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201 W Bridge Street  
PO BOX 339  
Granbury, Texas 76048  
Phone: 817-579-3222**

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Filed and Recorded - Real Records

**DECLARATION/DESIGNATION**

Grantor: STEWART RANCH

Pages: 70

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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.

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Christine C. Leftwich  
County Clerk  
Hood County, Texas



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JOHN HALL



# **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR**

## **STEWART RANCH ADDITION**

**A Single Family Detached Residential Subdivision,**

**an Addition to Hood County, Texas**

**aka the**

### **DECLARATION**

**including provisions relating to**

**STEWART RANCH HOA, INC.**

**(A Texas Non-Profit Corporation)**

**Effective Date: July 1, 2024**

#### **Property Affected**

The "**Property**" that is subject to the Declaration of Covenants, Conditions & Restrictions (herein the "**Declaration**"), is a 207.063 acre tract of land described as Lots 1–75 (being 75 Residential Lots), plus 2 Common Area "Visibility, Access and Maintenance Easement" Lots 76X & 77X (VAMs), known as the Stewart Ranch Subdivision, situated in the W. Smith Survey, Abstract No. 522, J. Tandy Survey, Abstract No. 799 and the J. Brooks Survey, Abstract No. 848, known as the Stewart Ranch subdivision, an Addition to the EtJ of the City of DeCordova Bend, Hood County, Texas, according to the plat thereof recorded in the Plat Records of Hood County, Texas (the "Subdivision").

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**  
**aka "DECLARATION"**

**for the**  
**STEWART RANCH SUBDIVISION**

**PLATTED AS THE STEWART RANCH ADDITION**

**TO HOOD COUNTY, TEXAS**

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

This Declaration of Covenants, Conditions and Restrictions (alternatively the "Declaration" or the "Declaration") for the Stewart Ranch Addition (aka "Stewart Ranch"), an Estate (one acre minimum per residential lot) single family, detached residential subdivision, an Addition to Hood County, Texas, according to the map and plat of the Subdivision, which was filed of record as a Plat in Slide P-1003 of the Map and Plat Records of Hood County, Texas, in accordance with both the doctrines of restrictive covenant and implied equitable servitude, by Fall Creek Land Partners, LLC, a Texas limited liability company, the Declarant herein, being the original developer and owner of all the lots in the subdivision, hereby desires to restrict the subdivision according to these covenants, conditions and restrictions in furtherance of this general development plan. Developer also intends to provide herein for certain obligations and restrictions with respect to the operation, use, maintenance, and appearance of the subdivision. Such covenants, conditions and restrictions are intended for the benefit of, and shall bind, the Declarant and Declarant's successors in ownership of lots within the subdivision from time to time, and shall constitute covenants running with the land.

The Stewart Ranch Addition to Hood County, Texas contains seventy-five (75) single family, detached residential lots, each lot containing at least one acre, plus two Common Area Lots (the "Property") within the Subdivision, being a 207.063 acre tract of land described in Section 1.33. Property, below, known as Stewart Ranch, an Addition to Hood County, Texas, according to the plat thereof recorded in the Plat Records of Hood County, Texas (the "subdivision"), and all other Common Areas and Common Amenities, and improvements existing therein on the date the plat of the subdivision is filed of record as a Plat in Slide P-1003 of the Map and Plat Records of Hood County, Texas. As development and the build-out of Dwellings and other structures and Improvements occur, the Property of the Stewart Ranch Subdivision shall be made subject to the jurisdiction of the homeowners association. Further, the "Property" is platted and restricted according to Stewart Ranch HOA, Inc. (alternatively referred to herein as the "HOA" or the "Association"). The Association is the intended owner of the Common Areas within the subdivision, and shall obtain legal title to ownership of such Common Areas as provided herein.

This Declaration, made on the day this Declaration is executed by Fall Creek Land Partners, LLC, a Texas Limited Liability Company, ("Declarant"), contains the Land Use Restrictions and

the Covenants, Conditions and various Easements for the Stewart Ranch Addition to Hood County, Texas, according to the Plat thereof recorded on ~~July~~ <sup>June 3,</sup> 2024 in Slide ~~7-1003~~ in the Plat Records of Hood County, Texas.

This Declaration shall be effective on the day this Declaration is recorded in the Hood County, Texas Real Property Records by Fall Creek Land Partners, LLC ("Declarant") as follows:

**WITNESSETH:**

**WHEREAS**, Fall Creek Land Partners, LLC, Declarant herein, has devised a general plan for the entire subdivision as a whole, with specific provisions for particular lots and parcels of the subdivision. The general plan provides a common scheme of development designed to protect and safeguard the Property over a long period of time; and

**WHEREAS**, this general plan will benefit the subdivision in general, the lots and parcels that constitute the subdivision, the Declarant, the other owners, and each successive owner of an interest in the Subdivision; and

**WHEREAS**, in accordance with both the doctrines of restrictive covenant and implied equitable servitude, the Declarant and the undersigned owners desire to restrict the subdivision according to these covenants, conditions and restrictions in furtherance of this general development plan and also intends to provide herein for certain obligations and restrictions with respect to the operation, use, maintenance, and appearance of the subdivision. Such covenants, conditions and restrictions are intended for the benefit of and shall bind the Declarant and all other Owners, and their respective successors in ownership of lots within the subdivision from time to time, and shall constitute covenants running with the land; and

**WHEREAS**, Declarant and all other owners, now and in the future, further desire to provide for the preservation, administration, and maintenance of Stewart Ranch, and to protect the value, desirability, and attractiveness of the Stewart Ranch subdivision; and, as an integral part of the development plan, Declarant and the other owners of lots deem it advisable to empower a property Homeowners Association to perform these functions and activities, more fully described in the Documents described below; and

**WHEREAS**, Declarant and the other Owners of lots declare that the Property described herein, and as more particularly described in Exhibit A attached hereto and fully incorporated by reference herein, will be owned, held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, stipulations, reservations, and easements of this Declaration, which run with the real property and bind all parties having or acquiring any right, title, or interest in any part of the Property, their heirs, successors, and assigns, and inure to the benefit of each owner of any part of the Property. Declarant also declares that the Stewart Ranch subdivision shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

**NOW, THEREFORE**, in consideration of the mutual grants, easements, covenants, and agreements made herein, the Association, the Declarant and the other owners of lots hereby declare that all of the subdivision shall henceforth be held, sold, and conveyed subject to the covenants, conditions and restrictions set forth herein, and hereby grant, covenant, and agree as follows:

**ARTICLE 1**  
**DEFINITIONS AND TERMS**

The following words and phrases, whether or not capitalized, have specified meanings when used in the Documents, unless a different meaning is apparent from the context in which the word or phrase is used.

1.1. “**Applicable Law**” means the statutes and public laws and ordinances in effect at the time a provision of the Documents is applied, and pertaining to the subject matter of any provision in any Document. Statutes and ordinances specifically referenced in the Documents are “Applicable Law” on the date of the Document, and are not intended to apply to the Property or 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.

1.2. “**Architectural Control Committee**” (herein referred to as the “ACC”) means the entity having jurisdiction over particular applications for architectural approval. During the Development Period, the Architectural Control Committee is Declarant, Declarant’s designee, or Declarant’s delegate. Thereafter, the Board-appointed Architectural Control Committee is the Architectural Control Committee.

1.3. “**Assessment**” means any charge levied against a lot or owner by the Association, pursuant to the Documents or State law, including but not limited to Regular Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments, as defined in Article 9 of these Protective Covenants, including, but not limited to:

A. Regular and Special Assessments for:

1. All sums lawfully assessed for maintenance and improvement of the Common Area, as such term is defined herein;
2. All expenses of administration and management, maintenance, operation, repair or replacement and improvements to the Common Area;
3. Expenses agreed upon as Common Maintenance Items by the Board of Directors; and
4. Expenses declared to be either Common Expenses or Common Maintenance Items by this Declaration or by the Bylaws of the Association.

B. Individual Assessments assessed by the Association for reasons and purposes set out in the Bylaws of the Association.

1.4. “**Association**” means the Association of owners of all lots in the Stewart Ranch Subdivision, or their successors or assigns, initially organized as “Stewart Ranch HOA, Inc.” a Texas Non-Profit Corporation, and serving as the “Property Owners’ Association” or simply the “Association” defined in Section 202.001(2) of the Texas Property Code, the Bylaws and Rules and Regulations, the governing documents which shall govern the administration of this

Property and the Property owners Association and its membership who shall be composed of all the owners of the lots. The failure of the Association to maintain its corporate charter from time to time does not affect the existence or legitimacy of the Association, which derives its authority from this Declaration, Bylaws and any adopted Rules and Regulations of the Association.

1.5. "**Board**" means the Board of Directors of the Association.

1.6. "**Builders**" means and refers to persons or entities that purchase lots and build speculative or custom homes thereon for sale to third party purchasers.

1.7. "**City**" means the City of Granbury, Texas.

1.8. "**Common Area**" means all real property, improvements (also referred to as Common Elements) thereon, and personal property within the Subdivision that are owned and/or maintained by the Association for the common use and enjoyment of the owners, as described in Article 4 below and as referenced in Appendix I of this Declaration. Any conveyance of Common Area to the Association pursuant to this Article 1.8 shall be effective only upon acceptance in writing by the Association, and free and clear of any liens or similar encumbrances.

1.9. "**Common Expenses**" means and includes:

A. All sums lawfully assessed for maintenance and improvement of the Common Area and Common Amenities, as such terms are defined herein;

B. All expenses of administration and management, maintenance, operation, repair or replacement and improvements to the Common Area and Common Amenities;

C. Expenses agreed upon as Common Maintenance Items by the Board of Directors; and

D. Expenses declared to be either Common Expenses or Common Maintenance Items by this Declaration or by the Bylaws and Rules & Regulations of the Association.

1.10. "**Common Maintenance Items**" means and includes those common maintenance expenses that the Board finds and determines are necessary in order to provide for the improvement of the overall appearance of the property within the Subdivision and such other maintenance issues for which the Board of Directors, in its sole discretion, determines are in the best interest of the Association Members.

1.11. "**Contractor**" means and refers to the person or entity with whom an owner contracts to construct a residential dwelling and/or improvements on such owner's lot.

1.12. "**County**" means the County of Hood, State of Texas, in which the property is located.

1.13. "**Declarant**" means Fall Creek Land Partners, LLC, a Texas Limited Liability Company, which is developing the Property, or its respective successors and assigns, which acquire any portion of the Property for the purpose of development and which are designated a Successor Declarant by Fall Creek Land Partners, LLC in a recorded document.

1.14. "**Declarant Control Period**" aka "**Development Period**" (herein referred to as the "Declarant Control Period") are interchangeable terms meaning the period beginning the date this Declaration is recorded and terminating on December 31, 2045, if not terminated earlier as set

forth in Appendix I of this Declaration, during which Declarant has certain rights pursuant to Appendix I, including rights relating to development, construction, expansion, and marketing of the Property, and rights relating to Declarant's control of the operation and management of the Association. The Declarant Control Period does not require that Declarant own land described herein. Declarant may terminate the Declarant Control Period at any time by recording a notice of termination. **During the Declarant Control Period, Appendix I has priority over the main body of this Declaration.**

1.15. "**Developer**" means and refers to Fall Creek Land Partners, LLC, a Texas Limited Liability Company, and its successors and assigns.

1.16. "**Documents**" (aka "**Governing Documents**" or "**Dedictory Instruments**"), include the Declaration of Covenants, Conditions and Restrictions, the Bylaws, Rules & Regulations, Policies and Fees & Fines Schedules, or any of these which may be approved by the Association and amended from time to time, and recorded in the Official Records of Hood County, Texas. An Appendix, Exhibit, Schedule, or Certification accompanying a Document is a part of that Document.

1.17. "**Dwelling**" means a single family, detached residential building constructed on a separate lot, each dwelling having accommodations for and occupied by not more than one family (as hereinafter defined), and titled in individual ownership for each such dwelling.

1.18. "**Front Yard**" shall mean and refer to a space on a lot in front of the Dwelling facing an Interior Street of the subdivision and extending across the front of the lot between the Side Lines (as hereinafter defined) and being the horizontal distance between the Street Line (as hereinafter defined) and the dwelling or any projection thereof other than the projection of the usual steps and eave overhangs.

1.19. "**Garage**" shall mean and refer to a building detached from the Dwelling or a portion of a dwelling in which motor-driven vehicles are parked and stored.

1.20. "**Height**" means the measurement from the average established grade at the Street Line abutting the lot or, if higher, from the highest natural ground level of the two points where the Front Setback Line (as hereinafter defined) intersects the Side Lines of the lot, to the highest point of the Improvement being measured.

1.21. "**Interior Lots**" means lots numbered as Lots 11-26, Lots 42-58, and Lots 67-72, according to the map and plat of the subdivision, filed of record as a Plat in Slide \_\_\_\_\_ of the Plat Records of Hood County, Texas.

1.22. "**Cleburne Hwy Perimeter Lots**" means lots sharing a boundary in common with the contiguous roadway boundary of Cleburne Highway, alongside but outside the Subdivision (known herein as "**Cleburne Hwy Perimeter Lots**"), which are lots numbers as Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 27, 28 and 29.

1.23 "**Neighbor Bordering Lots**" means lots sharing a boundary in common with privately owned properties outside the Subdivision (known herein as "**Neighbor Bordering Lots**"), which are lots numbered as 30-41, Lots 59 -66, and Lots 73-75.

1.24. **"Interior Streets, Subdivision Entrance and Private Entry and Exit Driveways"** means those certain private entry and exit driveways common areas and interior streets and common areas situated within the subdivision, which enter and exit off of the Cleburne Highway, which along with the interior streets access each of the individual single family, detached residential lots and Common Areas in the subdivision as shown on the Plat.

1.25. **"Lot"** means a portion of the Property intended for independent ownership, on which there is or will be constructed a single family, detached residential dwelling, as shown on the Plat. As a defined term, "lot" does not refer to Common Areas, even if platted and numbered as a lot. Where the context indicates or requires, "lot" includes all improvements thereon and any portion of a right-of-way that customarily is used exclusively by and in connection with the lot. Unplatted tracts may be included in the meaning of "lot" pursuant to Section A.3.1 of Appendix I of this Declaration.

