasonable costs and expenses incurred in so doing.

ARTICLE XIII. COVENANTS FOR MAINTENANCE ASSESSMENTS

A. Charges Levied.

Declarant, for each Lot owned by it within the Properties, covenants, and each Builder Member and every Owner, by acceptance of a deed, whether or not it is so expressed in the deed or other conveyance, will be deemed to covenant and agree to pay to the Association:

1. Annual assessments or charges;
2. Membership Assessments;
3. Special assessments, to be fixed, established, and collected from time to time as provided below;
4. Member Charges levied against individual Owners to reimburse the Association for extra or unusual costs incurred by the Association for curing the Owner's violation of a covenant or restriction contained in this Declaration; and
5. Fines and Late Fees levied against individual Owners. The Charges, together with interest, reasonable attorney's fees, and costs of collection, as provided in this Declaration, will be a charge on the land and will be a continuing lien upon the Lot against which the Charges are made. Each Charge, together with interest, reasonable attorney's fees, and cost of collection as provided in this Declaration, also will be the personal obligation of the Owner of the Lot at the time the obligation accrued.

B. Purposes of Charges Levied.

The Charges levied by the Association will be used for the purpose of promoting the recreation, health, safety, and welfare of the Members, and in particular, for the improvement, maintenance, and operation of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas by the Members.

C. Charges Not Applicable to Declarant.

Regardless of any language to the contrary, the Charges will not apply to Declarant, as owner of or holder of title of any Lot, unless Declarant occupies a Residence constructed upon its Lot, or uses the Lot or Residence for its own personal use. Annual Assessments, Membership Assessments, and Special Assessments (defined below) will not apply to Builder Members in the business of purchasing Lots for construction of improvements and subsequent resale to a third party, unless the Builder Member occupies the Residence constructed on its Lot, or uses the Lot or Residence for its own personal use. , as a Builder Member may maintain a model home, which does not qualify as occupying a Residence or using for own personal use.

D. Annual Assessments.

The annual assessments ("Annual Assessments") for both Class A and Class B membership will be determined by the Board of Directors in the manner provided below after determination of current maintenance costs and anticipated needs of the Association during the year for which the assessment is being made. The maximum Annual Assessment may be adjusted by a majority vote

of the Board of Directors, without membership vote, but will not increase to more than the greater of:

1. 110% above the prior year's Annual Assessment, or

2. the result of multiplying the prior year's Annual Assessment by a fraction, the numerator of which is the latest Consumer Price Index published on or before the 60th day prior to the date the Board sets the new maximum Annual Assessment rate and the denominator of which is the Consumer Price Index published on the year prior to the one used in the numerator. Consumer Price Index is the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers. In the event the compilation or publication of the Consumer Price Index is substantially revised, transferred to any other governmental department or bureau or agency or is discontinued, then the index (or a substitute procedure which reasonably reflects and monitors fluctuations in consumer prices most nearly the same as the Consumer Price Index) will be used to make the calculations.

The Association may increase the maximum Annual Assessment rate by more than the amount specified in the preceding sentence only upon receipt of a Majority of the votes of the Members who own Lots who are present in person or represented by proxy at a meeting called for vote on the proposed increase, provided a Majority of the Owners are present in person or by proxy at such meeting.

The Annual Assessment will be established by Declarant. The initial Annual Assessment for each Lot will be $600.00. The Annual Assessment, or a pro rata portion of the initial Annual Assessment based upon the date of closing of the Lot, will be due and payable from the new owner at the closing of the initial sale of the Lot by Declarant to a third party.

E. Membership Assessment.

In addition to the Annual Assessments provided for above, the Association may levy a membership Assessment ("Membership Assessment") on Class A membership at any time a Lot is sold by the Owner, including Declarant, to a third party. The Membership Assessment will be established by Declarant so long as the Declarant is the Owner of a Lot and thereafter determined and established by the Board. The Membership Assessment will be collected from the purchaser of the Lot at closing.

F. Special Assessments.

In addition to the Annual Assessment, the Association may levy a special assessment ("Special Assessment") on Class A membership and Class B membership as follows:

1. For the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement on or which is a part of the Common Area, in an amount determined by the Board;

2. Respond to the unusual emergency needs of the Association as may be expected to appear from time to time, in an amount determined by the Board, or

3. For such other lawful purpose related to the use of the Properties as the Board or the Owners may determine, provided that this assessment will have the approval of a Majority of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose, provided a Majority of the Owners are present in person or by proxy at such meeting. Written notice of the date, time and purpose of the meeting will be sent to all Owners as allowed by the Bylaws of the Association.

