

DECLARATION OF COVENANTS AND RESTRICTIONS
for THE WILLOWS ADDITION to the City of Killeen
Bell County, Texas.

THIS DECLARATION, made this 28th day of May,
1991 by Killeen Willows, Inc., hereinafter called Developer.

W I T N E S S E T H:

WHEREAS, Developer is the owner of the real property described in Article II of this Declaration and desires to create thereon a residential community with a related lake and other common facilities for the benefit of the said community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said lake and adjoining dam; and to this end, desires to subject the real property described in Article II together with such additions as may hereafter be made thereto (as provided in Article II) to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has incorporated under the laws of the State of Texas, as a nonprofit corporation, The Willows of Killeen Home Owners' Association, for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Developer declares that the real property described in Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to The Willows of Killeen Home Owners' Association.

(b) "The Properties" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration or any Supplemental Declaration under the provisions of Article II, hereof.

(c) "Common Properties" shall mean and refer to Lot 1, Block 6; Lot 1, Block 7; and Lot 8, Block 3 of The Willows Addition to the City of Killeen, Texas.

(d) "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of The Properties with the exception of Common Properties as heretofore defined.

(e) "Living Unit" shall mean and refer to any portion of a building situated upon The Properties designed and intended for use and occupancy as a residence by a single family.

(f) "Multifamily Structure" shall mean and refer to any building containing two or more Living Units under one roof except when each such living unit is situated upon its own individual Lot.

(g) "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon The Properties but, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(h) "Member" shall mean and refer to all those Owners who are members of the Association as provided in Article IV, Section I, hereof.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

Section 1. EXISTING PROPERTY. The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the State of Texas, County of Bell, and is more particularly described as follows:

Being that 23.906 acre tract out of the J. J. McGlothlin Survey Abstract No. 623, and the J. M. Jasper Survey Abstract No. 990, more fully described as The Willows Addition to the City of Killeen, Texas, as described in that amended Plat duly recorded in the Official Records of Bell County, Texas.

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all of which real property shall hereinafter be referred to as "the Property," or "the Properties."

Section 2. ADDITIONS TO EXISTING PROPERTY. Additional lands may become subject to this Declaration in the following manner:

(a) ADDITIONS IN ACCORDANCE WITH A GENERAL PLAN OF DEVELOPMENT. The Developer, its successors and assigns, shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development, provided that such additions are in accord with a General Plan of Development prepared prior to the sale of any Lot in such additional development and made known to every purchaser in such additional development (which may be done by brochure delivered to each purchaser) prior to such sale.

Such General Plan of Development shall show the proposed additions to the Existing Property and contain:

- (1) a general indication of size and location of additional development stages and proposed land uses in each;
- (2) the approximate size and location of common properties proposed for each stage;
- (3) the general nature of proposed common facilities and improvements; and
- (4) a statement that the proposed additions, if made, will become subject to assessment for their just share of Association expenses. Unless otherwise stated therein, such General Plan shall not bind the Developer, its successors and assigns, to make the proposed additions or to adhere to the Plan in any subsequent development of the land shown thereon and the General Plan shall contain a statement to this effect.

The additions authorized under this and the succeeding subsection, shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property.

Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration

revoke, modify or add to the covenants established by this Declaration within the Existing Property.

(b) OTHER ADDITIONS. Upon approval in writing of the Association pursuant to a vote of its members as provided herein, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file or record a Supplementary Declaration of Covenants and Restrictions, as described in subsection (a) hereof.

(c) MERGERS. Upon a merger or consolidation of the Association with another association as provided herein, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the association as surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Existing Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration within the Existing Property except as hereinafter provided.

(d) VOTE REQUIRED. Approval of "other additions," as set forth in (b) above, and "mergers" as set forth in (c) above, will require the affirmative vote of two-thirds (2/3) of the votes of each class of members voting in person or by proxy in a meeting called for this purpose, notice of which shall be given at least fifteen (15) days in advance of such meeting.

ARTICLE III

TEMPORARY ADMINISTRATION

Until such time as Developer has sold and conveyed sixty-seven percent (67%) of the total number of Lots (i.e., has sold at least 30 Lots), as hereinabove defined and described, Developer shall have the right, but shall not have the duty, to act as the sole administrator for the government and administration of the affairs of the Association, and during such period of Temporary Administration, Developer shall have the right to exclusively exercise and perform all of the right, powers, authority, functions and duties of the Association if Developer shall elect to exercise or perform all or any of the same.