1.26. **"Majority"** means more than half. A reference to "a majority of owners" in any Document or applicable law means "owners of at least a majority of the lots," unless a different meaning is specified. A reference to a "2/3<sup>rd</sup>s Majority of owners" in any Document or applicable law means "owners of at least a two-thirds (2/3<sup>rd</sup>s) majority of the lots," unless a different meaning is specified.

1.27. **"Member"** means a Member of the Association, each Member being an owner of a lot, unless the context indicates that member means a member of the Board or a member of a committee of the Association. In the context of votes and decision-making, each lot has only one Membership, although it may be shared by co-owners of a lot.

1.28. **"Stewart Ranch Addition" aka "Stewart Ranch"** means the Stewart Ranch platted Property and all future phases of the Stewart Ranch Subdivision and the "Additional Land" hereafter made subject to the jurisdiction of the Association.

1.29. **"Occupant"** means a person or persons in possession of a single family, detached residence, regardless of whether said person is a single family, detached residence owner.

1.30. **"Owner"** means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, who is a holder of fee simple title to one (1) or more lots in the Subdivision, recorded in the Deed Records of Hood County, Texas, including contract sellers (a seller under a Contract-for-Deed). Declarant is the initial Owner of all lots and Common Areas in the Stewart Ranch subdivision. Contract sellers and mortgagees, who acquire title to a lot through a deed in lieu of foreclosure or through judicial or nonjudicial foreclosure, are owners. 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 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.

1.31 **"Party Fence"** shall mean and refer to the lots' exterior boundary fences separating two contiguous Lots. Any matters concerning Party Fences which are not covered by the terms of this Declaration shall be governed by the general rules of law concerning party fences.



1.32. **"Plat"** means the Final Plat and all plat amendments, singly and collectively, of the Stewart Ranch Subdivision, an Addition to Hood County, Texas, recorded in the Real Property Records of Hood County, Texas, and pertaining to the real property described in this Declaration, including all dedications, limitations, restrictions, protective covenants, easements, conditions, liens, notes, and reservations shown on the Plat, as it may be amended from time to time. The Plat of the Stewart Ranch subdivision includes the property described herein and more particularly in Exhibit A attached hereto and incorporated by reference herein, in the Stewart Ranch Addition in Hood County, Texas, according to the map and plat of the subdivision, filed of record as a Plat in the Plat Records of Hood County, Texas.

1.33. **"Property"** means all the land subject to this Declaration and all improvements, easements, rights, and appurtenances to the land. The name of the Property is "Stewart Ranch Addition" aka "Stewart Ranch." The Property is located on land described in this Declaration, and contains seventy-five (75) single family, detached residential lots, each Lot containing at least one acre, plus two Common Area lots (the "Property") within the Subdivision, being a 207.063 acre tract of land described by Lots 1 - 75 (75 Residential Lots) and 2 Common Area "Visibility, Access and Maintenance Easement" Lots 76X & 77X), known as the Stewart Ranch Subdivision, situated in the W. Smith Survey, Abstract No. 522, J. Tandy Survey, Abstract No. 799 and the J. Brooks Survey, Abstract No. 848 E.T.J. of the City of DeCordova Bend, Hood County, Texas, known as Stewart Ranch, an Addition to Hood County, Texas, according to the plat thereof recorded in the Plat Records of Hood County, Texas (the "Subdivision"), being more particularly described by metes and bounds on Exhibit A attached hereto and incorporated by reference herein.

1.34. **"Rear Line"** means that boundary line of a lot which is opposite the Street Line.

1.35. **"Rear Yard"** means and refers to a space extending across the rear of a lot from one Side Line to the other Side Line and being the horizontal distance between the Rear Line and the Dwelling or any projection thereof other than the projection of the usual steps and eave overhangs.

1.36. **"Resident"** means an occupant of a single family, detached residential dwelling, regardless of whether the person owns the lot.

1.37. **"Rules"** means rules and regulations, and any policies of the Association adopted in accordance with the Documents or applicable law. The initial Rules may be adopted by Declarant for the benefit of the Association.

1.38. **"Central Municipal Water System"** means that municipal water will be provided by Acton Municipal Utility District (herein also referred to as "AMUD") to be available one each on and to each of the lots in the Stewart Ranch Addition.

1.39. **"Sanitary Sewer"** means the standard septic or aerobic On-Site Sewer Facilities (OSSF) permitted by the City of Granbury and/or Hood County, as appropriate. No dwelling may be occupied until such systems are available and functional for use by the dwellings in the Stewart Ranch Subdivision.

1.40. “**Setback Line**” means the distance (measured in feet) a house or structure must be from the Front Line, Side Line and Rear Line, as determined by Hood County and the Declarant, the Declarant’s successors or the Association, or the easements noted on the Plat.

1.41. “**Side Line**” means any boundary line of a lot which is not a Street Line or a Rear Line.

1.42. “**Street Line**” means the boundary line of a lot which is also the boundary line of a Street.

1.43. “**Structure**” means:

A. any thing or object the placement of which upon any lot may affect the appearance of such lot, including by way of illustration and not limitation, any building or part thereof, the principal dwelling, a guest dwelling, a garage, carport, porch, workshop, shed, any other accessory outbuilding, greenhouse or bathhouse, cage, covered or uncovered patio, pergola, swimming pool, dock, fence, curbing, paving, wall, sign, signboard, living quarters (including any house trailer or any other temporary or permanent improvement to such lot);

B. any excavation, grading, fill, ditch, channel, dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across any lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash or drainage channel from, upon or across any lot; and

C. any change in the grade at any point on a lot of more than six (6) inches, whether or not subsection B of this Section 1.40 applies to such change.

1.44. “**Subdivision**” means the real property described on the Stewart Ranch Addition plat and subdivision map recorded in the subdivision and Plat Records of Hood County, Texas, according to the legal description as more fully described herein.

1.45. “**Underwriting Lender**” means Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Housing Administration (HUD/FHA), Federal National Mortgage Association (Fannie Mae), or U.S. Department of Veterans Affairs (VA), singly or collectively. The use of this term and these institutions may not be construed as a limitation on an Owner’s financing options, nor as a representation that the Property is approved by any institution.

1.46. “**Verified Mail**” means any method of mailing for which evidence of mailing is provided by the United States Postal Service or a common carrier.

## **ARTICLE 2**

### **PROPERTY SUBJECT TO DOCUMENTS, ORDINANCES AND DEDICATIONS**

2.1 **Subject Property.** The real property (the “Property” herein) is described in Subsection 1.33 hereinabove as being the “Stewart Ranch Addition” aka “Stewart Ranch.” The Property embraces 207.063 acres, more or less, and is more particularly described, by metes and bounds in Exhibit A, attached hereto and fully incorporated by reference herein, plus any “Additional Land” hereafter added to the subdivision and platted of record in Hood County, Texas, and made subject

to the jurisdiction of the Association. The Property is held, transferred, sold, conveyed, leased, occupied, used, insured, and encumbered subject to the terms, covenants, conditions, restrictions, reservations, liens, and easements of this Declaration, including Declarant's representations and reservations in the attached Appendix I, which run with the Property and bind all parties having or acquiring any right, title, or interest in the Property, their heirs, successors, and assigns, and inure to the benefit of each Owner of the Property. **Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by this Declaration and the Documents referenced herein,** and further agrees to maintain any easement that crosses his or her lot and for which the Association does not have express responsibility.

**2.2. Lot Subdivision, Combination, Replat and Composite Building Site.** One or more lots may be subdivided and replatted with the approval of all Owners of the lots directly affected by the replatting. The size of each lot and the density of the lots in the Stewart Ranch subdivision must comply with the requirements of Hood County's Subdivision Ordinances. Any Owner of one or more adjoining lots (or portions thereof) may replat and consolidate such lots or portions into one building site, with the privilege of placing or constructing improvements on such resulting site with the prior written approval of the Architectural Control Committee and when required, of Hood County, Texas. In such case, the side setback lines shall be measured from the resulting side property lines rather than from the lot lines as indicated on the Plat. Combining Lots or portions thereof shall be in compliance with Hood County's Subdivision Ordinances, and shall not result in any remaining lot or remaining portion of any lot(s) being smaller in size than the smallest of any affected lot prior to the proposed combination and replatting. The parties executing a replat of lots will provide a copy of the recorded replat to the Association. **Replatting two lots into one replatted lot will result in one assessment allocated to the replatted lot. Replatting of more than two lots into one replatted lot will result in one less assessment than the total number of assessments allocated to each of the originally platted lots.** So, by way of example, if more than two originally platted lots are replatted into one joined lot, the joined lot will have the combined assessments allocated to all but one of the lots that were replatted into one joined lot. If three lots are replatted into one joined lot, the replatted lot will be allocated two assessments. If four lots are replatted into one joined lot, the replatted lot will be allocated three assessments. **If replatting of lots reduces the number of lots as originally platted by combining lots, the joined lot will have one vote.**

**2.3. Hood County's Subdivision Ordinances - General.** Hood County, Texas contain subdivision ordinances pertaining to property owners' associations. No amendment of the Documents, nor any act or decision of the Association after the passage of an ordinance or an amendment to an ordinance, which is not in compliance with the ordinances during its period of effectiveness, may violate the requirements of the ordinances. The Association should stay informed about Hood County's ordinances and requirements.

**2.4. Hood County Regulations.** Declarant has and will continue to use its "best efforts" to comply with the Hood County and any applicable Regulations, specifically to meet (a) the lot size, spacing and other permitting requirements of Hood County for On-Site Sewer Facilities (OSSF); (b) the planned emergency accessibility, as well as the placement of fire hydrants, as shall be required and approved by Hood County, and meet the requirements of Hood County regulations;

and (d) any required Stewart Ranch subdivision's engineered drainage plan, along with density reports during roadway construction, meets the requirements of Hood County, Texas. Declarant and the Association shall continue to use their respective "best efforts" to remain in compliance with Hood County regulations as to current or future uses - actual or permitted - of any land in Hood County that is adjacent to or near the Property.

2.5. **Rights of the City of Granbury and Hood County, Texas.** Although the interior streets are private streets, the City of Granbury and Hood County, Texas including their agents and employees, have the right of immediate access to the subdivision's interior streets and Common Areas at all times as necessary for the welfare, safety and protection of the public, and to enforce the City and County ordinances.

### **ARTICLE 3 PROPERTY EASEMENTS AND UTILITIES RIGHTS AND RESTRICTIONS**

3.1. **General.** In addition to other easements and rights established by the Documents, the Property is subject to the easements and rights contained in this Article.

3.2. **Title Subject to Easements.** It is expressly agreed and understood that the title conveyed by Declarant to any of the lots by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, electric lighting, electric power, water, natural gas, cable or fiber optic telephone, TV and internet purposes, and subject to Party Fence agreements, and other easements hereafter granted affecting the lots. The owners of the respective lots shall not be deemed to own pipes, wires, conduits or other service lines or equipment running through, or existing on, their lots which are utilized for their lots or service other lots, but each owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his or her lot.

3.3. **Plat Dedications, Easements & Restrictions.** In addition to the dedications, easements, restrictions and protective covenants contained in this Declaration, the Property is subject to the reservations, dedications, limitations, notes, easements, restrictions, and reservations shown or cited on the Plat, which is incorporated herein by reference. All dedications, easements, restrictions, and reservations created herein or shown on the Plat, replats or amendments of the Plat of the Stewart Ranch subdivision recorded or hereafter recorded in the Plat records of Hood County, Texas, shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of Declarant, and on or behalf of conveyances of lots executed by lot owners, whether specifically referred to therein or not. **Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to be bound by the Plat, and further agrees to maintain any easement that crosses his or her lot, and for which the Association does not have express responsibility.**

3.4. **Dedication of Utility Easements.** Declarant dedicates to the public, the non-exclusive, utility easements over, under and across areas, as described or shown on the Plat. Further, the Declarant dedicates for public use the easements shown on the Plat for the purpose of constructing, maintaining, repairing, removing and/or replacing a system or systems, including all surface utilities equipment and facilities and all underground water, sanitary sewer, drainage, electric power, natural gas, telephone line or lines, cable television and/or fiber optic internet, and storm

surface drainage and surface electric lighting, or any other utility the Declarant sees fit to install in, across and/or under the Property. Declarant acknowledges existing easements for underground utility lines on the Property, which easements and the utility lines must not be disturbed or interfered with by construction or other activity according to the terms of such easements. All public utility easements may be used for the construction of drainage swales in order to provide for improved surface drainage of Common Area and/or lot(s). Any public utility company serving the community, shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. Neither Declarant nor any utility company, political subdivision, or other authorized entity, or any of their agents, employees, or servants using the easements herein referred to, shall be liable for any damages done to trees and lawns, fences, shrubbery, or to other property of the owner on the property covered by said easements. No Improvement or Structure shall be constructed or placed on any such public utility easement. Full rights of ingress and egress shall be had by the Declarant, the Association, and all utility and CATV companies serving the Stewart Ranch subdivision, and their respective successors and assigns, at all times over the subdivision for the installation, operation, maintenance, repair or removal of any utility together with the right to remove any obstruction (excluding, however any driveway, fence or other Improvements or Structures which has been heretofore specifically approved by the Architectural Control Committee) that may be placed in such easement that would constitute interference with the use of such easement, or with the use, maintenance, operation or installation of such utility.

**3.5. Dedication of Visibility, Access and Maintenance Easements ("VAM").** Declarant gives, grants and dedicates to Hood County, its successors and assigns, the area or areas as described or as shown on the Plat as "VAM" (Visibility, Access and Maintenance) as easement(s) to provide visibility, right of access, and maintenance upon and across said VAM Easement(s). The county shall have the right, but not the obligation, to maintain any and all landscaping within the VAM Easement(s). Should the County exercise this maintenance right, it shall be permitted to remove and dispose of any and all landscaping improvements, including without limitation, any trees, shrubs, flowers, ground cover and fixtures. The County may withdraw maintenance of any or all of the VAM Easements at any time. The ultimate maintenance responsibility for the VAM Easement(s) shall rest with the Association. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways may be placed or permitted to remain on any lot with corners at intersecting streets with the triangular area formed by the street property lines and a line connecting them at points twenty-five feet (25') from the intersections of the street lines of the interior Ranch Vista Road and the Cleburne Highway. No tree will be permitted to remain within that distance of intersections unless the foliage line is maintained at sufficient height to prevent obstruction of the sight lines. Hood County shall have the right, but not the obligation, to add and maintain any landscape improvements to the VAM Easement(s), to erect any traffic control devices or signs on the VAM Easement(s) and to remove any obstruction thereon. Hood County, its successors, assigns, or agents shall have the right and privilege at all times to enter upon the VAM Easement(s) or any part thereof for the purposes and with all rights and privileges set forth herein.