G. Member Charge.

In addition to the Annual Assessment and Special Assessment described above, the Association, by vote of the Board, may impose a charge ("Member Charge") upon any Owner for the purposes of reimbursing the Association for all direct and indirect costs incurred by the Association with regard to the maintenance, repair, or replacement of improvements on any particular Lot when the Board has determined the maintenance, repair, or replacement of improvements associated with the Lot has been neglected to the point where conditions existing on the Lot are not in conformance with the maintenance obligations set forth in this Declaration, or an Owner places anything in the Common Area. The Owner of the Lot will be notified in writing of the Board's determination and the specific deficiencies found to exist. The Owner will be afforded a reasonable period of time to respond to the Board's notice and to correct the deficiencies. The Owner will be assessed the cost necessary to reimburse the Association for any and all costs to secure compliance, including attorney's fees.

H. Fines and Late Fees.

In addition to the Annual Assessment, Special Assessment, and Member Charge described above, the Association, by vote of the Board, may impose fines and late fees (sometimes referred to as "Fine and Late Fee" or "Fine or Late Fee") upon any Owner for non-compliance or violations of the covenants of the Declaration or for late or nonpayment of any Annual Assessment, Special Assessment, or Member Charge. The Owner of the Lot will be notified in writing of the Fine or Late Fee assessed to the Owner and the cause of such Fine or Late Fee. The Owner will be afforded a reasonable period of time and notice to pay the applicable delinquent Annual Assessment, Special Assessment, or Member Charge, prior to the assessment of any Fine or Late Fee. The Owner will be assessed the cost necessary to reimburse the Association for any and all costs to secure compliance, including attorney's fees.

I. Due Dates, Budget, and Late Charges.

The Annual Assessments will be due and payable and collected as the Board of Directors determines. The amount of the Annual Assessment will be an amount that bears the same relationship to the Annual Assessment provided for above as the remaining number of months in that calendar year bear to twelve. The Board will use reasonable efforts to provide each Owner with an invoice statement as of the appropriate amount due, but any failure to provide a notice will not relieve any Owner of the obligation.

The due date of any Special Assessment will be as set out above or as fixed in the resolution authorizing such assessment.

The Member Charge and Fine and Late Fee are due and payable within 30 days after the Owner was served with notice by the Association of the amount of the Member Charge or Fine or Late Fee.

Each year, the Board of Directors will adopt an annual budget and set the amount of the Annual Assessment, taking into consideration the Association's operating cost for the then current year, expected increases or decreases in the costs over the next year, and future needs of the Association. The annual budget will be adopted by the Board at least 30 days prior to the commencement of each calendar year.

Any assessment, Member Charge, or Fine or Late Fee not paid within 30 days after the due date will bear interest from the due date at a rate to be determined, from time to time, by the Board, not to exceed the maximum permitted by law. If the Board refuses or fails to determine a rate of interest, the rate of interest will be the lesser of (i) 18% per annum, or (ii) the maximum rate allowed by law.

J. Remedies and Lien for Annual Assessment, Special Assessment, Member Charge, and Fine and Late Fee.

Each Owner, by his acceptance of a deed to a Lot, expressly vests in the Association, or its agents, the right and power to bring all actions against the delinquent Owner personally for the collection of the Charge as a debt and to enforce the lien by all methods available for the enforcement of liens, including judicial foreclosure by an action brought in the name of the Association, and grants to the Association the power of sale in connection with the lien. The President of the Board of Directors will have the right to appoint an agent and trustee, to mail and file the notices required by Texas Property Code, to file suit, to conduct the sale, and to otherwise comply with the statutes of the Texas Property Code, and specifically Section 209, Texas Property Code. The lien provided for in Section 209, Texas Property Code, will be in favor of the Association and will be for the benefit of all other Owners. No Owner may waive or otherwise escape liability for the Charges for nonuse of the Common Area or abandonment of his Lot.

In addition to the foregoing charges for delinquent accounts, each Owner will be obligated to pay to the Association all actual costs of collection incurred by the Association, including attorney's fees, as and when allowed by law, and such reasonable late charges and collection charges as the Board of Directors may establish, all of which will also be subject to the liens of the Association.

In the event of a delinquent account, the Association will provide all notices to the delinquent Owner as required by Texas Property Code, Section 209, or other Applicable Law, and will apply all payments received to the Owner's debt in accordance with Section 209.0063, Texas Property Code.