After the sale of at least thirty (30) lots, the Developer shall continue to have voting rights as the owner of any Lots remaining unsold; provided, the Developer shall have three (3) votes for each Lot remaining unsold and owned by the Developer.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. MEMBERSHIP. Every person or entity who is a record owner of a fee or undivided fee interest in any entire Lot shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of any obligation shall not be a member.

Section 2. VOTING RIGHTS. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all those owners as defined in Section 1 with the exception of the Developer. Class A members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Section 1. When more than one (1) person holds such interest or interests in any Lot all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. Class B members shall be the Developer. The Class B member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Section 1.

Section 3. MEMBERS MEETING.

(a) There shall be an annual meeting of the members of the Association. The first annual meeting will be held on the first Tuesday in April, 1991, and Developer will notify all members at least one (1) week in advance of the exact time and place. Subsequent annual meetings will be determined by the Board of Directors of the Association, and provided for in the Bylaws.

(b) The initial Board of Directors shall serve until said annual meeting, at which time a new Board shall be elected by majority vote of members voting. The Board of Directors shall consist of at least three (3) persons, and not more than nine (9), as will be determined by members voting at the first annual meeting, and subsequently, as will be provided in the Bylaws.

(c) The Board of Directors shall be responsible for the affairs of the Association and shall adopt such Bylaws and regulations as necessary to carry out its functions, but cannot adopt Bylaws or regulations which are contrary to provisions as set out herein.

ARTICLE V

PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. MEMBERS' EASEMENTS OF ENJOYMENT. Subject to the provisions of Section 3 of this Article and Article X, every member shall have a right and easement of enjoyment in and to Lot 1, Block 6 (hereinafter referred to as the "Lake") and such easement shall be appurtenant to and shall pass with the title to every Lot or Living Unit.

Section 2. TITLE TO COMMON PROPERTIES. The Developer may retain the legal title to the Common Properties until such time as he has completed improvements thereon and until such time as, in the opinion of the Developer, the Association is able to maintain the same, but notwithstanding any provisions herein, the Developer hereby covenants for himself, its successors and assigns, that it shall convey the Common Properties to the Association upon the sale of 30 lots. The Association agrees to assume responsibility for the Common Properties from and after the date of such conveyance.

Section 3. EXTENT OF MEMBERS' EASEMENTS. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) the right of the Developer and of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving or maintaining the Common Properties and in aid thereof to mortgage said properties. In the event of a default upon any such mortgage the lender shall have a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment of such properties to a wider public until the mortgage debt is satisfied whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored; and

(b) the right of the Association to take such steps as are reasonably necessary to protect the above-described Common Properties against foreclosure; and

(c) the right of the Association, to suspend the enjoyment rights of any member to the Lake for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(d) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties; and

(e) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members, provided that no such dedication or transfer, determination as to the purposes or as to the conditions thereof, shall be effective unless an instrument signed by members entitled to cast two-thirds (2/3) of the votes of each class of membership has been recorded, agreeing to such dedication, transfer, purpose or condition, and unless written notice of the proposed agreement and action thereunder is sent to every member at least thirty (30) days in advance of any action taken; PROVIDED, that as to the Lake, the Developer has previously granted the City of Killeen the right to take water therefrom for the City golf course, and such action shall not require the further approval of the members.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The Developer for each Lot and Living Unit owned by him within The Properties hereby covenants and each Owner of any Lot or Living Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association:

- (1) monthly assessments or charges;
- (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The monthly and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on each Lot and Living Unit and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and of the homes situated upon the Properties, including, but not limited to, the payment of taxes and insurance regarding the Common Properties and repair, replacement, and

additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

Section 3. BASIS AND MAXIMUM OF MONTHLY ASSESSMENTS. Until 30 lots are sold, the monthly assessments on each Lot belonging to a member other than Developer, shall not exceed \$20 per Lot, beginning on the first day of the month following the date of purchase of any such Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to any Owner, the maximum monthly assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of members who are present and voting in person, or are voting by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors of the Association may, after consideration of current maintenance costs and further needs of the Association, fix the actual assessment for any year at a lesser amount.

(d) If at any time the Board of Directors of the Association determines emergency expenditures are required to pay the increased costs of taxes, insurance, or operating expenses for the Common Properties, the Board may assess the same upon giving at least seven (7) days' notice to all Members of the meeting at which the emergency assessment will be considered. Such assessment may be made by majority vote of the Board of Directors without a vote of the Members.

Section 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In Addition to the monthly or special assessments authorized by Section 3 thereof, the Association may levy in any assessment year a special assessment, for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or voting by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least fifteen (15) days in advance and shall set forth the purpose of the meeting.

