FINE AND ENFORCEMENT POLICY
OF
THE SETTLEMENT ON STAGECOACH HOMEOWNERS' ASSOCIATION, INC.,
A Texas Nonprofit Property Owners' Association

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A. Background.

1. The Settlement on Stagecoach, 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 (the "Subdivision") is subject to that certain 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, recorded in Document Number 2023-006522 of the Official Public Records of Real Property of Bell County, Texas, as amended from time to time (the "Declaration").

2. The Subdivision is subject to that certain Declaration of Restrictive Covenants of the Settlement on Stagecoach, recorded in Document Number 2023-006536, Official Public Records of Bell County, Texas, as amended from time to time (the "Restrictions").

3. In accordance with the Declaration, The Settlement on Stagecoach Homeowners' Association, Inc., a Texas nonprofit property owners' association (the "Association"), was created to administer the terms and provisions of the Declaration. The Association is subject to the Bylaws of The Settlement on Stagecoach Homeowners' Association, Inc., recorded in Document Number 2023-006537 of the Official Public Records of Real Property of Bell County, Texas (the "Bylaws" and together with the Declaration and the Restrictions, the "Governing Documents")

4. The Association is empowered to enforce the terms and conditions of the Governing Documents and the recorded plats referenced herein. The Board hereby adopts this Fine and Enforcement Policy ("Policy") to establish equitable policies and procedures for the levy of fines within the Subdivision in compliance with the provisions of Chapter 209 of the Texas Property Code (the "Act"). To the extent any provisions within this policy are in conflict with the Act or any other applicable law, such provisions shall automatically be modified to comply with the applicable law. Words and phrases used and not otherwise defined in this Policy shall have the meaning ascribed to them in the Governing Documents.

B. Policy.

The Association uses fines to discourage violations of the Governing Documents and other rules and regulations of the Association and to encourage compliance when a violation occurs—not to punish violators or generate revenue for the Association. Although a fine may be an effective and efficient remedy for certain types of violations or violators, it is only one of several methods available to the Association for enforcing the Governing Documents, including, but not limited to foreclosure on assessment liens. The Association's use of fines does not interfere with its exercise of other rights and remedies for the same violation.

C. Owner's Liability.

An Owner is liable for fines levied by the Association for violations of the Governing Documents by the Owner and the relatives, guests, employees, and agents of the Owner and residents. Regardless of who commits the violation, the Association may direct all communications regarding the violation to the Owner.

D. Types of Violations.

The Association may assess fines for any violation of the Governing Documents, including but not limited to architectural violations, landscaping violations, violations for using a lot in a prohibited manner, failure to take an action required by the Governing Documents, and failure to maintain a lot or the improvements on the lot.

Section 209.006 of the Texas Property Code describes violations in terms of curable violations, uncurable violations, and violations that are considered a threat to public health or safety. A curable violation is one that is capable of being remedied by affirmative action, such as a parking violation, a maintenance violation, a failure to adhere to architectural requirements, or an ongoing noise violation. An uncurable violation is one that is not continuous or is not capable of being remedied by an affirmative act. A violation that is a threat to public health or safety is one that could affect the physical health or safety of an ordinary resident.

E. Courtesy Notice and Violation Letters.

If a violation is curable and does not pose a threat to public health or safety, the Association may, in the Association's sole discretion, take one or more of the following actions prior to initiating the procedures described in Section F; provided, however, that the Association may not attempt to levy any fines through the following actions:

1. Courtesy Letter.

Upon verification of a violation, a courtesy letter may be sent to the Owner describing the violation and requesting that the Owner cure the violation within a stated period of time.

2. Violation Letter.

After the expiration of the time set forth in any courtesy letter sent (if any), a violation letter may be sent to the Owner describing the violation, the action needed to cure the violation within a stated period of time and notice that a failure to cure the violation or repeated violations of the same restriction may result in other enforcement action.