Notice of the lien may be given, but is not required, by the recordation in the Official Public Records of Real Property of Bell County, Texas, of an affidavit of delinquent payment and notice of assessment lien, duly executed by an officer, managing agent, attorney, or officer of the Association, setting forth the amount owed, the name of the last known Lot Owner or Owners of record, and the legal description of the Lot.

At any foreclosure, the Association will be entitled to bid up to the amount of the sum secured by its lien, together with costs and attorney's fees, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed. From and after any foreclosure, the occupants of the Lot will be required to pay a reasonable rent for the use of the Lot and its improvements. Their occupancy of the Lot will constitute a tenancy-at-sufferance, and the purchaser at the foreclosure sale will be entitled to appoint a receiver to collect rents and, further, will be entitled to sue for recovery of possession of such Lot by forcible detainer or by Writ of Possession.

The lien of the Charges will be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Lots subject to the Charges, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the sale or transfer of such Lot pursuant to a decree of foreclosure, non-judicial foreclosure, or conveyance in lieu of foreclosure or in satisfaction of mortgage debt. The sale or transfer will not relieve the Lot from liability for any Charges thereafter becoming due nor from the lien of any subsequent Charge.

ARTICLE XIV. MAINTENANCE FUND

The Board, for the benefit of the Owners, shall establish and maintain a maintenance fund into which shall be deposited the Charges collected from Owners and which maintenance fund shall be used, without limitation, for the payment of the following:

1. Taxes and assessments and other liens and encumbrances which shall properly be assessed or charged against the Common Areas rather than against the individual Owners, if any.

2. Care and preservation of the Common Area.

3. The services of a professional person or management firm to manage the Association or any separate portion thereof to the extent deemed advisable by the Board of Directors, (provided that any contract for management of the Association will be terminable by the Association, with no penalty, upon 90 days prior written notice to the managing party) and the services of other personnel as the Board of Directors or the manager deems necessary.

4. Legal and accounting services.

5. A policy or policies of insurance insuring the Common Area, the Association, its Directors, and Officers against any liability to the public or to the Owners (and/or guests, invites, or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board of Directors.

6. Workers compensation insurance to the extent necessary to comply with any applicable laws.

7. Such fidelity bonds as may be required by the Bylaws or as the Board of Directors may determine to be advisable.

8. Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, taxes, or assessments (including taxes or assessments assessed against an individual Owner) which the Board of Directors is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion is necessary or proper for the enforcement of this Declaration.

9. Perpetual maintenance and enhancement of all Common Area including any portion of the private streets owned or maintained by the Association, walls, gates, grounds, landscaping, lights, irrigation, and electric for right-of-way and all entry monuments, walls, and signs owned or maintained by the Association.

10. Enforcement of all this Declaration, the Restrictive Covenants, Builder Guidelines, and Rules and Regulation.

11. The operation of the ARC.

ARTICLE XV. GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

A. General Powers and Duties.

The Board, for the benefit of the Owners, will have the following general powers and duties, in addition to the specific powers and duties provided in this Declaration and in the Bylaws of the Association:

1. To execute all declarations of Ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.

2. To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board see fit.

3. To enter into contracts, maintain one or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.

4. To protect or defend the Common Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements.

5. To make reasonable Rules and Regulations for the operation of the Common Areas and to amend them from time to time; provided that, any rule or regulation may be amended or repealed by an instrument signed by a Majority of the Owners,

6. To make available for inspection by Owners within 60 days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals. Requests to examine the Association's books, records, and financial statements will be made, in writing, by certified mail, in accordance with the provisions of the Texas Property Code, as amended, and specifically Section 209.005, Texas Property Code.

7. To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

8. To enforce the provisions of any Rules and Regulations, Builder Guidelines and Restrictive Covenants or other provisions of this Declaration or the Bylaws of the Association, and to enjoin and/or seek damages and fines from any Owner for violation of the same.

9. To collect all Charges, and enforce all penalties for non-payment including the assessment of a Fine and Late Fee, the filing of liens and the institution of legal proceedings.

10. To establish or amend a monetary "fines" system which shall include due process hearings and a discretionary range of fine amounts, which, when levied, shall constitute a permitted Member Charge secured by the lien herein established.

11. To establish reserve funds which may be maintained or accounted for separately from other funds maintained for annual operating expenses.

12. To convey small portions of Common Area to adjoining Owners if, in the opinion of the Board, such conveyance does not materially impact the Association or the Subdivision or negatively affect the overall usage of the Common Area by the Owners.