Section 5. QUORUM FOR ANY ACTION AUTHORIZED UNDER THIS DECLARATION. Notice of any Board Meeting or members meeting shall be sent to all Association Board Members and Members at

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least three (3) days before such meeting, and further in advance if greater notice is required hereunder. At all Board Meetings, a majority of the Board must be present to constitute a quorum of the Board. There shall be no minimum quorum requirement for a meeting of the Members, but all members shall have the right to vote by proxy or in person.

Section 6. DATE OF COMMENCEMENT OF ASSESSMENT. The effective date of any special assessment authorized hereunder shall be fixed in the resolution authorizing such assessment.

Section 7. DUTIES OF THE BOARD OF DIRECTORS. The Association shall upon demand at any time furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid.

Section 8. EFFECT OF NON-PAYMENT OF ASSESSMENT; THE PERSONAL OBLIGATION OF THE OWNER; THE LIEN; REMEDIES OF ASSOCIATION. If the assessments are not paid on the date when due (being the dates specified in Section 3 and Section 6 of Article VI hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives, successors, and assigns.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and the event a judgment is obtained, such judgment shall include interest of the assessment as above provided and a reasonable attorney's fee to be fixed by the Court together with the costs of the action.

Section 9. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereinafter placed upon the Properties and/or all Living Units subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. The sale of any Property

or Living Unit shall not in and of itself discharge the lien against such Property or Living Unit.

Section 10. EXEMPT PROPERTY. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein:

(a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;

(b) all Common Properties as defined in Article I, Section 1, hereof;

(c) all properties exempted from taxation by the laws of the State of Texas upon the terms and to the extent of such legal exemption.

Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VII

MAINTENANCE BY AND SERVICES OF THE ASSOCIATION

Section 1. COMMON AREA. Following transfer of title thereto as provided in Article V Section 2, the Association shall maintain the lands and improvements of all Common Areas as provided in this Declaration.

Section 2. EASEMENT. The Association is hereby granted an easement of use and right-of-way on all Lots in order to comply with the terms of this Article and entry on a Lot for such purpose shall not be deemed trespass.

Section 3. WILLFUL OR NEGLIGENT ACTS. In the event that the need for maintenance or repair is caused through the willful or negligent act of any Owner, his family, guests or invitees, the Association shall add cost of such maintenance or repairs, as a Special Assessment, to the normal assessment of such Owner.

ARTICLE VIII

ARCHITECTURAL CONTROL COMMITTEE

Section 1. REVIEW BY COMMITTEE. No building (including any Living Unit, Multi-family structure or other building), fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing

as to harmony of external design and location in relation to surrounding structures and topography by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the addition, alteration or change has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE IX

ADDITIONAL COVENANTS AND RESTRICTIONS

Section 1. RESIDENTIAL USE ONLY. All Lots in above described Properties shall be restricted to residential uses exclusively. There shall be no structures erected on any Lot other than a one-family dwelling not to exceed two and one-half (2-1/2) stories in height, and an enclosed garage, servants quarters, and/or pool cabana of not more than one story in height.

Section 2. MASONRY. Exterior walls of any residence on any Lot shall consist of not less than seventy-five percent (75%) masonry construction.

Section 3. BUILDING STANDARDS. All Living Units or other buildings erected on the Lots must be of construction standards that equal or exceed the minimum requirements on file at the office of The Association, which requirements shall at all times be equal to or better than the minimum requirements of the City of Killeen, Texas zoning ordinances. If at any time, there is a dispute or misunderstanding as to the terms or meaning of said requirements, or as to the conformity of any dwelling being built thereunder, then such matters or dispute or misunderstanding shall be submitted to the Architectural Control Committee or its successors, for determination, and the decision of said Committee shall be final unless there be a question of compliance with the said City zoning ordinance, in which event the question shall be submitted to the Council (or its designee) of the City of Killeen for determination and decision.

Section 4. SETBACKS. All setbacks to be as follows: Lots 12-18, Block 4 and Lots 1-7, Block 5, will have 20.0 foot front setbacks and all other Lots will have the required 25.0 foot front setbacks. No fences shall be placed closer to the streets than the front building setback lines will allow. Lots 2-7, Block 3 and Lots 10-13, Block 4 will have the required 25.0 foot rear yard setbacks. All other Lots, since their rear year adjoins the Lake (Lot 1, Block 6) will have no rear setback. All Lots will have 10.0 foot side yard setbacks.