**3.6. Interior Private Streets within Property.** The Property is not being annexed into the City of Granbury or into Hood County. The Subdivision will be gated. The interior roads will be Private Roads. The interior roads will be concrete roads. The Association will be responsible for the maintenance, repair and replacement of the roads. The interior roadways and streets known as

Ranch Vista Road, Wheeler Branch Road, Lindale Lane, Della Court and Stover Way, as shown and described on the Plat over, under and across areas of the Property, shall all be private roads. The Subdivision's platted interior private roads shall be available at all times to Hood County and to the City of Granbury with the right of access for purposes, including, but not limited to, fire and police protection, inspection, code enforcement, postal service, and the exercise of other governmental services or functions for the public. The County may remove any vehicle or obstacle within the interior streets that impair emergency access or is in violation of any law. The subdivision's interior private streets are part of the Common Area. The Association shall be responsible for the operation, maintenance, and use of the subdivision's interior private streets and associated easements. Developer and the Association will indemnify, defend and hold harmless both Hood County and the City of Granbury, their officers, employees and agents from any direct or indirect loss, damage, liability or expense and attorney's fees for any negligence whatsoever, arising out of the use of the streets and related improvements. All of the above shall be covenants running with the land. To the extent not prohibited by public law, the Association, acting through the Board of Directors, is specifically authorized to adopt, amend, repeal, and enforce rules, regulations, and procedures for access and use of the subdivision's interior private streets, including but not limited to:

- Identification of vehicles used by Owners and residents and their guests.
- Rules governing the safety of the Stewart Ranch Subdivision and the use of the completed interior roads, including for example speed limits, abandoned vehicles or the use of the interior streets by certain prohibited vehicles (such as grading equipment with steel tracks, tractor trailers, other than those used in construction).
- Limitations or prohibitions on curbside parking and parking in no-parking areas.
- Removal or prohibition of vehicles that violate the Association's applicable Rules & Regulations.
- Fines for violations of the Association's applicable Rules & Regulations.

3.7. **Public Access Easement.** As noted and shown on the Plat of Stewart Ranch, all the interior private roads and various Common Areas are burdened by specific public access easements that may be used by emergency personnel.

3.8. **Owner's Ingress/Egress Easements.** Every owner is granted a perpetual easement over any of the Property's Common Areas, subject to abiding by the rules of the Association. No Stewart Ranch residential lot will be permitted to have direct residential lot access to or from the Cleburne Highway.

3.9. **Owner's Easement of Enjoyment.** Every owner is granted a right and easement of enjoyment over the Common Areas and to use of all improvements therein, subject to other rights and easements contained in the Documents. An owner who does not occupy a lot delegates this right of enjoyment to the residents of his or her lot.

3.10. **Association's Lot Access Easement.** The Association is granted an easement of access and entry to every lot and Common Area to perform maintenance, to enforce architectural and use

restrictions, to respond to emergencies, and to perform any other duties required by the Documents.

3.11. **Brazos Electric Power Easements.** Two existing Brazos Electric Power Cooperative, Inc. overhead power transmission line easements course through the Stewart Ranch Addition Property as indicated on the Final Plat in the Plat Records of Hood County, Texas, being (1) the 80 feet wide variable width Easement containing overhead power transmission lines recorded in Volume 2463, Page 17 in the Hood County, Texas Official Records, and (2) the 160 feet wide variable width Easement containing overhead power transmission lines recorded in Volume 1184, Page 305 in the Hood County, Texas Official Records. Brazos Electric Power Cooperative, Inc. and their employees and authorized representatives are granted these easements over the Property for ingress, egress, meter reading, installation, maintenance, repair, removal or replacement of electric power lines, infrastructure and equipment, and to do anything else necessary to properly maintain and furnish electricity service.

3.12. **City of Granbury Underground Utility Easement.** An existing City of Granbury 20 feet wide underground utility easement courses through the Stewart Ranch Addition Property as indicated on the Final Plat in the Plat Records of Hood County, Texas, recorded in Volume 1731, Page 218 in the Hood County, Texas Official Records. The City of Granbury and their employees and authorized representatives are granted these easements over the Property for ingress, egress, meter reading, installation, maintenance, repair, removal or replacement of electric power lines, infrastructure and equipment, and to do anything else necessary to properly maintain and furnish electricity service.

3.13. **Other Utility Easements.** Multiple electricity and water easements existing to serve the residential lots in the Stewart Addition Property are indicated on the Final Plat recorded in the Plat Records of Hood County, Texas. And the Association may grant permits, licenses, and easements over Common Areas for utilities, roads, and other purposes necessary for the proper operation of the Property and the Stewart Ranch residential community. Any company or entity, public or private, furnishing utility service to the Property, is granted an easement over the Property for ingress, egress, meter reading, installation, maintenance, repair, removal or replacement of utility lines and equipment, and to do anything else necessary to properly maintain and furnish utility service to the Property; provided, however, this easement may not be exercised without prior notice to the Board. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, gas, telephone, master or cable or fiber optic television and/or internet, and security.

3.14. **Screening of Utility Lines, Equipment, & Facilities.** All utility lines, equipment and facilities existing on lots, including propane tanks owned by lot owners, must be located underground or otherwise screened from view from the Subdivision's interior roads, common areas and neighboring lots (as approved by the Architectural Control Committee), except for: (1) elevated or surface lines or equipment required by a public utility or by the governing City or County; (2) elevated or surface lines or equipment installed by Declarant as part of the development plan; (3) propane tanks leased by lot owners from propane tank owners who prohibit their tanks to be underground; (4) air conditioning equipment, trash containers, swimming pool pumps and related equipment, and (5) surface equipment necessary to maintain, operate, or read underground facilities, such as meters, risers, service pedestals, and transformers. The Architectural Control Committee may require that utility meters, risers, pedestals, and

transformers, and other equipment or facilities, in the ACC's discretion, be visually screened from the street, common areas and neighboring Lots.

3.15. **Electrical and Telephone Service.** All electrical and telephone service installation must be placed underground. The provider of electricity to each of the Residential Lots and Common Areas in the Subdivision shall be United Cooperative Services. Fiber Optic telephone and internet service shall also be provided to each of the residential lots and Common Areas in the Subdivision shall be United Cooperative Services.

3.16. **Central Municipal Water & OSSF Sewer.** Each of the residential lots in the Stewart Ranch Subdivision shall have connections available for potable water service to the Principal Dwellings on each of the lots in the subdivision, provided by Acton Municipal Utility District (herein referred to as "AMUD"). As stated in Section 3.13 of the Declaration, "The drilling of water wells on any Association Properties or Member Properties without the written consent of the Association, the Upper Trinity Water Quality Conservation District and the County Utility District is prohibited. This Section 3.12 may not be amended by the Association or by the Members without the written approval of the County. Sanitary Sewer shall be provided for the dwellings on each residential lot in the Subdivision by standard septic or aerobic On-Site Sewer Facilities ("OSSF") permitted by the County.

All temporary water and sewage systems must be removed within 60 days of certification by the County that water service is available to dwellings on residential lots in the Subdivision from AMUD, and when approved and fully functional OSSF sewer systems are available for use by each such dwelling in the Subdivision.

3.17. **Prohibition Against Water Wells.** The drilling of water wells on any Association Properties or Member Properties without the written consent of the Association, the Upper Trinity Water Quality Conservation District and Hood County is prohibited. This Section 3.17 may not be amended by the Association or by the Members without the written approval of Hood County.

3.18. **Party Wall Fence Easements.** A fence located on or near the dividing line between two lots and intended to benefit both lots constitutes a "Party Wall Fence" and, to the extent not inconsistent with the provisions of this Article, is subject to the general rules of law regarding party walls and liability for property damage due to negligence, willful acts, or omissions. Any matters concerning party fences on the common boundary of contiguous lots, which are not covered by this Declaration's terms or by any Association's Rules & Regulations, shall be governed by the general rules of law concerning party walls and fences. Any sharing by lot owners of the construction costs of a common boundary fence or wall existing or to be constructed along any such common boundary of adjoining lots is not required by this Declaration or by the Association's Rules & Regulations, and can only be governed by a separate private written agreement between the lot owners.

3.19. **Easement for Screening Wall.** The Association is hereby granted a perpetual easement (the "Screening Wall Easement") over, on and along residential lots having a boundary with the Cleburne Highway. Whether a privacy screening wall or fence and/or a decorative fence are designed and installed as a Common Element on the various lots having boundaries in common



with the Cleburne Highway, or any portion of the Property thereon, they shall be maintained, in full compliance with any applicable Hood County ordinances. Lot owners burdened by this Screening Wall Easement shall be responsible for the cost of constructing, repairing, maintaining and replacing (as necessary) the fences and walls over, on and along the lots with boundaries in common with the Cleburne Highway. Such fences and walls of the Stewart Ranch Subdivision Property existing on and along the residential lots near their boundary with the Cleburne Highway must be maintained by and at the lot owners' cost. In the event the lot owners fail to construct, repair, maintain or replace the fences and walls in accordance with the standards of the Association, the Association shall construct, repair, maintain and replace (as necessary) such fences and walls at the cost determined by the Association and assessed to each such lot owner in the sole discretion of the Association.

The purpose of the Screening Wall Easement is to provide for the construction, existence, repair, maintenance, improvement, and replacement of the Property's Common Area Screening Wall (privacy screening wall or fence and/or a decorative fence), landscaping, signage relating to the Property on or as an integral part of the wall or fences. It shall be the responsibility of the Association to hold the lot owners responsible, at the lot owners' expense, to construct, repair, maintain and replace (as necessary) the fences and walls over, on and along the residential lots with boundaries with, on and along the Cleburne Highway. In the event any lot owners fail to properly construct, repair, maintain and replace (as necessary) such fences and walls in the sole discretion of the Association, all such fences and walls shall be constructed, repaired, maintained and replaced (as necessary) by the Association at the lot owners' expense.

In exercising this Common Area Screening Wall Easement, the Association may repair, maintain, improve, and replace improvements reasonably related to the subdivision's perimeter fencing along the Cleburne Highway and the subdivision's Ranch Vista interior road entrance off of the Cleburne Highway, and all related Property exterior road frontage fencing, automatic entry gates, security cameras, other security devices and equipment, the VAMs, landscaping, fire hydrants, street lamps and all fixtures relating to any Common Area Screening Wall and the Property.

In the event lot owners fail to properly repair, maintain or replace (as necessary) such fences and walls, and in the event the Association thereafter fails to properly repair, maintain or replace (as necessary) such fences and walls, all such fences and walls may at the discretion of Hood County be repaired, maintained and replaced by Hood County at the Association's and lot owners' expense. Hood County has the right to collect from the Association and the lot owners the full expense of the County's cost of repairing, maintaining or replacing the walls or fences, and in addition has the right to charge additional fees and fines approved by the Board and noticed to lot owners to enforce the maintenance, repair and replacement of the walls and fences. This Section 3.19 easement provision may not be amended by the Association or by the Members without the written approval of Hood County.

Any owners of lots burdened with the Common Area Screening Wall Easement will have the continual use and enjoyment of their lots for any purpose that does not interfere with and prevent the Association's use of the Common Area Screening Wall Easement. In addition to the easement granted herein, the Declarant and the Association shall have the temporary right, from time to time, to use as much of the surface of any potentially burdened lot as may be reasonably

necessary for the Association to perform its contemplated work on the Common Area Screening Wall Easement. This easement is perpetual. The Association may assign this easement, or any portion thereof, to any or all of the lot owners, or to a third party agreeing to accept such assignment.

3.20 **Mineral Rights.** No commercial oil or gas drilling, oil or gas development operations or refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot. No derrick or other rigging or structures designed for the use of boring or drilling for oil or natural gas shall be erected, maintained or permitted upon any lot. However, some or all of the Property may be subject to a previous owners' acquisition, reservation, or conveyance of oil, gas, or mineral rights pursuant to one or more deeds recorded in the Real Property Records of Hood County, Texas, including but not limited to rights to all oil, gas, or other minerals lying on, in, or under the Property and surface rights of ingress and egress. Any deed reserving a mineral interest(s) that may have been recorded prior to this Declaration, will retain their primary interest in the Property and will not be affected by any provision to the contrary in this Declaration. By accepting title to or interest in a lot, every owner acknowledges the existence of the mineral right or reservation referenced in this Section and its attendant rights in favor of the owner of the mineral interest.

#### **ARTICLE 4** **COMMON AREA**

4.1. **Ownership.** The designation of real property as a Common Area is determined by the Final Plat, as amended, and this Declaration, and not by the ownership of the Property. This Declaration contemplates that the Association will eventually hold title to every Common Area capable of independent ownership by the Association. The Declarant may install, construct, or authorize certain improvements on Common Areas in connection with the initial development of the Property, and the cost thereof may or may not be a common expense of the Association, at the discretion of the Declarant. Thereafter, all costs attributable to real property Common Areas designated on the Final Plat of Stewart Ranch, including general maintenance and repair of any storm drainage, Common Area water feature, sidewalk, entry improvements and signage, Common Area fencing, landscaping and all landscaping features (including all related facilities and equipment), the maintenance of all other Common Area structures and improvements, improvements reasonably related to the entrances and the automatic gates, the VAMs, security cameras and related equipment, street lamps and fixtures, perimeter and/or entry frontage screening of the residential subdivision, street signs and speed limit signs, and all signage and lighting relating to the Property, property taxes, insurance, and enhancements, are automatically the responsibility of the Association, regardless of the nature of title to the Common Areas, unless this Declaration elsewhere provides for a different allocation for a specific Common Area.

4.2. **Acceptance.** By accepting an interest in or title to a lot, each owner is deemed (1) to accept the Common Area of the Property, and any improvement thereon; (2) to acknowledge the authority of the Association, acting through its Board of Directors, for all decisions pertaining to the Common Area; (3) to acknowledge that transfer of a Common Area's title to the Association by or through the Declarant is a ministerial task that does not require acceptance by the Association; and (4) to acknowledge the continuity of maintenance of the Common Area, regardless of changes in the Association's Board of Directors or management.