B. Exclusive Right to Contract for Goods, Services, and Insurance.

The Board will have the exclusive right to contract for all goods, services, and insurance payment of which is to be made from the maintenance fund and the exclusive right and obligation to perform the functions of the Board except as provided in this Declaration.

C. Authority to Contract for Performance of Services.

The Board, on behalf of the Association, will have full power and authority to contract with any Owner or other person or entity for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms of this Declaration, 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 Association. Notwithstanding the foregoing, after the termination of the Development Period, the Board of Directors must solicit bids or proposals using a bid process adopted by the Association.

ARTICLE XVI. COMMON AREAS

Any and all Common Areas will be for the common use and benefit of each Member of the Association. The initial Common Areas will include the Subdivision's entryway and its landscaping, any drainage or detention areas, and any tract shown on the Plat to be maintained by the Association.

This ARTICLE XVI will not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property, nor from acquiring title to real property which may or may not be subject to this Declaration, nor from disposing small tracts of Common Area in accordance with the provisions of this Declaration.

ARTICLE XVII. INSURANCE AND CONDEMNATION

A. Fire, Hazard, and Casualty Insurance.

1. Each Owner, at his sole cost and expense, covenants and agrees with all other Owners and the Association to carry all-risk casualty insurance on their Lot. Each Owner further covenants and agrees that in the event of a partial loss or damage and destruction resulting in less than total destruction, the Owner will proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original Residence. In the event the Residence is totally destroyed and the Owner determines not to rebuild or reconstruct, the Owner will clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of the construction.

2. Each Owner will be responsible, at his own cost and expense, for personal liability insurance to the extent not covered by the Association and public liability insurance acquired by the Association on behalf of all Owners with respect to the Common Area. Each Owner will be responsible, at his own cost and expense, to obtain and maintain hazard and/or liability insurance on the Lot once the Residence has been constructed on a Lot.

B. Property and Public Liability Insurance With Respect to Common Area, Errors and Omissions and Indemnification.

1. The Board of Directors may, at the Board's sole discretion, obtain and continue in effect property insurance, to insure the buildings and structures in the Common Area, naming the Association as beneficiary with an endorsement to the mortgagee, if any, against risks of loss or damage by fire and other hazards as are covered under standard fire and extended coverage provisions. This insurance will also include coverage against vandalism.

2. The Board of Directors may, at the Board's sole discretion, obtain comprehensive public liability insurance in such limits as it deems desirable, insuring the Association, its agents and employees, and each Owner, from and against liability in connection with the Common Area.

3. The Board of Directors may, at the Board's sole discretion, obtain liability insurance covering errors and omissions of directors, officers, managers, employees, and representatives of the Association, and fidelity bonds for all officers and employees that have control over the receipt or disbursement of funds.

4. The Association may indemnify directors, officers, employees, and agents and may purchase a policy or policies insuring the Association, its Directors, and Officers against any liability to the public or to the Owners (and/or guests, invitees, or tenants) incident to the operation of the Association in any amount or amounts determined by the Board.

C. Insurance Premiums with Respect to Common Area.

All costs, charges, and premiums for all insurance with respect to the Common Area that the Board of Directors authorizes will be a common expense of all Owners and will be part of the annual assessment.

D. Other Insurance.

None of the above prevents the Board of Directors from obtaining other insurance as may be required by law (e.g. workers compensation) or other insurances which may become the norm for properties of this nature.

E. Condemnation.

If part or all of the Common Area is taken or condemned by any authority having the power of eminent domain, any compensation and damages will be paid to the Association. The Board of Directors will have the exclusive right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation issues affecting the to-be-condemned Common Area. The Owners may, by vote of 75% or more of the total voting power, agree to distribute the proceeds of any condemnation or taking by eminent domain, to each Owner and his mortgagee, if any, as their interest may appear. In the event that the Owners do not agree, the proceeds will be added to the funds of the Association, and the Association will decide on whether or not to replace or restore, as far as possible, the Common Area so taken or damaged.

The Association will give timely notice of the existence of the proceedings to all Owners and, if information is available, to their mortgagees, if any. The expense of participation in the proceedings will be common expenses chargeable to the Owners.

F. Insufficient Proceeds.

If the insurance or condemnation proceeds are insufficient to repair or replace any loss or damage, the Association may levy a special assessment as provided for in this Declaration.