Section 5. NO SUBDIVIDING. Any owner of two or more adjacent Lots may resubdivide such Lots into a smaller number of Lots, subject to compliance with other applicable law including the Ordinances of the City of Killeen, Texas. Otherwise, no Lots may be subdivided.

Section 6. SQUARE FOOTAGE REQUIREMENTS. All one-story Living Units constructed shall be restricted to not less than 2000 square feet main floor area. All one and one-half story Living Units shall be constructed with a main floor area of not less than 1400 square feet. All two story Living Units will be constructed with not less than 1200 square feet main floor area. All areas shall be computed on perimeter measurements of the main building, exclusive of porches, patios, terraces, driveways and garages. (Any two and one-half story to be the same as two story.)

Section 7. NO TEMPORARY STRUCTURES. No dwelling, structures or building of any type shall be moved onto above described Properties for permanent use therein. No trailer, trailer house, prefabricated house, basement, tent, shack, garage apartment, or servants quarters shall ever be used as a dwelling, temporary or permanent, in evasion of these restrictive covenants and conditions.

Section 8. OUTBUILDINGS. Any storage building, or outlying buildings shall be constructed with the same architectural design as the main Living Unit.

Section 9. FUTURE CONSTRUCTION. All restrictive covenants and conditions herein shall apply to future remodeling or building, and rebuilding in case of destruction by fire or elements.

Section 10. EASEMENTS. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of said subdivision. Any additional easements affecting any Lot must be granted by the Owner of such Lot.

Section 11. SIGNS. No signs of any character shall be allowed on any Lot except Lot 8, Block 3, on which the subdivision sign shall be placed. All other lots only one sign of not more than five square feet advertising the property for sale or rent.

Section 12. ANIMALS. No animal, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose.

Section 13. TRASH DISPOSAL AND UTILITY FACILITIES. No Lot shall be used or maintained as a dumping ground, and rubbish,

trash, garbage or other waste shall not be kept except in sanitary containers; all incinerators or other equipment for storage of or disposal of such material shall be kept clean and in a sanitary condition. All service yards, garbage can areas, drying yards, L.P. gas tank facilities or individual power systems shall be screened from public view.

Section 14. SEWER SYSTEMS. There shall be no individual sewage systems.

Section 15. LOT MAINTENANCE. It is the responsibility of each Lot owner to maintain the premises and improvements thereon in a neat and orderly manner, including vacant Lots.

Section 16. FENCES. No fence or utility meter shall be constructed or allowed to remain in front of the minimum building setback line and all fences behind the minimum building setback line shall have a maximum height of 6 feet. No wire fence of any type will be permitted, except bordering Lot 1, Block 7 along the north-northeast property line. Decorative subdivision entry fences may be constructed by The Association or the Developer which will not be restricted by this provision.

Section 17. VEHICLE PARKING. No truck, bus, trailer, motor home, boat, or camper shall be left parked in the street, or driveway, or any portion of any Lot in such a manner to be visible from the street for a period in excess of 48 hours, except for construction and repair equipment while a Living Unit or other units are being built or repaired in the immediate vicinity. No vehicle or any size which normally transports inflammatory or explosive cargo may be kept on the Properties at any time.

Section 18. NO BUSINESS ACTIVITY. No professional business or commercial activity shall be conducted on any Lot or within any Living Unit. All Lots will be restricted to residential uses exclusively.

Section 19. ROOF AND BRICK STANDARDS. All structures shall have comparative single roof Timberline, Hallmark or equal, color to be selected from the Developer's approved colors. All brick same as above.

Section 20. CARPORTS. No carports shall be allowed on any Lot in the subdivision.

Section 21. NO ON-SITE REPAIRS. No major repairs, rebuilding or overhauling of vehicles, boats, or trailers shall be permitted on any Lot or street. The storage and/or parking of junk or inoperable vehicles, boats or trailers, is strictly forbidden.

Section 22. ANTENNAE. No television or radio antennae shall be erected or maintained at the front of any dwelling nor shall they be placed upon the roof of any dwelling so as to stand or be supported by that portion of the roof which slopes toward the front Lot line. No radio, aerial wires, nor guy wires for antennae shall be maintained on any portion of a lot forward of the front building line of said lot. No radio signals, television signals, or any other form of electromagnetic radiation shall originate from any Lot which may unreasonably interfere with the reception of televisions or radio signals of any other Lot. There shall be no satellite dishes allowed on the Properties.

Section 23. MAINTENANCE OF LOTS. No owner of any Lot, either vacant or improved, shall be permitted to let such Lot go unmaintained, and no weeds or grass shall be permitted upon any Lot in excess of twelve (12) inches in height.