4.3. **Common Area Components.** The Common Area of the Property consists of the following components on or adjacent to the Property, even if located on a Lot or a public right-of-way:

A. All of the Property, save and except the residential lots, specifically including but not limited to the real property Common Areas designated on the Final Plat of the Stewart Ranch Subdivision, the community roadways, entry roadways and driveways off of and between the Cleburne Highway and the Stewart Ranch Subdivision, and entry and exit gates, sidewalks, water features, landscaping and all Common Area landscaping features (including all related facilities and equipment), Common Area storm drainage facilities, any of the subdivision's perimeter fencing designated as a Common Amenity, Common Area structures and improvements, improvements reasonably related to the entrances and automatic gates, the VAMs, cluster mailbox facilities and land, security cameras and related equipment, street lamps and fixtures, fire hydrants, and screening of the residential subdivision, and all signage relating to the Property, which may exist and/or be depicted on the Plat; and

B. The land described herein as Common Area and all improvements thereon.

C. Any area shown on the Plat as Common Area or an area to be maintained by the Association.

D. The grounds between the Cleburne Highway, and any entry screening wall, fences, berms or landscaping, to the extent that the Association has a right or duty to maintain or regulate that portion of any of the Cleburne Highway and the right-of-way that may exist thereon from time to time.

E. Any property adjacent to the Stewart Ranch subdivision if the maintenance of same is deemed to be in the best interests of the Association, and is not prohibited by the owner or operator of said property.

F. Any modification, replacement, or addition to any of the above-described areas and improvements.

G. Personal property owned by the Association, such as but not limited to books and records, office equipment, and supplies.

## **ARTICLE 5**

### **RESIDENTIAL LOTS**

5.1. **Purposes.** As a general rule, the owner or resident (including lessees) of a lot has the sole and exclusive use of the owner's lot, from boundary to boundary, and except for the Association's maintenance responsibilities and rights defined herein, is solely responsible for the maintenance of all portions of such lot and all of the improvements on the lot from boundary to boundary.

5.2. **Hood County, Texas Ordinances.** Ordinances of Hood County, Texas affecting the lots in the Stewart Ranch subdivision will be provided to owners and will be complied with if and as they pertain to the physical nature of the Property and each lot.

5.3. **Encroachment Reservations and Easements.** Driveways and additional parking pads encroachment reservations and easements are created by this Declaration and are in addition to

easements, if any, shown on a Plat or created by this Declaration or by separate instrument. Concrete driveways and any additional parking pads shall be constructed as the initial improvements on the Property with respect to individual lot lines. The owner of the lot that is served by the driveway or parking pad has exclusive use of those improvements and is solely responsible for the maintenance, repair, replacement, and reconstruction of same as if it were constructed entirely on the lot.

5.4. **Damage to Property.** If a lot owner or resident (including lessees) damages the adjoining lot, or damages or destroys any improvement or personal property on the adjoining lot, in exercising the easements and reservation created by this Article, the owner is obligated to restore the damaged property to its original condition (just prior to the damage), at his or her expense, within a reasonable period of time.

## ARTICLE 6

### **ARCHITECTURAL COVENANTS AND CONTROL**

6.1. **Purpose of ACC.** Because the lots are part of a single, unified community, this Declaration creates rights to regulate the design, use, and appearance of the lots and the Common Areas in order to preserve and enhance the Property's value and architectural harmony. One purpose of this Article is to promote and ensure the level of taste, design, quality, and harmony by which the Property is developed and maintained. A second purpose is to prevent improvements and modifications that may be widely considered to be radical, curious, odd, bizarre, or peculiar in comparison to then existing improvements. A third purpose is to regulate the appearance of every aspect of proposed or existing improvements on a Lot, including but not limited to dwellings, other structures, swimming pools, sports courts, fences, landscaping, retaining walls, yard art, any sidewalks and driveways, and further including replacements or modifications of original construction or installation. During the Development Period, a primary purpose of this Article is to reserve and preserve Declarant's right of architectural control.

6.2. **Declarant's Architectural Control During Development Period.** During the Development Period, neither the Association, the Association's Board of Directors, nor a committee appointed by the Association or the Board (no matter how the committee is named) may involve itself with the approval of the structural design or construction modification or exterior appearance of the homes and other improvements on the lots, except as may be delegated by the Declarant. During the Development Period, the approval of the structural design or construction modification or exterior appearance of the dwellings and the other improvements shall be by the Declarant or its delegates, including the Architectural Control Committee ("ACC"), unless released in writing by Declarant to the Association, the Association's Board of Directors, or a committee appointed by the Association or the Board.

6.2.1. **Declarant's Rights Reserved.** Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees that Declarant has a substantial interest in ensuring that the improvements within the Property enhance Declarant's reputation as a community developer and do not impair Declarant's ability to market its property or the ability of Builders to sell homes in the Property. Accordingly, **each lot owner agrees that during the Development Period, no improvements, demolition, construction, or exterior alteration of improvements will be**

started or progressed on owner's lot without the prior written approval of the ACC, which approval may be granted or withheld at the ACC's sole discretion. In reviewing and acting on an application for approval, the ACC may act solely in its self-interest and owes no duty to any other person or any organization. Declarant may designate one or more persons from time to time to act as the ACC on its behalf in reviewing and responding to applications.

6.2.2. **Delegation by Declarant.** During the Development Period, Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under this Article to

(1) an Architectural Control Committee ("ACC") appointed by Declarant or by the Association's Board with Declarant's approval of all such Architectural Control Committee appointed members, or to

(2) a committee appointed by Declarant or by the Association's Board, with Declarant's approval of all members appointed to the committee, such committee being comprised of architects, engineers, or other qualified persons who may or may not be Members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason.

**BEFORE MAKING ANY IMPROVEMENT OR ANY ALTERATION TO A LOT OR DWELLING, A BUILDER OR OWNER MUST APPLY TO THE ARCHITECTURAL CONTROL COMMITTEE (the "ACC") OR TO THE DECLARANT'S OTHER DESIGNATED REPRESENTATIVE FOR WRITTEN APPROVAL!**

6.3. **Architectural Control by Association.** Unless and until such time as Declarant delegates all or a portion of its reserved rights to a designated representative other than the ACC, or the Development Period is terminated or expires, the Association has no jurisdiction over architectural matters. On termination or expiration of the Development Period, or earlier if delegated in writing by Declarant without reserving architectural control, the Association, acting through the ACC, will assume jurisdiction over architectural control.

6.3.1. **Architectural Control Committee Membership.** The Architectural Control Committee ("ACC"), initially appointed by Declarant, will consist of at least three (3) persons. Following the termination of the Development Period, the three (3) ACC members will be appointed by the Board, pursuant to the Bylaws and Rules and Regulations. Members of the ACC shall serve at the pleasure of the Board and may be removed and replaced at the Board's discretion. At the Board's option, the Board may act as the ACC, in which case all references in the Documents to the Architectural Control Committee are construed to mean the Association's Board. Members of the ACC need not be owners or residents, and may, but need not, include architects, engineers, and design professionals whose compensation, if any, may be established from time to time by the Association's Board. No appointed person or Member of the ACC may be in the same household as a Member of the Board if the ACC

and the Association's Board are two different groups, nor may a person join the Association's Board while another person in their same household is an appointed person or Member of the ACC if the ACC and Association's Board are two different groups.

6.3.2. **Limits on Liability.** The Architectural Control Committee has sole discretion with respect to taste, design, and all standards specified by this Article, as further specified by the Association's Rules & Regulations. The members of the ACC have no liability for the ACC's decisions made in good faith, and which are not arbitrary or capricious. Plans and specifications are not approved by the ACC for engineering or structural design or the adequacy or structural integrity of materials. The ACC is not responsible for: (1) errors in or omissions from the plans and specifications submitted to the ACC, (2) supervising construction for the owner's compliance with approved plans and specifications, (3) any defect in any structure constructed from the approved plans and specifications, or (4) the compliance of the owner's plans and specifications with governmental codes and ordinances, state and federal laws.

6.4. **Prohibition of Construction, Alteration & Improvement.** Without the ACC's prior written approval, a person may not construct a dwelling or make an addition, alteration, improvement, installation, modification, redecoration, or reconstruction of or to the Property, if it will be visible from a street, another lot, or the Common Area. The ACC has the right, but not the duty, to evaluate every aspect of construction, landscaping, and property use that may adversely affect the general value or appearance of the Property.

6.5. **Architectural Approval.** To request architectural approval, an owner must make written application to the ACC and submit either one digital set or (2) identical sets of plans and specifications showing the nature, kind, shape, color, size, materials, including two (2) sets of Plot Plans (aka Site Plans) showing locations on the lot of the work to be performed, and a foundation, storm drainage and landscaping plan. In support of the application, the owner may, but is not required, to submit letters of support or non-opposition from owners of lots that may be affected by the proposed change. The application must clearly identify any requirement of this Declaration for which a variance is sought. The ACC will submit a response to the Applicant within thirty (30) days as "Approved," "Conditionally Approved," "Denied," or "More Information Required." The ACC will retain the digital or one hard copy set of plans and specifications, together with the application, for the ACC's files. **Verbal approval by the Declarant, an Association Director or Officer, the Association's Manager, the ACC, or a member of the ACC, does not constitute architectural approval by the Declarant or the ACC, which must be in writing.**

6.5.1. **Deemed Approval.** Under the following limited conditions, the applicant may presume that his or her request has been approved by the Declarant or the ACC:

- (1) if the applicant or a person affiliated with the applicant has not received the Architectural Reviewer's written response approving, denying, or requesting additional information within thirty (30) days after delivering his or her "complete application" to the Architectural Control Committee; or
- (2) if the proposed improvement or modification strictly conforms to requirements and construction specifications contained in this Declaration and in any design

guidelines for the Property in effect at the time of application.

If those conditions are satisfied, the owner may then proceed with the improvement, provided he or she adheres to the plans and specifications which accompanied his or her application, and provided he or she initiates and completes the improvement in a timely manner. In exercising deemed approval, the burden is on the Owner to document the Board's actual receipt of the owner's complete application. Under no circumstance may approval of the Declarant or the ACC be deemed, implied, or presumed for an improvement or modification that would require a variance from the requirements and construction specifications contained in this Declaration and in any design guidelines for the Property in effect at the time of application.

6.5.2. **No Approval Required.** No approval is required to repaint exteriors in accordance with the same color scheme previously approved by the Architectural Control Committee, or to rebuild a dwelling in accordance with any previously approved plans and specifications. Nor is approval required for an owner to remodel or repaint the interior of a dwelling.

6.5.3. **Building Permit.** If the application is for work that requires a building permit from Hood County, the Architectural Control Committee's approval is conditioned on the issuance of the appropriate permit and the applicant's delivery to the ACC of a copy of the Hood County building permit. The ACC's approval of plans and specifications does not mean that they comply with the requirements of Hood County. Alternatively, Hood County's approval does not ensure ACC approval.

6.5.4. **Protected Views.** During the process of reviewing for approval the location, design and construction of a Dwelling or other structure proposed to be constructed on a lot, the ACC may in its sole discretion determine that the proposed Dwelling or other structure significantly interferes with or obstructs a "Protected View" from an existing Dwelling or a future Dwelling to be constructed on a neighboring lot (the "View Lot"), thereby diminishing the value of the View Lot. In such cases, the ACC may, but is not obligated to, determine in its sole discretion that the nature and extent of the interference with or obstruction of the view from the View Lot is significant and should be protected. When the view from the View Lot is determined by the ACC to be significant, the ACC may alter the otherwise permitted building envelope location and design criteria of any such proposed Dwelling or other structure to eliminate or minimize the view obstruction from the View Lot. If a Dwelling or other structure is constructed without the written approval of the ACC and is determined by the ACC, in its sole discretion, to have significantly interfered with or obstructed a Protected View from a View Lot, the ACC may impose a fine up to \$50 per day from thirty (30) days after sending written notice to the violating Lot Owner until the ACC's curative requirement is accomplished, and may require either significant modification or the demolition or removal of the violating structure.

6.5.5. **Neighbor Input.** The Architectural Control Committee may solicit comments on the application, including from owners or residents of lots that may be affected by the proposed change, or from which the proposed change may be visible. Whether to solicit comments, from whom to solicit comments, and whether to make the comments available to the

applicant is solely at the discretion of the Architectural Control Committee. The Architectural Control Committee is not required to respond to the commentors in ruling on the application.

6.5.6. **Declarant Approved.** Notwithstanding anything to the contrary in this Declaration, any improvement to the Property made or approved by Declarant during the Development Period is deemed to have been approved by the ACC.

6.5.7. **Appeal Process.** Any applications or requests that are denied must have the following criteria: (1) the denial will be provided in writing (either by email or verified mail), (2) describe the basis for denial, and (3) outline the owner's right to appeal to the Board and/or Declarant or Declarant's representative.

Residents or owners have thirty (30) days to appeal and the Association's Board has thirty (30) days to hold a hearing. The Association must provide notice of the hearing, including the date, time and location, at least ten (10) days before the hearing date. Both the Board and the resident or owner have the right to continuance of not more than ten (10) days. The board may affirm or reverse the ACC decision at that time.

If Stewart Ranch is still under Declarant control, appeal may be made in writing to Declarant or Declarant's representative within thirty (30) days of the denial. Declarant will provide in writing to both the applicant and the ACC either their affirmation or reversal of the denial within an additional thirty (30) days from delivery of the appeal. Any reversal may be considered a Variance, as described in Section 6.7.

6.6. **Architectural Guidelines.** Declarant, during the Development Period, and the Association thereafter, may publish architectural restrictions, guidelines, and standards in the Association's Rules and Regulations, which may be revised from time to time by the Association's Board to reflect changes in circumstances in the Stewart Ranch subdivision of technology, style, and taste.

6.7. **Variance.** The use of the Property is subject to the restrictions contained in this Article, and subject to rules adopted pursuant to this Article. The Board or the ACC, as the case may be, may grant a variance or waiver of a restriction or rule on a case- by-case basis when unique circumstances dictate, and may limit or condition its grant. The Board or the ACC may authorize variances from compliance with any of the provisions of this Declaration or minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Declarant when circumstances such as topography, natural obstructions, lot configuration, lot size, hardship, aesthetic or environmental considerations may require a variance. The Declarant reserves the right to grant variances as to building set-back lines, minimum square footage of the residence, building materials, colors and other items. To be effective, a variance must be in writing. The grant of a variance does not constitute a waiver or estoppel of the Association's right to deny a variance in other circumstances. Approval of a variance or waiver may not be deemed, implied, or presumed under any circumstance. The granting of any variance shall not affect in any way the owner's obligation to comply with all governmental laws and the Hood County ordinances or regulations affecting the property and the Plat.