F. Notice and Hearing.

1. Actions Requiring Notice and Hearing.

Before taking any of the following actions, the Association must give written notice and an opportunity for a hearing according to the requirements of this Policy and the notice and hearing requirements of applicable law, such as the Act:

a. Imposition of a fine for violation of any provision of the Governing Documents, other than fees, interest or collection fees charged for delinquent accounts and

b. Charging an Owner or a Lot for property damage.

2. Chapter 209 Violation Notice.

The required written notice must contain:

(1) the date the violation notice is prepared or mailed;

(2) that the Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. §§ 3901–4043);

(3) a statement that not later than the 30th day after the date the Owner receives the notice, the Owner may request a hearing to discuss and verify facts and resolve the matter in issue, pursuant to this Policy and applicable law, such as Section 209.007 Texas Property Code;

(4) a statement of how or where the request for hearing should be made or delivered;

(5) a statement that if the hearing is before a committee or anybody other than the Board, the Owner has the right to appeal the decision to the Board by written notice to the Board;

(6) a statement that the Owner may be liable for reimbursement of attorney's fees and costs if the violation continues or the damage is not paid by a stated date.

i. Notice of Violation.

In the case of a violation of a provision of the Governing Documents, the written notice must also contain the following:

(1) a description of the violation;

(2) a reference to the rule or provision of the Governing Documents that is being violated, if applicable;

(3) a description of the action required to cure the violation and the date by which the violation must be cured, if the violation is of a curable nature and does not pose a threat to public safety;

(4) the amount of the fine or charge to be levied;

(5) unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding six months, a statement that the Owner may avoid the fine or suspension by curing the violation in a reasonable period of time, which may be specified in the notice.

ii. Notice of Damage.

In the case of property damage for which the Association seeks reimbursement or imposition of a charge on the Owner or the Lot, the written notice must also contain:

(1) a description of the property damage and

(2) the amount of the Association's claim against the Owner or the Lot.

iii. Notice to Resident.

In addition to giving the violation notice to the Owner, the Board may also give a copy of the notice to the non-member occupant, if the Board deems it appropriate.

iv. Receipt of Notice.

Unless applicable law provides otherwise, any notice given to an Owner pursuant to this Policy will be deemed received by the Owner (1) on personal delivery to the Owner or to a person at the Owner's address, or (2) on confirmation of the delivery through a U.S. Postal Service tracking receipt, addressed to the Owner at the most recent address shown on the Association's records, or (3) on the third business day after the notice is deposited with the U.S. Postal Service, addressed to the Owner at the most recent address shown on the Association's records, whether or not the Owner actually receives the notice.

3. Hearing.

i. Request for Hearing.

To request a hearing, an Owner must submit a written request within 30 days after receiving the Association's written notice. Within 10 days after receiving the Owner's request for a hearing, and at least 10 days before the hearing date, the Association will give the Owner notice of the date, time, and place of the hearing. If the Association or the Owner requests

a postponement of the hearing, the hearing will be postponed for up to 10 days. Additional postponements may be granted by agreement of the parties.

ii. Pending Hearing.

Pending the hearing, the Board may continue to exercise the Association's other rights and remedies for the violation, as if the declared violation were valid. The Owner's request for a hearing suspends only the action described in the Association's written notice.

iii. Attendance.

The hearing may be held with or without the presence of the Owner or the Owner's representative.

iv. Hearing.

The hearing may be held in a closed or executive session of the Board. At the hearing, the Board will consider the facts and circumstances surrounding the violation. The Owner may attend the hearing in person or may be represented by another person or written communication. The Board of Directors shall appoint a representative to present the Association's case at the hearing. The Board of Directors shall also provide the Owner with a packet containing all evidence of the violation to be presented at the hearing at least 10 days before the hearing. The date of the hearing shall automatically be extended if the Board of Directors fails to timely produce the packet of evidence.

v. Minutes of Hearing.

The minutes of the hearing must contain a statement of the results of the hearing and the amount of fine or charge, if any, imposed, or abatement or suspension action, if any, authorized. A copy of the notice and request for hearing should be placed in the minutes of the hearing. If the Owner appears at the hearing, the notice requirement will be deemed satisfied.