Section 24. STORAGE OF MATERIALS. No building material of any kind or character shall be placed or stored upon any residential Lot until the Owner is ready to commence improvements, and then such material shall be placed within the property line. No stumps, trees, underbrush, or any refuse of any kind, or scrap metal from the improvements being erected on any Lot shall be placed on any adjoining lots, streets or easements. All such material, if not disposed of immediately, must remain on the property upon which construction work is in progress, and at the completion of such improvements, such material must be immediately removed from the property.

Section 25. MINING. No quarrying or mining operations or mineral extractions of any kind shall be permitted upon or in any Lot, nor shall any type of wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any lot. No derrick or other structure designed for drilling shall be erected, maintained, or permitted upon any lot.

ARTICLE X

THE LAKE

Section 1. USES. The Lake shall be used for fishing, boating, and other recreational purposes according to the Rules and Regulations adopted by the Association (or by the Developer during the period of the Developer's temporary administration). All Lot owners shall have access to Lot 1, Block 6 by ingress and egress over Lot 1, Block 7.

Section 2. ENTRY AT OWN RISK, RELEASE AND INDEMNITY. THE DEVELOPER AND THE ASSOCIATION ASSUME NO LIABILITY FOR THE SAFETY OF THE LAKE. NO LIFEGUARD WILL BE PROVIDED AT THE LAKE, AND ALL PERSONS FISHING IN THE LAKE OR OTHERWISE EXPOSING THEMSELVES TO THE RISK OF FALLING IN THE LAKE DO SO AT THEIR OWN RISK. TO THE

MAXIMUM EXTENT ALLOWABLE BY LAW, EACH OWNER OF A LOT OR LIVING UNIT BOTH FOR HIMSELF AND/OR HERSELF AND ON BEHALF OF HIS AND/OR HER MINOR CHILDREN, HEREBY RELEASES THE DEVELOPER AND THE ASSOCIATION FROM LIABILITY AS A RESULT OF ANY OCCURRENCE ON ANY OF THE COMMON AREAS, INCLUDING THE LAKE. FURTHER, EACH OWNER OF A LOT HEREBY INDEMNIFIES THE DEVELOPER AND THE ASSOCIATION FROM LIABILITY TO ANY MEMBER OF SUCH OWNER'S FAMILY AND THE GUESTS OF SUCH OWNER'S FAMILY BY REASON OF ANY OCCURRENCE IN, OVER, ON OR UNDER THE COMMON AREAS, INCLUDING THE LAKE.

ARTICLE XI

GENERAL OBLIGATIONS OF OWNER

Section 1. COMPLAINTS BY OWNER. If any Owner believes any other Owner is in violation of this Declaration, he may so notify such Owner in writing, explaining his reasons for such complaint.

If the Owner fails to remedy the alleged violation in ten (10) days after delivery of such notice, a complaint may be transmitted in writing to the Chairman of the Board of Directors of the Association, who shall thereupon choose, within no more than ten (10) days a neutral party to arbitrate the dispute in such a manner as the arbitrator deems best, but the arbitrator shall in all cases announce his decision within thirty (30) days after the transmittal of the complaint to the Chairman of the Board of Directors of the Association. If the Chairman of the Board of Directors of the Association or the arbitrator fails to act, the complaint will be considered denied.

The arbitrator shall be paid his reasonable expenses, the cost of which shall be borne by the losing party.

Section 2. COMPLAINTS BY ASSOCIATION. If the Association believes any Owner is in violation of these Restrictive Covenants, it shall so notify such Owner in writing, explaining its reason for such complaint.

If the Owner fails to remedy the alleged violation within ten (10) days following delivery of such notice, then the Association shall have the right to (i) institute appropriate legal action or (ii) submit the dispute to arbitration, such arbitration to be held in accordance with the rules of the American Arbitration Association by the action of a majority of the Arbitrators chosen as follows: (a) one arbitrator shall be chosen by the Association; (b) one arbitrator shall be chosen by the two (2) arbitrators previously chosen. If either party fails to choose an arbitrator within fifteen (15) days after the transmission of the complaint to the Owner, the other party may choose the second arbitrator. The decision of the arbitrators shall be made within thirty (30) days after the transmission of the complaint to the Owner. If the arbitrators fail to act within ninety (90) days, the complaint will be considered dismissed.

The prevailing party in any such litigation or arbitration shall be entitled to recover from the other party all costs and expenses thereof, including attorney's fees, in connection therewith.