**ARTICLE 7**  
**CONSTRUCTION SPECIFICATIONS AND USE RESTRICTIONS**

7.1. **Compliance with Laws.** Subject to the rights of reasonable contest, each owner shall promptly comply with the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Subject Property.

7.2. **Improvements Compliance.** All improvements on a lot must (1) comply with any Hood County ordinances and codes, and (2) have the ACC's prior written approval in compliance with this Declaration. These two (2) requirements are independent; that is, one does not ensure or eliminate the need for another. The lot owner and/or owner's Builder or Contractor must comply with both requirements.

7.3. **Governing Documents.** The Governing Documents of the Stewart Ranch HOA are:

A. **Articles of Incorporation.** The Articles of Incorporation state what the Association is authorized to do under Texas law. They must be filed with the Office of the Secretary of State of Texas to be valid and they take precedence over all other Governing Documents.

B. **Declaration of Covenants, Conditions and Restrictions.** The Declaration of Covenants, Conditions and Restrictions (often referred to as the "Declaration") describe in detail what the Association is authorized to do or not do. The Declaration can be modified by an amendment approved by a vote of sixty-seven percent (67%) of the Association Members. The Declaration must be recorded in the Official Records of Hood County, Texas in order to be valid and takes precedence over the recorded Bylaws and any Rules & Regulations.

C. **Bylaws.** The Bylaws cover the operation of the Association, such as the authority and responsibility of the Officers and Board of Directors, elections, meetings of the Board and Association, voting requirements, obligations and rights of owners, Association records, etc. The Bylaws may be modified by an amendment approved by a majority of the Members, although they may not be amended to conflict with the Declaration of Covenants, Conditions and Restrictions. In the event of conflict, the Declaration shall prevail. The Bylaws must be recorded in the Official Records of Hood County, Texas to be valid and take precedence over the Rules & Regulations.

D. **Rules & Regulations.** The Rules & Regulations address specific situations that affect owners on a day-to-day basis, and may be adopted, then modified by amendment by the Board of Directors, preferably with input from the Members. The Rules & Regulations must be recorded in the Official Records of Hood County, Texas to be valid and may not be amended to conflict with any of the above Governing Documents. Both the Bylaws and the Declaration specifically authorize the Board to generate or modify Rules & Regulations for the Association. To the extent the Rules & Regulations conflict with the Declaration's "Architectural Control" or "Construction Specifications and Use Restrictions," the provisions of the Declaration shall prevail. The Rules & Regulations must be recorded in the

Official Records of Hood County, Texas to be valid.

7.4. **Association's Right to Promulgate Rules.** The Association, acting through its Board, is granted the right to adopt, amend, repeal, and enforce reasonable **Rules & Regulations as one or more separate Governing Documents**, with penalties for infractions thereof, regarding the occupancy, use, disposition, maintenance, appearance, and enjoyment of the Property. **Members, Builders (upon applying for ACC approval to build a Dwelling or Improvement) and all parties living in or working on properties in the Stewart Ranch Subdivision are required to be aware of and comply with the Rules and Regulations adopted by the Board as part of the Governing Documents of the Association.** In addition to the restrictions contained in this Declaration (Governing Document), each lot is owned and occupied subject to the right of the Board to establish **Rules & Regulations** (a separate Governing Document), and penalties for infractions thereof.

7.5. **Dwelling New Construction.** A "Principal Dwelling" must be constructed on each other lot in the Stewart Ranch subdivision before the construction of any other structure. A principal dwelling, or a guest dwelling, or a dwelling addition constructed elsewhere may not be moved onto a lot. Factory-built homes are not permitted, even though assembled or finished on the lot. The construction of a dwelling must be started promptly after the ACC approves the dwelling's plans and specifications. Any building, structure or improvement whose construction has commenced on any lot must comply with the Association's **Declaration** and the **Rules & Regulations**, as either may hereafter be amended. At the start of construction, but not before, building material to be used in the construction may be stored on the lot or on a nearby lot with the Declarant's or another lot owner's approval. Once started, the dwelling and all improvements on the lot must be completed with due diligence.

7.6. **Residential Occupancy.** Other than the completed Principal Dwelling, if a Guest Dwelling is approved by the ACC to be constructed on a lot, no other thing or structure on a lot may be occupied as a residence at any time by any person. This provision applies, without limitation, to the garage, a carport, mobile homes, recreational vehicles, campers, tents, workshops, storage sheds or any other type of accessory building.

7.7. **"Principal Dwelling" and "Detached Guest Dwelling" Construction Restrictions.** The single-family, principal dwelling's location on the lot, size, setbacks, and exterior materials must comply with the Hood County Subdivision Ordinances and with any higher standards established by the Stewart Ranch Subdivision Plat, or this Declaration, or in the Association's Rules & Regulations as Design and Construction Guidelines which may be adopted by the Association Board, or by a Variance issued in writing by the ACC. The principal improvement on a lot must be one detached single-family dwelling, as may be further defined by Hood County, to be known herein as the "principal dwelling." All principal dwellings will face the Front Yard of each lot, which "Front Yard" of each lot shall be determined and designated by the ACC. Without the ACC's prior written approval for a variance, improvements constructed on every Lot must have the characteristics described in this Article 7, which may be treated as the minimum requirements for improving and using a lot. The ACC or the Board may promulgate rules and restrictions, as well as interpretations, additions, and specifications of the restrictions contained in this Article. An owner should review the Association's architectural restrictions, if any, before planning improvements, repairs, or replacements to his or her lot and

dwelling.

The residential improvements on all lots shall be site-constructed, single-family detached residences, as such residences are defined, restricted and permitted by Hood County Ordinances. No building shall be erected, altered, placed or permitted to remain on any lot prior to the construction of the one "**Principal Dwelling**" unit per each lot to be used for residential purposes; and if approved by the Declarant, the Board or the ACC, may then consider for approval an additional detached dwelling, which shall be known herein as the "**Detached Guest Dwelling**" or "**Guest House**." All principal dwellings and guest houses, detached garages, workshops, out buildings and other accessory structures must be approved in writing by the ACC prior to being erected, altered or placed on the Property. The term "dwelling" does not include single or double wide manufactured homes; and said manufactured homes are not permitted within the Stewart Ranch Subdivision.

Any building, structure or improvement whose construction has commenced on any lot must also comply with any Association Rules & Regulations adopted and recorded, and shall be completed as to exterior finish and appearance within twelve (12) months from the commencement of construction. For the purposes hereof, the phrase "commencement of construction" shall be deemed to mean the date on which the principal dwelling's foundation forms are set on the lot. As used herein, the term "residential purposes" shall be construed to prohibit mobile homes or trailers being placed on said lots, or the use of said lots for duplex houses, townhomes, condominiums or apartment houses.

**7.8. Additional Restrictions on Lots and Structures.** In addition to the ACC's approvals, conditions and requirements, and in addition to the Association's Rules and Regulations, as adopted or amended from time to time by the Association's Board of Directors, all lots within the Subject Property shall be subject to the following restrictions:

A. **Building Envelopes.** Each house must be placed within the building envelope established by the Committee, which must also comply with the building setback lines established herein or shown per the Plat of the subdivision for the Subject Property.

B. **Building Lines.** All residences (aka "dwellings") erected or placed on any Lot shall face the road or street adjacent to the lot as shown on the recorded plat of the Subject Property; or in the case of corner lots, as determined in the sole discretion by the ACC. No portion of such dwelling or residence shall be nearer to the front property line of said lot than forty feet (40') whether or not the front build line is designated on the recorded Plat of the Subject Property. No structure or improvement of any kind shall be nearer to the side property line of any lot than twenty feet (20'), or nearer to the side property line which abuts a street of any lot than twenty-five feet (25'), or nearer to the rear property line of any lot than thirty feet (30'), as designated on the recorded plat of the Subject Property. **Nor may any structure be constructed or placed on or within any recorded easement.**

C. **Dwelling Minimum Square Footage.** All principal dwellings shall have the minimum square footage of air-conditioned living area required hereinbelow. "Air-Conditioned Living Area" as used herein, is defined as the area measured from outside exterior wall to outside exterior wall, computed in square footage, exclusive however of any square footage

contained within the garage, covered porches, patios and walkways. Notwithstanding any variances hereafter granted by either Declarant or by the ACC, the principal dwelling on each lot in the Stewart Ranch subdivision, except for 2 – 10, Block 1, shall have at least Two Thousand, Six Hundred (2,600) square feet of air-conditioned living area. Any dwelling with more than one story shall have situated on the first floor at least Two Thousand (2,000) square feet of air-conditioned living area. All detached Guest Dwellings must have a minimum of One Thousand, Two Hundred (1,200) square feet of air-conditioned living area, excluding porches, with a minimum of eight hundred (800) square feet of air-conditioned living area on the first floor, and must be of similar exterior materials, colors and construction as the Principal Dwelling.

And notwithstanding any variances hereafter granted by either Declarant or by the ACC, the principal dwelling on each of lots 2 – 10, Block 1 in the Stewart Ranch subdivision, shall have at least Two Thousand, Four Hundred (2,400) square feet of air-conditioned living area. Any dwelling with more than one story shall have situated on the first floor at least One Thousand, Eight Hundred (1,800) square feet of air-conditioned living area.

All detached Guest Dwellings must have a minimum of One Thousand, Two Hundred (1,200) square feet of air-conditioned living area, excluding porches, with a minimum of eight hundred (800) square feet of air-conditioned living area on the first floor, and must be of matching exterior materials, colors and construction as the Principal Dwelling.

D. **Height of the Improvements upon the Lot.** The maximum height of any Dwelling shall be two stories. Roof garden patios or decks, air conditioning and other home systems equipment, with the written approval of the ACC, may be approved as an exception to the maximum height restriction of a Dwelling. The maximum height of the elevation of Accessory buildings shall be (i) below the highest elevation of virgin soil of the completed Principal Dwelling's single story, or (ii) at least two (2) feet below the highest elevation of virgin soil of the completed Principal Dwelling's second story.

E. **Exterior Wall Materials Principal Dwelling, Detached Guest Dwelling and Detached Garage.** The type, quality, and color of exterior wall materials for the principal dwelling, a detached guest dwelling and a detached garage, if approved by Declarant or by the ACC to be constructed on a lot, must each be built with matching, new, exterior construction material approved by the Declarant or the ACC. The exterior wall materials for the first floor of these three structures must be constructed with one hundred percent (100%) of the materials described herein, and at least eighty-five percent (85%) of the coverage of the total exterior walls, excluding doors and windows. The ACC approved exterior wall materials shall consist of the ACC's approved glass, stone, brick, brick veneer, stone, stone veneer, ceramic tile, clay, masonry stucco, or other masonry or masonry-like construction material approved by the ACC, all referred to herein as the "Primary Exterior Siding." Precast concrete panels shall not be considered as masonry, and therefor shall not be approved by the ACC. Other materials of equal or similar characteristics may be approved by the Declarant or the ACC for the Primary Exterior Siding.

The remainder of the total exterior siding of the principal dwelling, and any detached guest dwelling and any detached garage, referred to herein is known as the **"Remainder Exterior Siding,"** if approved to be constructed on a lot, beyond the Primary Exterior Siding, may with the approval of the Declarant or the Architectural Control Committee, include all the Primary Exterior Siding materials, plus EFIS stucco, and approved hardwoods, including redwood, cedar, and other similar materials approved by the ACC. Other materials of equal or similar characteristics may be approved by the Declarant or by the ACC for the Exterior Siding.

F. **Roofs.** The construction design, roof pitch, materials and colors for roofs of residences and all other structures to be constructed in Stewart Ranch must be submitted to and approved by the ACC, and must be in compliance in all respects with the Hood County ordinances, the Declaration and the Association's Rules & Regulations prior to commencing any roof construction. The **principal dwelling** on a lot, and any detached **guest dwelling**, and/or any **detached garage** approved by Declarant or by the ACC to be constructed on a lot, must each be built with matching or harmonious (as determined by the ACC) new, construction roofing material, generally with a minimum roof pitch of eight feet by twelve feet ("8/12"). Roof pitches of all Accessory Buildings must also be submitted to and approved by the ACC. Minimum roof pitches for modern or contemporary dwellings and other structures may be approved at a minimum pitch of four feet by twelve feet ("4/12").

Roofs must be covered with material having a manufacturer's warranty of at least thirty (30) years. Wood shake shingles and three-tab shingles shall not be permitted. The use of asphalt tile, fiberglass, metal, and certain solar ACC-approved shingles are permitted. Metal roof panels must be certified as at least 26 gauge. Roof shingles providing solar generation capabilities are permitted when installed on roofs in the Subdivision and are as durable and have equal or superior quality and resemble the shingles used or authorized for use on the property by the ACC, and aesthetically match the shingles' size, shape, design and color aesthetics of roof shingles on the property surrounding the owner's property. The use and approval of these roofing material criteria shall be in the sole discretion of the Declarant or the ACC. As technology and innovation produce new roofing materials, the Declarant or the ACC may in their discretion permit other weights, materials, and roofing shingles colors.

7.9. **Dwelling Addresses and Mailboxes.** All dwellings shall have their own address numbers etched in black, with a design and location established by the ACC, mounted in a stone address block on the exterior front wall of each such dwelling facing the street. Curbside mailboxes are not permitted in the interior of the Subdivision by the United States Postal Service. The United States Postal Service now requires all newly constructed residential subdivisions to install cluster mailboxes available to homeowners as opposed to individual curbside mailboxes located at each residence. Each dwelling's cluster mailbox shall be individually keyed and lockable, installed and assigned by the Association. At each lot owner's closing of the purchase of his or her lot, the owner must pay a fee, determined by the Association's Board of Directors, payable to the Subdivision's Developer to defray the Developer's cost of land, equipment and installation of the

community's central cluster mailboxes.

7.10. **Lot Fencing Requirements.** All fencing requirements are set forth in Sections 1.19 through 1.21 of the Stewart Ranch HOA, Inc. Rules & Regulations.

7.11 **Garages, Garage Doors, and Driveway Restrictions.** All **Principal Dwellings** must have at least a three (3) car garage for three (3) full-size automobiles, with garage door openings that face a side or the rear Lot lines, but shall not face the street or streets which abut the lot absent the issuance of a written waiver by the ACC or the Board. If a principal dwelling has at least a three (3) car garage, and the lot owner receives ACC written approval for a **detached Guest Dwelling**, the guest dwelling must have at least a single car garage for a full-size automobile, and the garage door opening may be approved by the ACC to face and enter the garage either from a side of the guest dwelling, or from the front of the guest dwelling that faces the street which abuts the lot.