ARTICLE XVIII. AMENDMENT AND ANNEXATION

This Declaration will remain in force and effect for a period of 20 years after this Declaration is recorded, and each 20-year anniversary thereafter, this Declaration will be renewed and continued for a period of 20 years unless amended as provided in this Declaration. This Declaration may be amended by written instrument approved by the affirmative vote of the Majority of Owners in the Association. The amendment will be effective when it is certified by the President of the Association as to the requisite number of votes and recorded in the Official Public Records of Real Property of Bell County, Texas. Any amendment so certified and recorded will be conclusively presumed to have been duly adopted. Declarant will have the right to file an amendment to this Declaration, or any other Restrictive Covenant that may be filed, for any reason, without the necessity of joinder by any other Owner, at any time during the Development Period. Notwithstanding the foregoing, after the termination of the Development Period, Declarant will have the right to file an amendment to this Declaration, without the necessity of joinder by any other Owner, for the limited purposes of correcting a clerical error, clarifying an ambiguity, removing any contradiction in the terms of this Declaration, or for the purpose of making such additions or amendments to this Declaration as may be required by FHA, HUD, VA, or other governmental authority to qualify the Properties for mortgage guaranties issued by FHA or VA.

During the Development Period, Declarant will have the right, privilege, and option to annex additional land to make it subject to this Declaration by filing in the Official Public Records of Real Property of Bell County, Texas, an amendment annexing additional property. Additional property may also be annexed and made subject to this Declaration by written instrument approved by the affirmative vote of a Majority

of Owners of the Association and filed of record in the Official Public Records of Real Property of Bell County, Texas.

ARTICLE XIX. GOVERNMENTAL REQUIREMENTS

By acceptance of a deed to a Lot, or initiating construction of improvements to a Lot, each Builder Member and contractor assumes responsibility for complying with all certifications, permitting, reporting, construction, and procedures required under all applicable governmental rules, regulations, and permits, including, but not limited to those promulgated or issued by the Environmental Protection Agency or any other governmental authority and related to Storm Water Discharges from Construction Sites (see Federal Register, Volume 57, No. 175, Pages 41176 et seq.), and with the responsibility of ascertaining and complying with all regulations, rules, rulings, and determinations of the Texas Water Development Board and Texas Water Commission, related to each Lot, including, without limitation, the provisions of chapters 325 and 331, Texas Administrative Code, and any specific rulings made pursuant to the terms of the foregoing. The foregoing references are made for the benefit of builders and contractors and do not in any way limit the terms and requirements of this covenant and the requirement that all Builder Members and contractors comply with all governmental regulations, and any plan required by such regulations such as Storm Water Pollution Plan, affecting each Lot and construction site with which they are associated, including delivery to Declarant of a certification of understanding relating to any applicable NPDES permit prior to the start of construction. Each Builder Member and contractor, by acceptance of a deed to a Lot or undertaking the making of improvements to a Lot, holds harmless and indemnifies Declarant from all cost, loss, or damage occasioned by the failure to abide by any applicable governmental statute, rule, regulation or permit related to the Properties.

By acceptance of a deed to a Lot, each Builder Member and Owner accepts responsibility to maintain his or its Lot so that any storm water drainage ditch(es) do not fill up, become clogged, or prohibit the free flow of drainage or pollute storm water.

By acceptance of a deed to a Lot, each Builder Member and Owner agrees that Declarant and the Association will have the right to enter upon any Lot on which one or more conditions or activities prohibited by appropriate governmental authority is maintained, or on which there has been a failure to perform any act required by appropriate governmental authority. The Declarant and the Association may enter upon the Lot for the purpose of curing any violation, provided that the Owner or Builder Member has been given 5 days prior written notice and has failed to remedy the complained-of violation within such time. Each Owner and Builder Member indemnifies and holds harmless Declarant and the Association from all cost and expense of such curative action and any cost or expense of penalty or fine levied by any governmental authority as a result of the act or failure to act of the Owner or Builder Member with respect to his Lot or the Properties. The foregoing remedy will be cumulative of all other remedies for violations of provisions of these covenants.

ARTICLE XX. GENERAL PROVISIONS

A. Interpretation.

If this Declaration or any word, clause, sentence, paragraph, or other part thereof will be susceptible to more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration will govern. Whenever in the application of the provisions of this Declaration, or any amendment hereto, conflict with the application of any provision of the Bylaws of the Association, or any other restriction or covenant filed separately or as a part of this Declaration, the provisions or application of this Declaration shall prevail.