Section 3. REMEDY OF VIOLATIONS. If the arbitrator(s) as provided in Section 1 or Section 2 above upholds the complaint, the Owner shall be so notified in writing and shall promptly remedy the violation of this Declaration, and if he fails to remedy such violation within thirty (30) days after the date of such notice or in the time specified in any such proceeding, as appropriate, the Association may (but shall not be obligated to) make the appropriate repairs and add the cost of such repairs, as a Special Assessment to the normal assessment of such Owner. The Association, and its designees, shall have the right to entry upon the Lot owned by such Owner for such purpose.

If any Owner, or his, her or its successors or assigns shall violate or attempt to violate any of the restrictive covenants and conditions herein following and notwithstanding the decision of the arbitrator, it shall be lawful for the Association, or any other owner of any property in this subdivision to prosecute any proceedings at law or in equity, against such owners violating or attempting to violate any such restrictive covenants and conditions, and either to prevent him or them from doing so and/or to recover damages or other dues for such violation.

Invalidation of any of these restrictive covenants and conditions by judgment or court order shall in no way effect any of the other restrictive covenants and conditions which shall remain in full force and effect.

ARTICLE XII

EXTERIOR MAINTENANCE

Section 1. EXTERIOR MAINTENANCE. In addition to maintenance upon the Common Properties, the Association may, but does not have the obligation to, provide exterior maintenance upon each Lot and Living Unit which is subject to assessment under Article VI hereof, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements.

Section 2. ASSESSMENT OF COST. The cost of such exterior maintenance shall be assessed against the Lot or Living Unit upon which such maintenance is done and shall be added to and become part of the maintenance assessment or charge to which such Lot or Living Unit is subject under Article VI hereof and, as part of such assessment or charge, it shall be a lien and obligation of the Owner and shall become due and payable in all respects as provided in Article VI hereof. Provided that the Board of Directors of the Association, when establishing the assessment against

each Lot or Living Unit for any assessment year as required under Article VI hereof, may add thereto the estimated cost of the exterior maintenance for that year but shall, thereafter, make such adjustment with the Owner as is necessary to reflect the actual cost thereof.

Section 3. ACCESS AT REASONABLE HOURS. For the purpose solely of performing the exterior maintenance authorized by this Article, the Association, through its duly authorized agents or employees shall have the right, after reasonable notice to the Owner, to enter upon any Lot or exterior of any Living Unit at reasonable hours on any day except Saturday or Sunday.

ARTICLE XIII

ENCROACHMENT AND DRAINAGE

Section 1. ENCROACHMENT EASEMENT. If any structure erected or reconstructed by Developer or by an Owner with the approval of the Architectural Control Committee shall encroach on the Lot of an adjoining Owner, the latter grants to such Owner an easement permitting the persistence of such encroachment. In addition, an overhang easement is granted to any Owner whose eaves, gutters or similar items overhang a reasonable distance or abut the Lot of another Owner.

Section 2. DRAINAGE EASEMENT. Each Owner hereby grants such easements for drainage and waterflow as the contours of the land and the arrangement of buildings by Developer thereon requires.

ARTICLE XIV

TERM OF THIS DECLARATION

Section 1. DURATION. The covenants and restrictions of this Declaration shall run with and bind the land (including the Properties and Living Units) and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then-owners of three-fourths (3/4) of the Lots or Living Units has been recorded, agreeing to change said covenants and restrictions in whole or in part. For purposes of meeting the three-fourths (3/4) requirement, when Living Units are counted, the Lot or Lots upon which Living Units are situated shall not be counted. Provided, however, that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written

notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 2. NOTICES. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, post-paid, to the past known address of the person who appears as a member or owner on the records of the Association at the time of such mailing.

Section 3. ENFORCEMENT. Enforcement of these covenants and restrictions shall be by any proceedings at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall no wise affect any other provisions which shall remain in full force and effect.

ARTICLE XV

AMENDMENTS

Any provision contained herein can be changed by a vote of three-fourths (3/4) of seventy-five percent (75%) of the members of the Association.

KILLEEN WILLOWS, INC.

"DEVELOPER"

BY: Gary W. Purser
Gary W. Purser, Sr.

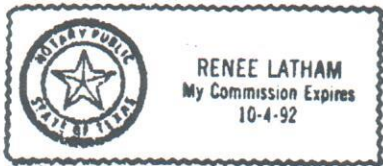
ATTEST:

BY: Wayne Hanning

STATE OF TEXAS

COUNTY OF BELL

This instrument was acknowledged before me on the 28th day of May, 1991, by Gary W. Purser, Sr., President, of Killeen Willows, Inc., a Texas corporation, on behalf of said corporation.