7.12. **Driveways Construction and Location.** All driveways must be at least twelve feet (12') wide and surfaced with concrete. Driveways that require culverts will be CMP culverts with safety end caps, concrete base and stem walls constructed of Granbury stone and buff mortar, consistent in design and appearance throughout the subdivision, approved in writing by the ACC. No Stewart Ranch residential lot will be permitted to have direct access to the Cleburne Highway. Driveway approach locations on corner Lots shall be located to approximately line up with the side of the house or garage that is farthest from the intersection.

7.13. **Outbuildings' (aka Accessory Buildings) Front Facing Garage Door.** If the Principal Dwelling has at least a three-car garage, then an outbuilding planned to be utilized as a workshop or a detached garage for storage of mowers and other types of landscape maintenance equipment, tractors, recreational vehicles, all-terrain vehicles and similar vehicles, antique or inoperable vehicles, commercial vehicles, boats, jet skis, camper trailers, work trailers, and other types of similar vehicles and equipment, may with the approval of the ACC, each have a garage door that faces the front street of the lot. No portable storage buildings, determined in the sole discretion of the Architectural Control Committee, shall be allowed.

If the lot has an ACC approved **Accessory Building (aka Outbuilding) or a Detached Garage Building** capable of containing a garage for a larger vehicle, such as for example a full-size recreational vehicle (herein an "RV"), then the garage door on that building may face the street that abuts the front of the lot. The height of both the exterior building walls to the plate line and of the garage door shall be limited to a maximum of 14 feet tall. If the garage door is at least 12 feet tall, the garage door opening must be at least twelve feet (12') wide. The front-facing door of that garage shall be subject to the requirement and approval of the ACC to be a unique and attractive garage door that blends in with the architectural design and exterior siding appearance of the dwelling.

7.14. **Outbuildings (Accessory Structures) Require ACC Approval.** Detailed plans and specifications for all outbuildings (sometimes also referred to as "Accessory Buildings") must

be submitted to the ACC in order to be considered for approval. No accessory building or detached garage building may be approved by the ACC to exist any closer to the street than the rear line of the principal dwelling. If an accessory structure that is visible from a street or another lot is installed on a lot without the prior written approval of the ACC, the ACC reserves the right to determine that the accessory structure is unattractive or inappropriate or otherwise unsuitable for the Property, and may require the owner to relocate it, screen it, or remove it entirely.

7.15. **Outbuildings' Heights and Exterior Wall Materials.** Detailed plans and specifications for all outbuildings (sometimes also referred to as "Accessory Buildings") must be submitted to the ACC in order to be considered for approval. All structures other than the main dwelling must be located behind the Principal Dwelling site and may not be constructed on the lots prior to construction of the Principal Dwelling.

A. **Outbuildings' Maximum Heights.** The highest elevation of any outbuildings shall not exceed the lesser of two (2) feet in height below the highest elevation of virgin soil of the completed Principal Dwelling's first or second story, whichever is less, to ensure that no outbuilding is higher in elevation than two (2) feet below the highest elevation of the principal dwelling. As provided in Section 7.13 above, the height of the exterior building walls to the plate line shall be limited to a maximum of 14 feet tall.

B. **Primary Exterior Siding of Detached Garages and other Accessory Buildings.** All outbuildings, regardless of size, may be permitted to be constructed with a wood framing or metal building substructure. The Primary Exterior Siding of materials and color of the exterior walls of the front elevation of all detached garage buildings and accessory buildings must match the same Primary Exterior Siding materials as required for the exterior walls of the principal dwelling. The front exterior siding, plus a four-foot (4') masonry wainscot at the base of large accessory buildings, constructed along the sides and rear of the buildings, shall satisfy the requirement for materials matching or harmonious with the Principal Dwelling, subject to the ACC's approval of exterior materials and colors on the remaining exterior of such buildings to be harmonious with the principal dwelling.

C. **Remainder Exterior Siding of Accessory Buildings.** The remainder of the total exterior siding of all outbuildings, if approved to be constructed on a lot, beyond the Primary Exterior Siding, referred to herein as the "**Remainder Exterior Siding**," may with the approval of the Declarant or the ACC include all the Primary Exterior Siding materials, including cement-fiber siding, plus EFIS stucco, metal and approved hardwoods, including redwood, cedar and other materials of equal or similar characteristics which may be approved by the Declarant or the ACC for the Primary Exterior Siding and for the Remainder Exterior Siding. The color of the exterior siding materials and trim of all outbuildings must be harmonious with the color of the exterior walls of the principal dwelling. Each tract will be limited to no more than one (1) large outbuilding per acre with a maximum of three (3) outbuildings on any tract.

7.16. **Carports.** No carport may exist in the Stewart Ranch subdivision.

7.17. **Association Does Not Insure.** Each owner is solely responsible for insuring the home, lot, and all personal property located within the home or otherwise located on the lot, including home furnishings and motor vehicles. Personal property placed in or on the home or lot shall be solely at the risk of the resident and the owner of such personal property. The Association urges owners and residents to purchase insurance on their home, lot, and personal belongings.

7.18. **Storm Water Drainage.** No owner shall do or permit work, construct any improvements, or install any landscaping, or suffer the existence of any condition whatsoever which shall alter or interfere with the drainage pattern for the Property, except as an alternative and drainage pattern is planned and completed which does not increase the natural storm water drainage flow from the owner's lot onto a neighboring lot. Lot owners, their engineers and building contractors are solely responsible for the design and construction of building foundations and the design, excavation, grading and installation of the lot's storm drainage to avoid increasing the natural storm water drainage flow onto any neighboring lot.

7.19. **Declarant Privileges.** In connection with the development and marketing of the Property, Declarant has reserved a number of rights and privileges to use the Property in ways that are not available to other owners and residents, as provided in Appendix I of this Declaration. Declarant's exercise of a Development Period (aka "Development Control Period") right that appears to violate a rule or a use restriction of this Article does not constitute waiver or abandonment of the restriction by the Association.

7.20. **Notice of Limitation on Association Liability.** The development of the Property occurs during a period when many local governments are trying to be absolved of liability for flood damage to private property. As a condition of Plat approval, a governmental entity may require a Plat note that not only disavows the entity's liability for flood damage, but affirmatively assigns the liability to the Association. Declarant does not intend or desire to impose such absolute liability on the nonprofit Association of lot owners. Notwithstanding Plat notes or public codes or ordinances now in existence or hereafter created, the Association cannot and should not be liable for acts of God or for property damage that is not the result of the Association's negligence or willful misconduct. On behalf of the Association, Declarant hereby gives notice that the Association does not accept liabilities imposed by any governmental entity for which the Association cannot obtain insurance at a reasonable cost, or for which its Members refuse to fund reserve accounts at levels sufficiently high to pay the damages for which the governmental entity may seek to make the Association liable. This notice is not intended to create a liability for any governmental entity. Nor may this notice be construed to create a duty for the Association to obtain insurance or to fund reserve accounts for damage from rising or flooding waters.

Plans and specifications are not approved for engineering or structural design or adequacy of materials, and by approving such plans and specifications, neither the undersigned nor the committee assumes liability or responsibility therefore, nor for any defect in any structure constructed from such plans and specifications. Lot owners, Builders and their Engineers are exclusively responsible for engineering and construction of site drainage, finished floor elevations and foundations.



7.21. **Surface Water.** Each lot owner shall comply with Texas law, particularly Texas Water Code, section 11.086 (Vernon's 1997). Each lot owner shall follow water pollution erosion and runoff procedures as required by local, state and federal law. All lot owners must comply with the Hood County storm water drainage rules and regulations, and the Plat requirements for all surface water in Stewart Ranch. lot owner shall permit construction activity except in conformance with such actions. Written approval must be obtained from the Declarant, the ACC, or the HOA Board for any proposed excavation or grading (including the construction of building pad sites), till, ditch, diversion dam, detention or retention pond, or other thing or device which affects or alters the natural flow of surface waters from, upon or across any lot or Common Property.

7.22. **Security.** The Association may, but is not obligated to, maintain or support certain activities within the Property designed, either directly or indirectly, to improve safety in or on the Property. Each owner and resident acknowledges and agrees, for himself or herself and his or her guests, that Declarant, the Association, and their respective directors, officers, committees, agents, and employees are not providers, insurers, or guarantors of security within the Property. Each owner and resident acknowledges and accepts his or her sole responsibility to provide security for his or her own person and property and assumes all risks for loss or damage to same. Each owner and resident further acknowledges that Declarant, the Association, and their respective directors, officers, committees, agents, and employees have made no representations or warranties, nor has the owner or resident relied on any representation or warranty, express or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire, burglar, and/or intrusion systems recommended or installed, or any security measures undertaken within the Property. Each owner and resident acknowledges and agrees that Declarant, the Association, and their respective directors, officers, committees, agents, and employees may not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

7.23. **Risk** Each resident uses the Stewart Ranch Common Areas at his or her own risk. The Common Areas are unattended and unsupervised. Each resident is solely responsible for his or her own safety and that of his or her guests. The Association disclaims any and all liability or responsibility for injury or death occurring from use of the Common Areas.

7.24. **Enforcement.** This Section 7.24 is repeated in Section 1.62 of the Rules & Regulations, as a supplement to this Section 7.24 and to Declaration Article 12, Enforcing The Documents, to provide additional more detailed Enforcement Rules. If in the opinion of the Board or the ACC, any such Owner or Resident (including lessees) has failed to comply with any of the foregoing restrictions or any of the Association's Rules & Regulations, or has failed in any of the foregoing duties or responsibilities, then the Board or their designated Agent(s) shall deliver to such owner or resident (including lessees) written notice of such failure, and such owner or resident (including lessees) must, unless a longer period of written notice is required by the Texas Property Code, within ten (10) days from and after delivery of such notice, comply with the restrictions and/or perform the care and maintenance required. In the event of any emergency safety or health related restriction violations, or repeated violations where ten (10) days' notice has previously been delivered, the required notice period may be less or unnecessary as permitted by the Texas Property Code, as amended. Should any such owner or resident (including lessees) fail to fulfill this duty and responsibility within such period, then the Board or their designated Agent(s) are

hereby authorized to enter onto the premises and correct such violations and perform such care and maintenance as necessary without any liability for damages for wrongful entry trespass or otherwise to any person. The owner or resident (including lessees) of any lot on which such work is performed shall promptly reimburse the Association for such cost, plus interest on such cost at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law, and all costs of collection. If such owner or resident (including lessees) shall fail to reimburse the Association within forty-five (45) days from and after delivery by the Association of an invoice setting forth the costs incurred by the Association for such work, then said indebtedness shall be a debt of the owner or resident (including lessees) jointly and severally, subject to a reasonable late payment fine, following proper notice of any such fine, and further subject to an Assessment Lien against the owner's or Builder's lot according to the provisions of Article 10 hereinbelow.

## **ARTICLE 8**

### **ASSOCIATION AND MEMBERSHIP RIGHTS**

8.1. **Governance.** The Association shall come into operating existence on the earlier of (1) the issuance by the Texas Secretary of State of its Certificate of Formation and full legal formation, or (2) the initial levy of assessments against the lots and owners. The Association will continue to exist at least as long as this Declaration is effective against the Property, regardless of whether its corporate charter lapses from time to time. Generally, the Association may do any and all things that are lawful and necessary, proper, or desirable in operating for the peace, health, comfort, safety and general benefit of its Members, subject only to the limitations on the exercise of such powers as stated in the Documents. The Association will be governed by a Board of Directors elected by the Members. Unless the Association's Bylaws or Articles of Incorporation provide otherwise, the Board will consist of at least three (3) persons elected at the annual meeting of the Association, or at a special meeting called for that purpose. The Association will be administered in accordance with the Bylaws and this Declaration. Unless the Documents or the Texas Property Code provide otherwise, any action requiring approval of the Members may be approved in writing by owners of at least a majority of all lots, or at a meeting by owners of at least a majority of the lots that are represented at the meeting.

8.2. **Board.** Unless the Documents expressly reserve a right, action, or decision to the owners, Declarant, or another party, the Board acts in all instances on behalf of the Association. Unless the context indicates otherwise, references in the Documents to the "Association" may be construed to mean "the Association acting through its Board of Directors." The affairs of the Association shall be conducted by its Board of Directors (herein referred to as the "Board"). The Board shall be selected in accordance with the Articles of Incorporation and Bylaws of the Association.

8.3. **Duties of the Association.** The duties and powers of the Association are those set forth in the Documents, together with the general and implied powers of the Stewart Ranch HOA, Inc., a Non-Profit Corporation, organized under the laws of the State of Texas. Among its duties, the Association levies and collects assessments, and maintains the Common Areas and Common Area grounds at the assessed expense of the owners as set forth in Article 9 and Section 14.1 below, and pays the expenses of the Association. The Board shall have the exclusive right to contract for all goods, services and insurance, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein. The Board, on behalf of the Association, shall

have full power and authority to contract with any owner for the performance, on behalf of the Association, of services which the Board is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for any consideration as the Board may deem proper, advisable and in the best interest of the Association. The Board shall also have the following specified rights, powers and duties:

A. **Tax Assessment.** to execute all declarations of ownership for tax assessment purposes with regard to any of the Common Property;

B. **Agreements and Contracts.** to enter into agreements or contracts with insurance companies, taxing authorities and the holders of first mortgage liens on the individual lots with respect to:

1. taxes on the Common Property;
2. insurance coverage (if any) on Common Property; and
3. utility installation, consumption and service matters;

C. **Association Borrowing.** on behalf of and for the benefit of the Association, to borrow funds to pay costs of operation, secured by assignment or pledge of rights against delinquent owners, if the Board sees fit or secured by such other assets of the Association as are deemed appropriate by the lender and the Association;

D. **Contracts and Banking.** to enter into contracts, maintain one or more bank accounts, and, generally, to have all the powers necessary or incidental to the operation and management of the Association;

E. **Common Property Protection.** to protect or defend the Common Property from loss or damage by suit or otherwise, to sue or defend in any court of law on behalf of the Association and to provide adequate reserves for repairs and replacements;

F. **Rules & Regulations.** to make reasonable rules and regulations for the operation of the Common Property and the Lots and to amend them from time to time;

G. **Annual Report to Owners.** to make available to each owner within ninety days (90) days after the end of each year an Annual Report;

H. **Members Assessments.** to assess the Members and adjust the assessment 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 Members in proportionate amounts to cover the deficiency;

I. **Enforcement of Governing Documents.** to enforce the provisions of the Association's Governing Documents, including this Declaration, the Bylaws and all Rules and Regulations established by the Board of Directors, and to fine, enjoin and/or seek damages from any owner for violation of such provisions or rules.