If any punctuation, word, clause, sentence, or provision necessary to give meaning, validity, or effect to any other word, clause, sentence, or provision appearing in this Declaration is omitted from this Declaration, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision will be supplied by inference.

The singular, whenever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make the provisions here apply either to corporations or individuals, males or females, will in all cases be assumed as though in each case fully expressed.

B. Notices.

Any notice required to be given to any Owner or Member will be complete when the notice is:

1. deposited in the United States Postal Service mail, postage prepaid, and addressed to the Owner or Member at the last known address as shown by the records of the Association;
2. faxed to the Owner or Member at the last known facsimile number as shown by the records of the Association and a confirmation of successful transmission is obtained and filed by the Association; or
3. emailed to the Owner or Member at the last known email address as shown by the records of the Association.

C. Communications.

This Declaration is drafted in an era of rapidly changing communication technologies. Declarant does not intend to limit the methods by which the Association and Owners, together with its employees, tenants, guests, invitees, and customers, communicate with each other. Such communications may be by any method or methods that are available and customary. For example, if the Association is required by the Governing Documents or applicable law to make information available to Owners of all Lots, that requirement may be satisfied by posting the information on the Association's website or by using electronic means of disseminating the information, unless applicable law requires a specific method of communication. It is foreseeable that meetings of the Association and voting on issues may eventually be conducted via technology that is not widely available on the date of this Declaration. The Association may adopt and employ a combination of methods to communicate with Owners, including both traditional communication and technology.

D. Headings.

The headings contained in this Declaration are for reference purpose only and will not in any way affect the meaning or interpretation of this Declaration.

E. Invalidation.

Invalidation of any one or more of these covenants, restrictions, conditions, and limitations by judgment or court order, will in no way affect any of the other provisions of this Declaration which will remain and continue in full force and effect.

F. Compliance.

These covenants, restrictions, conditions, and limitations are in all respects subject to any required governmental approval and any applicable zoning regulation lawfully in force or hereafter adopted.

TABLE OF ASSESSMENTS

Type	Who	Amount	Due By
Resale Certificate Assessment	Lot Owner/Third Party Buyer (as agreed)	$285.00	Upon request of Resale Certificate
Membership Assessment	Lot Owner	$520.00	Lot closing
Initial Annual Assessment	Lot Owner	$600.00	Annually or 4 equal payments due on the 1st day of each calendar quarter
Member Charge	Lot Owner	TBD	TBD
Late Fee on Dues	Lot Owner	$20	Each Notice
1st Restrictions Violation Fine	Lot Owner	TBD	See Policy Manual
2nd Restrictions Violation Fine	Lot Owner	TBD	See Policy Manual
3rd and All Subsequent Restrictions Violation Fines	Lot Owner	TBD	See Policy Manual

*Assessments are due and payable in accordance with the Minutes and Declaration, on a per Lot basis, beginning with the calendar year 2023.

EXECUTED to be effective on January 27, 2023.

PIOTA DEVELOPMENT, LLC,
A Texas Limited Liability Company, Declarant

By: _____
Richard Steve Young, President

ACKNOWLEDGMENT

State of Texas
County of Bell

This instrument was acknowledged before me on February 14th, 2023, by Richard Steve Young in his capacity as President of PIOTA DEVELOPMENT, LLC, a Texas limited liability company, on behalf of said limited liability company.

PHYLLIS B. MURPHREE
Commission # 128380615
My Commission Expires
September 7, 2026

_____
Notary Public, State of Texas

EXECUTED by the undersigned to RATIFY and CONFIRM that the undersigned (a) is the owner of Lots in the Subdivision; (b) has executed this Declaration as the act of such undersigned owner of Lots in the Subdivision; and (c) ratifies, confirms, accepts and approves, this Declaration for the Subdivision.

PIOTA DEVELOPMENT, LLC,
A Texas Limited Liability Company

By: _____
Richard Steve Young, President

ACKNOWLEDGMENT

State of Texas
County of Bell

This instrument was acknowledged before me on February 14th, 2023, by Richard Steve Young in his capacity as President of PIOTA DEVELOPMENT, LLC, a Texas limited liability company, on behalf of said limited liability company.

PHYLLIS B. MURPHREE
Commission # 128380615
My Commission Expires
September 7, 2026

_____
Notary Public, State of Texas

PREPARED IN THE LAW OFFICE OF:
Baird, Crews, Schiller & Whitaker, P.C.
Attn: Taylor Fitzner/tcf
15 North Main Street
Temple, Texas 76501
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