4. Actions Exempt From Notice and Hearing Requirements.

As a general rule, every action other than the above-described actions requiring notice and hearing are impliedly exempt from the requirements of this Policy. As permitted by applicable law, such as Section 209.007 of Texas Property Code, the following actions are expressly exempt:

a. A lawsuit in which the Association seeks a temporary restraining order or temporary injunctive relief;

b. A lawsuit filed by the Association that includes foreclosure as a cause of action; and

c. The collection of delinquent assessments.

G. Imposition of Fine.

1. Amount.

Pursuant to Section 209.0061(c), the Association may set fine amounts on a case-by-case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association has established a Schedule of Fines for certain types of violations, which is attached hereto and incorporated herein for all purposes.

2. Due Date.

Fine and/or damage charges and fees are due within 30 days of receipt of a Chapter 209 Violation Notice if the violation is uncurable or poses a threat to public health or safety.

If the violation is curable, the fine and/or damage charges and fees are due immediately after the later of (a) the date that the cure period set out in the Chapter 209 Violation Notice ends and the Owner does not attempt to cure the violation or the attempted cure is unacceptable to Association, or (b) if a hearing is requested by the Owner, such fines or damage charges and fees will be due immediately after the Board's final decision on the matter, assuming that a fine or damage charge of some amount is confirmed by the Board. If the Owner fails to attend a requested hearing, the Board must give the Owner written notice within 30 days, informing the Owner of the levied fine or action taken.

3. Type of Fine.

If the violation is ongoing or continuous, the fine may be levied on a periodic basis (such as daily, weekly, or monthly). If the violation is not ongoing, but is instead sporadic or periodic, the fine may be levied on a per occurrence basis.

4. Credit Reporting.

The Association or the Association's collection agent may not report any delinquent fines, fees, or assessments to a credit reporting service that are the subject of a pending dispute between the Owner and the Association. The Association may report the delinquent payment history of assessments, fines, and fees of Owners within its jurisdiction to a credit reporting service only if:

a. at least 30 business days before reporting to a credit reporting service, the Association sends, via certified mail, hand delivery, electronic delivery, or by other delivery means acceptable between the parties, a detailed report of all delinquent charges owed; and

b. the Owner has been given the opportunity to enter into a payment plan.

The Association may not charge a fee to an individual Owner for the reporting of the delinquent payment history of assessments, fines, and fees of Owners within the Association's jurisdiction to a credit reporting service.

5. Other Fine-Related.

The Association is not entitled to collect a fine from an Owner to whom it has not given notice and an opportunity to be heard. The Association may not charge interest on unpaid fines. The Association may not foreclose its assessment lien on a debt consisting solely of fines.

H. Reimbursement of Expenses and Legal Fees.

In addition to any other rights set forth in the Governing Documents for violation of a provision of the Governing Documents, the Board may levy and collect individual assessments for reimbursement of reasonable fees and expenses, including without limitation legal fees incurred by the Association to enforce the Governing Documents, including the collection of delinquent assessments, subject to the following conditions:

1. Notice.

The Association must give the Owner written notice that the Owner will be liable for reimbursement of any such fees and expenses incurred by the Association if the delinquency or violation continues after a date certain that is stated in the notice. This notice requirement does not apply to legal fees incurred by the Association in connection with the Association's counterclaim in a lawsuit to which an Owner is a plaintiff.

2. Hearing.

If legal fees are incurred by the Association for an action requiring notice and hearing, the Owner is not liable for reimbursement of legal fees incurred (1) before the date by which the Owner must

request a hearing, if the Owner does not request a hearing, or (2) before conclusion of the hearing, if the Owner does request a hearing.

3. Records.

By written request, an Owner may obtain from the Association copies of any invoices for charges, including legal fees, for which the Association seeks reimbursement.

I. Additional Enforcement Rights.

Notwithstanding the notice and hearing requirement, the Board may take immediate and appropriate action, without giving the notices required in this Policy, against violations of the Governing Documents which, in the Board's opinion, are (i) self-evident, such as vehicles parked illegally or in violation of posted signs; (ii) threatening to life or property; or (iii) repeat violations of the same provision by the same Owner to whom prior notices and demands have been given for the same violation within the preceding six (6) months. Further, the provisions of this Policy do not apply to specific remedies provided in the Governing Documents for certain violations, such as nonpayment of assessments.