8.4. **Association Membership.** Each owner is a Member of the Association, ownership of a lot being the sole qualification for membership. Membership is appurtenant to and may not be

separated from ownership of the lot. The Board may require satisfactory evidence of transfer of ownership before a purported owner is entitled to vote at meetings of the Association. If a lot is owned by more than one person or entity, each co-owner is a Member of the Association and may exercise the membership rights appurtenant to the lot. A Member who sells his or her lot under a Contract for Deed may delegate his or her membership rights to the contract purchaser, provided a written assignment is delivered to the Board. However, regardless of the existence of the contract, seller remains liable for all assessments attributable to his or her lot until fee title to the lot is transferred.

8.5. **Voting.** One vote is appurtenant to each lot. The total number of votes equals the total number of lots in the Property. Each vote is uniform and equal to the vote appurtenant to every other lot; except during the Declarant Control Period, the Declarant shall be entitled to ten (10) votes per lot owned by Declarant as permitted in Appendix I. Cumulative voting is not allowed. Votes may be cast by written proxy, according to the requirements of the Association's Bylaws and Rules and Regulations.

8.6. **Voting by Co-Owners.** The one vote appurtenant to a lot is not divisible. If only one of the multiple co-owners of a lot is present at a meeting of the Association, that person may cast the vote allocated to the lot. If more than one of the co-owners is present, the lot's one vote may be cast with the co-owners' unanimous agreement. Co-owners are in unanimous agreement if one of the co-owners casts the vote and no other co-owner makes prompt protest to the person presiding over the meeting. Any co-owner of a lot may vote by ballot or proxy and may register protest to the casting of a vote by ballot or proxy by the other co-owners. If the person presiding over the meeting or balloting receives evidence that the co-owners disagree on how the one appurtenant vote will be cast, the vote will not be counted.

8.7. **Books & Records.** The Association will maintain copies of the Documents and the Association's books, records, and financial statements. Books and records of the Association will be made available for inspection and copying pursuant to Article 1396-2.23.B. of the Texas Nonprofit Corporation Act.

8.8. **Indemnification.** The Association indemnifies every officer, director, committee chair, and committee member (for purposes of this Section, "**Leaders**") against expenses, including attorney's fees, reasonably incurred by or imposed on the leader in connection with an action, suit, or proceeding to which the leader is a party by reason of being or having been a leader. A leader is not liable for a mistake of judgment, negligent or otherwise. A leader is liable for his or her willful misfeasance, malfeasance, misconduct, or bad faith. This right to indemnification does not exclude any other rights to which present or former Leaders may be entitled. The Association may maintain general liability and directors' and officers' liability insurance to fund this obligation. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him or her and incurred by him or her in that capacity and arising out of that capacity. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him or her and incurred by him or her in that capacity and arising out of that capacity.

8.9. **Obligations of Owners.** Without limiting the obligations of owners under the Documents, each Owner has the following obligations:

8.9.1. **Owners' Information.** Within thirty (30) days after acquiring an interest in a lot, and within thirty (30) days after the owner has notice of a change in any information required by this Subsection, and on request by the Association from time to time, an owner will provide the Association with the following information: (1) a copy of the recorded deed by which owner has title to the lot; (2) the owner's address, phone number, and e-mail address, and driver's license number, if any; (3) any mortgagee's name, address, and loan number; (4) initial and annual proof of casualty insurance on owner's dwelling; (5) the name and phone number of any resident other than the owner; (6) the name, address, and phone number of owner's managing agent, if any.

8.9.2. **Pay Assessments.** Each owner will pay assessments properly levied by the Association against the owner and his lot and will pay Regular Assessments in advance as set forth in Section 9.4.1. below, without demand by the Association.

8.9.3. **Comply.** Each owner will comply with the Documents as amended from time to time.

8.9.4. **Reimburse for Damage.** Each owner will pay for damage to the Property caused by the negligence or willful misconduct of the owner, a resident of the owner's lot, or the owner or resident's family, guests, employees, contractors, agents, or invitees.

8.9.5. **Liability.** Each owner is liable to the Association for violations of the Documents by the owner, a resident of the owner's lot, or the owner's or resident's family, lessees, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorney's fees whether or not suit is filed.

## **ARTICLE 9 COVENANT FOR FEES AND ASSESSMENTS**

9.1. **Purpose of Fees and Assessments.** The Association will use assessments for the purpose of maintaining the Property values and promoting the health, safety and welfare of the owners of the Subdivision Property and Additional Property, which hereafter may become subject to the jurisdiction of the Association, and for the general purposes of preserving and enhancing the Property, and for the common benefit of owners and residents, including but not limited to maintenance, repair or replacement of real and personal Common Area property, drainage easements management and operation of the Association, and any expense reasonably related to the purposes for which the Property was developed. If made in good faith, the Board's decision with respect to the use of assessments is final.

9.2. **Personal Obligation.** An owner is obligated to pay assessments levied by the Board against the owner or his or her lot. An owner makes payment to the Association at its principal office or at any other place the Board directs. Payments must be made in full regardless of whether an owner has a dispute with the Association, another owner, or any other person or entity regarding any matter to which this Declaration pertains. No owner may exempt himself or herself from his

or her assessment liability by waiver of the use or enjoyment of the Common Area or by abandonment of his or her lot. An owner's obligation is not subject to offset by the owner, nor is it contingent on the Association's performance of the Association's duties. Payment of assessments is both a continuing affirmative covenant personal to the owner and a continuing covenant running with the lot.

**9.3. Control for Assessment Increases.** This Declaration Section 9.3 may not be amended without the approval of the Declarant during the Declarant Control Period or by the owners of at least two-thirds (2/3rds) of the lots following Declarant's transfer of control of the Association to the owners. In addition to other rights granted to owners by this Declaration, owners have the following powers and controls over the Association's budget:

**9.3.1. Veto Increased Dues.** At least thirty (30) days prior to the effective date of an increase in Regular Assessments, the Board will notify an owner of each lot of the amount of, the budgetary basis for, and the effective date of the increase. The increase will automatically become effective unless, following Declarant's transfer of control of the Association to the owners, owners of at least two-thirds (2/3rds) of the lots disapprove of the increase by petition or at a public meeting of the Association. In that event, the last-approved budget will continue in effect until a revised budget is approved.

**9.3.2. Veto Special Assessment.** At least thirty (30) days prior to the effective date of a Special Assessment, the Board will notify an owner of each lot of the amount of, the budgetary basis for, and the effective date of the Special Assessment. The Special Assessment will automatically become effective, unless following Declarant's transfer of control of the Association to the owners, owners of at least a two-thirds (2/3rds) majority of the lots disapprove the Special Assessment by petition or at a meeting of the Association.

**9.4. Types of Fees & Assessments.** There are five (5) types of assessments: including the Buyers' Special Assessment Transfer Fee (established in Section 9.4.1 below), Regular Assessments, Special Assessments, Individual Assessments, and Deficiency Assessments.

**9.4.1. Buyers' Special Assessment Transfer Fees.** A number of independent fees may be charged in relation to the transfer of title to a lot, including but not limited to fees for resale certificates, estoppel certificates, copies of Documents, compliance inspections, ownership record changes, and priority processing, provided the fees are customary in amount, kind, and number for the local marketplace. As of the effective date of this Declaration, a **One Thousand Dollars (\$1,000.00) Special Assessment Transfer Fee** shall be charged to the Buyer by and payable to the Association at every Title Transfer Closing of lots in the Stewart Ranch Subdivision, except that Declarant may exempt any class of Builders, including Preferred Builders selected by the Declarant and the ACC, purchasing from Declarant from the Special Assessment Transfer Fee for a period of time at Declarant's discretion. The \$1,000.00 Special Assessment Transfer Fee shall otherwise be collected from each Buyer purchasing a lot thereafter. Each \$1,000.00 Transfer Fee shall be collected by and for the benefit of the Association at the closing of each such transfer of title of any such lot. The Association Board of Directors is hereby granted the power and authority to modify and establish a higher or lower Special Assessment Transfer Fee in its sole discretion at any

time hereafter. Special Assessment Transfer fees are not refundable and may not be regarded as a prepayment of or credit against regular or other special assessments.

Special Assessment Transfer fees do not apply to the following transfers: (1) foreclosure of a deed of trust lien, tax lien, or the Association's assessment lien; (2) transfer to, from, or by the Association; (3) voluntary transfer by an owner to one or more co-owners, or to the owner's spouse, child, or parent. Special Assessment Transfer Fees may be charged by the Association, provided there is no duplication of fees. Other Transfer-related ReSale Certificate Fees charged by or paid to a managing agent must have the prior written approval of the Association, are not subject to the Association's assessment lien, and are not payable by the Association or Declarant. This Article does not obligate the Board or the manager to levy ReSale Certificate Fees, unless a party to the transfer requests the ReSale Certificate Section 207.002 documents and information required by the Texas Property Code.

**9.4.2. Regular Annual Assessments.** Regular Assessments shall be invoiced at the Members' purchase of their lots and annually thereafter on or before November 30th of each year prior to the year subject to the annual assessment, and shall be payable annually on or before January 31st of the following year subject to the annual assessment. The Regular Annual Assessments shall be based on the Association's Annual Budget established annually on or before November 30th of each year prior to the year being budgeted in amounts sufficient to meet the reasonable operation and maintenance expenses and reserve requirements of the Association to allow the Association to carry out its duties. Each lot is liable for its equal share of the Annual Budget. Regular Assessments are due in advance for the period of the assessment; however, late payment fines shall not be charged by the Association for Regular Assessments paid on or before January 31st of the following year subject to the Regular Annual Assessment. The initial Annual Regular Assessment shall be established by the Association, whose Board shall be charged with the responsibility of assessing the Members at least the amount necessary to pay the maintenance and operational expenses of the Association, plus a reasonable amount per lot to be set aside in a separate Association Reserve bank account.

If the Board does not approve an annual budget or fails to determine new Regular Assessments for any year following the Board's approval of the initial and subsequent annual budgets for the Association, or delays in doing so, owners will continue to pay the Regular Assessment as last determined. If during the course of a year the Board determines that Regular Assessments are insufficient to cover the estimated Common Expenses for the remainder of the year, the Board may impose a Special Assessment and/or increase Regular Assessments for the remainder of the fiscal year in an amount that covers the estimated deficiency. Regular Assessments are used for Common Expenses related to the reoccurring, periodic, and anticipated responsibilities of the Association, including but not limited to:

A. maintenance, repair, and replacement, as necessary, and as appropriate, administrative expenses of the Association and operating expenses of the Common Area, specifically including but not limited to all roadways, street lamps and fixtures, and all visibility, access and maintenance easements, screening fences, the Stewart Ranch Subdivision entrances and traffic signage, Common Area storm drainage equipment and facilities, and all other common areas and common facilities and

amenities defined in this Declaration.

B. utilities billed to the Association.

C. services billed to the Association and serving all lots.

D. taxes on property owned by the Association and the Association's income taxes.

E. **management, legal, accounting, auditing, and professional fees for services to the Association.**

F. costs of operating the Association, such as telephone, postage, office supplies, printing, meeting expenses, and educational opportunities of benefit to the Association.

G. premiums and deductibles on insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including any required fidelity bonds and directors' and officers' liability insurance.

H. contributions to the reserve funds.

I. all costs of the Association's performance of its Property (including but not limited to all lots) landscaping and maintenance obligations.

J. any other expense which the Association is required by law or the Documents to pay, or which in the opinion of the Board is necessary or proper for the operation and maintenance of the Property or for enforcement of the Documents.

9.4.3. **Special Assessments.** In addition to Regular Assessments, and subject to the owners' control for assessment increases, the Board may levy one or more Special Assessments against all lots for the purposes of funding Common Expenses not anticipated by the annual budget or reserve funds. Special Assessments shall be prorated equally among all lots, and do not require the approval of the owners while under Declarant control. All Special Assessments will automatically become effective, unless following Declarant's transfer of control of the Association to the owners, owners of at least two-thirds (2/3rds) of the lots disapprove the Special Assessment by petition or at a public meeting of the Association as provided in Section 9.3.1 above. However, the above provisions in Section 9.4.1, notwithstanding, Special Assessments for the following purposes, must be approved by owners of at least a majority of the lot owners:

A. Acquisition of real property, other than the purchase of a lot at the sale foreclosing the Association's lien against the lot.

B. Construction of additional improvements within the Property, but not replacement of original improvements.

C. Any expenditure that may reasonably be expected to significantly increase the Association's responsibility and financial obligation for operations, insurance, maintenance, repairs, or replacement.

9.4.4. **Individual Assessments.** In addition to Regular and Special Assessments, the Board may levy an Individual Assessment against a lot and its owner. Individual Assessments may



include, but are not limited to: interest, late charges, and collection costs on delinquent assessments; reimbursement for costs incurred in bringing an owner or his or her Lot into compliance with the Documents; fines for violations of the Documents; insurance deductibles; transfer-related fees and resale certificate fees; fees for estoppel letters and project documents; reimbursement for damage or waste caused by willful or negligent acts; common expenses that benefit fewer than all of the lots, which may be assessed according to benefit received; fees or charges levied against the Association on a per-lot basis; and "pass through" expenses for services to lots provided through the Association and which are equitably paid by each lot according to benefits received.

9.4.5. **Deficiency Assessments**. The Board may levy a Deficiency Assessment against all lots for the purpose of defraying, in whole or in part, the cost of repair or restoration of the Property if insurance proceeds or condemnation awards prove insufficient.

9.5. **Basis & Rate of Assessments**. The share of liability for Common Expenses allocated to each lot is uniform for all lots, regardless of a lot's location or the value and size of the lot or dwelling; subject to the exemption for Declarant provided below and in Appendix I.