Renee Latham
Notary Public in and for
the State of Texas

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VADA SUTTON
CNTY CLERK, BELL CNTY TX.
BY [Signature] DEPUTY

011734

BYLAWS
OF
THE WILLOWS OF KILLEEN, INC.

The name of this corporation, its corporate purpose and terms of its existence are set forth in the Articles of Incorporation of this corporation as filed with the Secretary of State of the State of Texas, on the 3rd day of November 2005, as the same may from time to time be amended. All provisions of these Bylaws are subject to the provisions of the Articles of Incorporation.

ARTICLE I

OFFICES

Section 1. Principal office. The principal office of the corporation in the State of Texas shall be located in the City of Killeen, County of Bell.

Section 2. Registered Office and Registered Agent. The registered office and agent of the corporation required by the Texas Non-Profit Corporation Act to be maintained in the State of Texas shall be as indicated by the Articles of Incorporation. The registered office or the registered agent may be changed by notifying Secretary of State of the State of Texas if such change is approved by a vote of the Board of Directors..

Section 3. Other Offices. The corporation may have other offices, either within or without the State of Texas, as the Board of Directors may designate.

ARTICLE II

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure, and Qualifications. The number of directors of the corporation shall be nine (9), each director to serve for a term of one year and until his successor shall have been elected and qualified or until the earlier of his death, resignation, or removal from office. Four (4) officers and five (5) Board members shall be elected by majority vote at the annual meeting.

Section 3. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board of Directors.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place within the city limits of Killeen, Texas as the place for holding any special meeting of the Board of Directors called by them.

Section 5. Notice. Notice of any special meeting shall be given at least seventy-two (72) hours previous to the meeting.

Section 6. Quorum. A majority of the number of directors fixed by Section 2 of the Article II shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 7. Manner of Acting. The act of the majority of the Directors present at a legally called or scheduled meeting of the Board of Directors shall be the act of the Board of Directors.

Section 8. Proxy. A director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after three months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

Section 9. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 10. Size of the Board of Directors. The Board of Directors shall be nine (9) in number including the four officers listed in Article III.

Section 11. Removal. A director may be removed from the Board of Directors by the Board of Directors whenever in their judgment the best interest of the corporation shall be served. A vacancy created by removal of a director will be filled in accordance with Section 10 of Article II.

Section 12. Compensation. Directors as such shall not receive any stated salaries or compensations for their services, but they are not precluded from serving the corporation in any other capacity and receiving compensation thereafter.

ARTICLE III

OFFICERS

Section 1. Number. The officers of the corporation shall be a President, Vice President, a Secretary, a Treasurer and such other officers and assistant officers as may be deemed necessary, each of whom shall be elected by the Board of Directors.

Section 2. Election and Term of Office. The officers and five (5) other Board Members shall be elected annually by the members at the annual meeting. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign, or until he shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed may be removed by the Board of Directors whenever in their judgment the best interest of the corporation shall be served.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. The President. The President shall be the principal executive officer of the corporation and subject to the control of the Board of Directors, shall in general supervise and control all of the affairs of the corporation. He shall when present preside at all meetings of the Board of Directors. He may sign, with the Secretary or any other proper officer of the corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation; and in general shall perform all duties incident to the office of President and other duties as may be prescribed by the Board of Directors. The President shall also file notice of change of the registered agent or registered office of the corporation with the Secretary of State, and such other reports with such office as may be required under the law. He shall be custodian of the corporate records.

Section 6. The Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President, and shall perform other duties as may be assigned to him by the President or by the Board of Directors.

Section 7. The Secretary. The Secretary shall keep the minutes of the Board of Directors meetings; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; keep a register of the post office address of the directors' and of the members of any committee appointed by resolution of the Board of Directors and in general perform all duties incident to the office of Secretary and other duties as may be assigned to him by the President or by the Board of Directors.

Section 8. The Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source, and deposit all monies in the name of the corporation in the banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these Bylaws; and in general perform all of the duties incident to the office of Treasurer and other duties as may be assigned to him by the President or by the Board of Directors.

ARTICLE IV

COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of three or more directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director of any responsibility imposed upon it or him by law.

SECTION 2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present or by the President if authorized by a like resolution of the Board of Directors. Such committees may be for a specific length of time or may be of indefinite duration.

Section 3. Term of Office. Each member of a committee shall continue as such for the duration of the committee or until his successor is appointed, or the committee is

terminated, or he is removed by the authority by which appointed. Terms shall usually be of one year duration although the committee may be of longer duration.