J. Amendments.

This policy may be revoked or amended from time to time by the Board. This policy will remain effective until the Association records an amendment to this policy in the county's official public records.

HEREBY ADOPTED BY THE BOARD OF THE SETTLEMENT ON STAGECOACH, INC. ON JANUARY 17, 2024.

Attest:

Cara Young

Printed Name: Cara Young
Secretary of The Settlement on Stagecoach, Inc.

STATE OF TEXAS
COUNTY OF BELL

This instrument was acknowledged before me on January 17, 2024 by Cara Young in her capacity as Secretary of The Settlement on Stagecoach, Inc., a Texas nonprofit property owners' association, on behalf of said association.

Anna Belle Bittencourt

NOTARY PUBLIC, STATE OF TEXAS

NOTARY PUBLIC STATE OF TEXAS
ANNA BELLE BITTENCOURT
Commission # 13424964-1
My Commission Expires
March 14, 2027

Schedule of Fines

The Board has adopted a general schedule of fines. The number of notices set forth does not mean that the Board is required to provide each notice prior to exercising additional remedies as set forth in the Governing Documents or this Policy. The Board may elect to pursue such additional remedies at any time in accordance with applicable law.

Violations of Governing Documents

Violation Type	Action	Fine
Continuous Violation	Failure to correct violation within the Timeframe set forth in the Chapter 209 Violation Notice	$50.00
Repeat Continuous Violation	Additional notice may be given but is not required prior to levy of fine	$100.00
Ongoing Continuous Violation	Additional notice may be given but is not required prior to levy of fine	$200.00
Uncurable Violation or Violation that is a threat to public health or safety	Failure to correction violation within the time to cure provided in the Chapter 209 Violation Notice	$200.00

The following provisions apply to fines assessed for violations of Governing Documents:

a. Fines become delinquent when payment is not received by the Association by the Due Date as determined by the Fine and Enforcement Policy Of The Settlement On Stagecoach Homeowners' Association, Inc., or according to an approved payment plan.

b. The Notice Date for purposes of this schedule is the date the Chapter 209 Violation Notice is deposited with the U.S. Postal System or nationally recognized overnight delivery service.

c. Late fees and/or charges will be assessed for delinquent covenant violation fines pursuant to the Delinquent Payments schedule provided herein.

d. For purposes of this section a Repeat Violation is one for which an Owner has been given Notice and a reasonable opportunity to cure the same or similar violation within the preceding 6 months, but which the Owner commits again and an Ongoing Continuous Violation is one in which the Owner has been provided a Notice and the Owner has never cured the violation.

e. For Ongoing Continuous Violations, the Board, in its sole discretion, may determine which circumstances warranty a levy of a fine based upon a daily, monthly, or quarterly amount, as determined by the Board.

Delinquent Payments

Days Delinquent	Late Charge	Additional Charges / Actions
30	$25.00	Interest*
60	$25.00	Interest + Legal fees + Collection fees
90	$25.00	Interest + Legal fees + Collection fees
120	$25.00	Interest + Legal fees + Collection fees
180	$100.00	Interest + Legal fees + Collection fees

* Interest will be calculated on delinquent amounts at 18% per annum (or the maximum rate allowed by law), calculated from the past due date until paid in full, including expenses, legal fees, collection fees, and court fees and costs.

Bell County
Shelley Coston
County Clerk
Belton, Texas 76513

Instrument Number: 2024002533
As
DECLARATION

Recorded On: January 22, 2024
Parties: PIOTA DEVELOPMENT LLC
To SETTLEMENT ON STAGECOACH
Comment:

Billable Pages: 3
Number of Pages: 4

(Parties listed above are for Clerks' reference only)

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

CLERKS RMF:	$5.00
RECORDING:	$13.00
Total Fees:	$18.00

********** 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: 2024002533
Receipt Number: 384605
Recorded Date/Time: 01/22/2024 11:09:36 AM
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