Section 4. Chairman. One member of each committee shall be appointed chairman by the President and the chairman will select member or members of said committee.

Section 5. Vacancies. Vacancies in the membership of any committee may be filled by appointment made in the same manner as provided in the case of the original appointments.

Section 6. Quorum. Unless otherwise provided in the resolution of the Board of directors designating a committee, a majority of the whole of such committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors, or with instructions, if any contained in the resolution of the Board of Directors establishing such committee.

Section 8. Architectural Review Committee. The Board shall establish an architectural review committee as provided in the Declaration of Covenants and Restrictions regarding the Willows Addition to the City of Killeen, Texas.

ARTICLE V

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may levy a special assessment for the purpose of defraying in whole or in part, the cost of construction or reconstruction, unexpected repair or replacement or a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of all members who are voting in person or voting by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least fifteen (15) days in advance and shall set forth the purpose of the meeting.

Section 2. Checks and Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by an officer or officers, agent or agents or the corporation as shall be determined by resolution of the Board of Directors, such instrument shall be signed by the Treasurer.

Section 3. Deposits. All funds of the corporation not otherwise employed shall be deposited to the credit of the corporation in banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors, or a committee, or any officer or agent designated by the Board of Directors, may bequest, or devise for the general purposes or for any special purpose of the corporation.

ARTICLE VI

BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its Board of Directors, and committees having any authority of principal office in this State and a record of the members of the Board of Directors entitled to vote.

ARTICLE VII

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January, and end on the thirty-first day of December each year.

ARTICLE VIII

NOTICE AND WAIVER OF NOTICE

Section 1. Notice. Any notice required to be given by the provisions of these Bylaws shall be deemed to have been given if such notice is in writing and delivered personally or mailed or sent by telegram. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail, properly addressed with the correct postage. If notice is given by telegram, the notice shall be deemed to be delivered when the telegram message is delivered in writing to the telegraph company.

Section 2. Waiver. Whenever any notice is required to be given under the provisions of these Bylaws or under the provisions of the Texas Non-Profit Corporation Act, a waiver thereof, in writing, signed before or after the required or stated time, shall be deemed equivalent to the giving of the notice.

ARTICLE IX

AMENDMENTS

These Bylaws may be reviewed yearly or within ninety (90) days of the newly elected Board of Directors. The Board of Directors is in powered to change or alter this document as required. Any change in the bylaws will require a new copy of same to be furnished each member.

ARTICLE X

FINANCIAL ACCOUNTING


Section 1. Accounting System and Audit. The association shall use a double entry accounting system and shall be audited annually by a committee of three members who hold no office within the association. The audit will be submitted to the general membership for approval. An audit will be conducted upon change of treasurers.


Section 2. Budget. The association shall maintain a budget that will allow the association to function as a credited organization during the calendar year. The budget will be presented to the members for approval during the annual membership meeting.

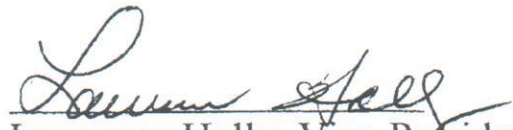
ARTICLE XI

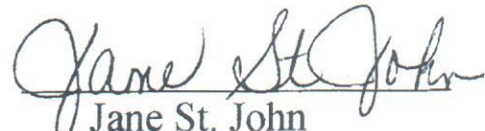
DECLARATION OF COVENANTS AND RESTRICTIONS

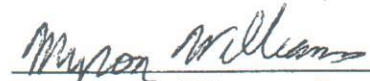
The undersigned, directors of the corporation, do hereby certify the above bylaws were duly adopted for the regulation of the affairs of the corporation at a regular meeting of the Board of Directors on the 3rd day of November.


Major E. Blair, President

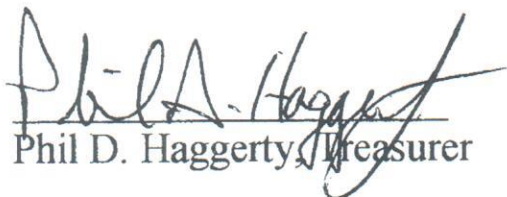

Manuel C. Morales

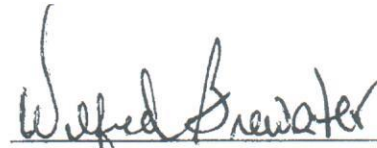

Lawrence Holly, Vice-President


Jane St. John


Myron Williams, Secretary


Logan Beene


Phil D. Haggerty, Treasurer


Wilfred Brewster


Juanita Faucett