9.6. **Declarant Obligation**. Declarant's obligation for and exemption from assessments is described in Appendix I. Unless Appendix I creates an affirmative assessment obligation for Declarant, a lot that is owned by Declarant during the Development Period is exempt from mandatory assessment by the Association. Declarant has a right to reimbursement for any assessment paid to the Association by Declarant during the Development Period. This provision may not be construed to prevent Declarant from making a loan or voluntary monetary donation to the Association, provided it is so characterized.

9.7. **Annual Budget**. The Board will prepare and approve an estimated Annual Budget for each fiscal year. The Annual Budget will take into account the estimated income and expenses for the year, contributions to reserve funds, and a projection for uncollected receivables. The Board will make the budget or its summary available to an owner of each lot in an open session during a properly noticed meeting for all Members, although failure to receive a budget or summary does not affect an owner's liability for assessments. The Board will provide copies of the detailed budget to owners who make written request and pay a reasonable copy charge. All budget changes will be voted on during said regular or special board meeting and only pass should the consent of a majority of lot owners agree to amend the budget.

9.8. **Due Date**. The Board may levy Regular Assessments on any periodic basis, such as annually, semi-annually, quarterly, or monthly. Initial Regular Assessments shall be an Annual Assessment and shall be due on the first day of the period for which levied. Special and Individual and Reserve Fund Assessments are due on the date stated in the Notice of Assessment or, if no date is stated, within ten (10) days after notice of the assessment is given. Assessments are delinquent if not received by the Association on or before the due date. Any collection notice letters sent in writing through certified mail to the owner or Residents with a delinquent amount due must be given at least forty-five (45) days after delivery of the notice to cure the delinquency before any other action by the Board, Declarant, Declarant's representative, and/or the Association is taken, per Section 209.006 of the Texas Property Code (and any successor statutes).

9.9. **Reserve Funds.** The Board will establish, maintain, and accumulate reserves for operations and for the maintenance, repair and/or replacement of such matters as, but not limited to, the improvements at the subdivision's entrances and automatic entry and exit gates, security cameras and related equipment, roads, perimeter fences on and along the subdivision's property border abutting the Cleburne Highway. The Board must budget for reserves and may fund reserves out of Regular Assessments. Reserve funds will be maintained and accounted for separately from other funds maintained for annual operating expenses, and the Board will establish separate bank trust accounts in order to better demonstrate that the amounts deposited therein are capital contributions and not net income to the Association.

9.9.1. **Operations Reserves.** The Association will endeavor to maintain Operations Reserves at a level determined by the Board to be sufficient to cover the cost of operational and maintenance emergencies or contingencies, such as the full amount of deductibles on insurance policies maintained by the Association.

9.9.2. **Replacement, Repair and Maintenance Reserves.** The Association will endeavor to maintain replacement, repair and maintenance reserves at a level that anticipates the scheduled replacement or major repair of components of the Common Areas.

9.10. **Association's Right to Borrow Money.** The Association is granted the right to borrow money, subject to the consent of owners of at least a majority of lots and the ability of the Association to repay the borrowed funds from assessments. To assist its ability to borrow, the Association is granted the right to encumber, mortgage, pledge, or deed in trust any of its real or personal property, and the right to assign its right to future income, as security for money borrowed or debts incurred, provided that the rights of the lender in the pledged property are subordinate and inferior to the rights of the owners hereunder.

9.11. **Limitations of Interest.** The Association, and its officers, directors, managers, and attorneys, intend to conform strictly to the applicable usury laws of the State of Texas. Notwithstanding anything to the contrary in the Documents or any other document or agreement executed or made in connection with the Association's collection of assessments, the Association will not in any event be entitled to receive or collect, as interest, a sum greater than the maximum amount permitted by applicable law. If from any circumstances whatsoever, the Association ever receives, collects, or applies as interest a sum in excess of the maximum rate permitted by law, the excess amount will be applied to the reduction of unpaid Regular and Special Assessments, or reimbursed to the Owner if those assessments are paid in full.

## **ARTICLE 10**

### **ASSESSMENT LIEN**

10.1. **Assessment Lien.** Each owner, by accepting an interest in or title to a lot, whether or not it is so expressed in the instrument of conveyance, covenants and agrees to pay assessments to the Association, and hereby grants to the Association a contractual lien on such lot, which may be foreclosed on by non-judicial foreclosure and pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute); and each such owner hereby expressly grants the Association a power of sale in connection therewith. Each assessment is a charge on the lot and is

secured by a continuing lien on the lot. Each owner, and each prospective owner, is placed on notice that his or her title may be subject to the continuing lien for assessments attributable to a period prior to the date he or she purchased his or her lot.

10.2. **Superiority of Assessment Lien.** The Assessment Lien is superior to all other liens and encumbrances on a lot, except only for (1) real property taxes and assessments levied by governmental and taxing authorities, (2) a deed of trust or vendor's lien recorded before this Declaration, (3) a recorded deed of trust lien securing a loan for construction of the original dwelling, and (4) a first or senior purchase money vendor's lien or deed of trust lien recorded before the date on which the Delinquent Assessment became due. The Assessment Lien is subordinate and inferior to a recorded deed of trust lien that secures a first or senior purchase money mortgage, an FHA-insured mortgage, or a VA-guaranteed mortgage.

10.3. **Effect of Mortgagee's Foreclosure.** Foreclosure of a superior lien extinguishes the Association's claim against the lot for unpaid assessments that became due before the sale, but does not extinguish the Association's claim against the former owner. The purchaser at the foreclosure sale of a superior lien is liable for assessments coming due from and after the date of the sale.

10.4. **Notice and Release of Notice.** The Association's Assessment Lien for assessments is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required. However, the Association, at its option, may cause a notice of the lien to be recorded in the Hood County's Official Public Records. If the debt is cured after a notice has been recorded, the Association will record a release of the notice at the expense of the curing owner.

10.5. **Power of Sale.** By accepting an interest in or title to a lot, each owner grants to the Association a private power of nonjudicial sale in connection with the Association's Assessment Lien. The Board may appoint, from time to time, any person, including an officer, agent, trustee, substitute trustee, or attorney, to exercise the Associations Assessment Lien rights on behalf of the Association, including the power of sale. The appointment must be in writing and may be in the form of a resolution recorded in the minutes of a Board meeting.

10.6. **Foreclosure of Lien.** The Assessment Lien may be enforced by judicial or nonjudicial foreclosure. A foreclosure must comply with the requirements of applicable law, such as Chapter 209 of the Texas Property Code.

In any foreclosure, the owner is required to pay the Association's costs and expenses for the proceedings, including reasonable attorneys' fees, subject to applicable provisions of the Bylaws and applicable law, such as the Texas Property Code. The Association has the power to bid on the lot at foreclosure sale and to acquire, hold, lease, mortgage, and convey same. The Association may not foreclose the Assessment Lien if the debt consists solely of fines and/or a claim for reimbursement of attorney's fees incurred by the Association.

## **ARTICLE 11**

### **EFFECT OF NONPAYMENT OF ASSESSMENTS**

An assessment is delinquent if the Association does not receive payment in full by the assessment's due date. The Association, acting through the Board, is responsible for taking action to collect delinquent assessments. The Association's exercise of its remedies is subject to applicable laws, such as Chapter 209 of the Texas Property Code, and pertinent provisions of the Bylaws and Rules and Regulations. From time to time, the Association may delegate some or all of the collection procedures and remedies, as the Board in its sole discretion deems appropriate, to the Association's manager, an attorney, or a debt collector. Any collection notice letters sent in writing by certified mail to the owner or Residents with a delinquent amount due must be given at least forty-five (45) days after delivery of said notice to cure the delinquency before any other action by the Board, the Board's delegate, Declarant, Declarant's representative, and/or the Association is taken. Neither the Board nor the Association, however, is liable to an owner or other person for its failure or inability to collect or attempt to collect an assessment. The following remedies are in addition to and not in substitution for all other rights and remedies available to the Association.

11.1. **Interest.** Delinquent assessments are subject to interest from the due date until paid, at a rate to be determined by the Board from time to time, not to exceed the lesser of eighteen percent (18%) or the maximum rate permitted by law. If the Board fails to establish a rate, the rate is eighteen percent (18%) per annum, compounded annually.

11.2. **Late Fees.** Delinquent assessments are subject to reasonable late fees, at a rate to be determined by the Board from time to time.

11.3. **Costs of Collection.** The owner of a lot against which assessments are delinquent is liable to the Association for reimbursement of reasonable costs incurred by the Association to collect the delinquent assessments, including attorney's fees and processing fees charged by the manager.

11.4. **Acceleration.** If an owner defaults in paying an assessment that is payable in installments, the Association may accelerate the remaining installments with ten (10) days' written notice to the defaulting owner. The entire unpaid balance of the assessment becomes due on the date stated in the notice.

11.5. **Suspension of Use.** If an owner's account has been delinquent for at least thirty (30) days and a majority of lot owners has voted their consent in a properly noticed regular or special board meeting, the Association may suspend the right of owners and residents to use Common Areas and Common Services during the period of delinquency. Suspension does not constitute a waiver or discharge of the owner's obligation to pay assessments.

11.6. **Money Judgment.** The Association may file suit seeking a money judgment against an owner delinquent in the payment of assessments, without foreclosing or waiving the Association's Lien for assessments.

11.7. **Notice to Mortgagee.** The Association may notify and communicate with the holder of any lien against a lot regarding the owner's default in payment of assessments.

11.8. **Foreclosure of Assessment Lien.** As provided by this Declaration, the Association may foreclose its Assessment Lien against the lot by judicial or nonjudicial means.

11.9. **Application of Payments.** The Board may adopt and amend policies regarding the application of payments. The Association may refuse to accept partial payment, i.e., less than the full amount due and payable. The Association may also refuse to accept payments to which the payer attaches conditions or directions contrary to the Board's policy for applying payments. The Association's policy may provide that endorsement and deposit of a payment does not constitute acceptance by the Association, and that acceptance occurs when the Association posts the payment to the lot's account.

## **ARTICLE 12**

### **ENFORCING THE DOCUMENTS**

This Article 12, Enforcing The Documents, supplements Section 7.24, Enforcement, both of which are further supplemented by Section 1.62 of the Association's adopted Rules & Regulations, which provide additional more detailed Enforcement Rules adopted by the Association's Board of Directors, which may hereafter be further amended by the Board.

12.1. **Notice and Hearing.** Before the Association may exercise any of its remedies for a violation of the Documents or damage to the Property, the Association must give an owner written notice and an opportunity for a hearing, according to the requirements and procedures in the Bylaws, Rules & Regulations, and in applicable law, such as Chapter 209 of the Texas Property Code. Notices are also required before an owner is liable to the Association for certain charges, including reimbursement of attorneys' fees incurred by the Association.

12.2. **Remedies.** The remedies provided in this Article for breach of the Documents are cumulative and not exclusive. In addition to other rights and remedies provided by the Documents and by law, the Association has the following right to enforce the Documents, subject to applicable notice and hearing requirements:

12.2.1. **Provision Violation Nuisance.** The result of every act or omission that violates any provision of the Documents is a nuisance, and any remedy allowed by law against a nuisance, either public or private, is applicable against the violation.

12.2.2. **Violation Charges and Fines.** The Association may levy reasonable charges, as an Individual Assessment, against an owner and his or her lot if the owner or resident (including lessees), or the owner or resident's family, lessees, guests, employees, agents, or contractors violate a provision of the Documents. Fines may be levied for each act of violation or for each day a violation continues and does not constitute a waiver or discharge of the owner's obligations under the Documents.

12.2.3. **Suspension.** The Association may suspend the right of owners and residents to use Common Areas for any period during which the owner or resident, or the owner's or resident's family, lessees, guests, employees, agents, or contractors violate the Documents. A suspension does not constitute a waiver or discharge of the owner's obligations under the Documents.

12.2.4. **Self-Help.** The Association has the right to enter any part of the Property, including

lots, to abate or remove, using force as may reasonably be necessary, any erection, thing, animal, person, vehicle, or condition that violates the Documents. In exercising this right, the Board is not trespassing and is not liable for damages related to the abatement. The Board may levy its costs of abatement, plus a fee and a fine established by the Board for exercising its right of self-help, against the lot and owner as an Individual Assessment. Unless an emergency situation exists in the good faith opinion of the Board, the Board will give the violating owner ten (10) days' notice of its intent to exercise self-help.

12.2.5. **Legal Proceedings.** Failure to comply with the Documents will be grounds for an action to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Prior to commencing any legal proceeding, the Association will give the defaulting party reasonable notice and an opportunity to cure the violation.

12.3. **Board Discretion.** The Board may use its sole discretion in determining whether to pursue a violation of the Documents, provided the Board does not act in an arbitrary or capricious manner. In evaluating a particular violation, the Board may determine that under the particular circumstances (1) the Association's position is not sufficiently strong to justify taking any or further action; (2) the provision being enforced is or may be construed as inconsistent with applicable law; (3) although a technical violation may exist, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (4) that enforcement is not in the Association's best interests, based on hardship, expense, or other reasonable criteria.

12.4. **No Waiver.** The Association and every owner have the right to enforce all restrictions, conditions, covenants, liens, and charges now or hereafter imposed by the Documents. Failure by the Association or by any owner to enforce a provision of the Documents is not a waiver of the right to do so thereafter. If the Association does waive the right to enforce a provision, that waiver does not impair the Association's right to enforce any other part of the Documents at any future time. No officer, director, or Member of the Association is liable to any Owner for the failure to enforce any other Documents at any time.

12.5. **Recovery of Costs.** The costs of curing or abating a violation are at the expense of the owner or other person responsible for the violation. If legal assistance is obtained to enforce any provision of the Documents, or in any legal proceeding (whether or not suit is brought) for damages or for the enforcement of the Documents or the restraint of violations of the Documents, the prevailing party is entitled to recover from the non-prevailing party all reasonable and necessary costs incurred by it in such action, including reasonable attorneys' fees.

## **ARTICLE 13**

### **ADMINISTRATION OF COMMON PROPERTY**

13.1. **Common Property Policy.** The Common Property, including Common Areas and Common Amenities, shall be administered for the benefit of the Owners of lots.

13.2. **Management.** All decisions relating to the Common Property shall be vested in the Association. The Association shall have all powers and duties necessary for the administration, management, maintenance, operation, and regulation of Common Property, including but not

limited to the following:

- A. **Delegation.** to delegate the exercise of some or all of its powers and duties, from time to time, to one or more agents;
- B. **Budgets.** to prepare, adopt, and amend budgets for revenues, expenditures, and reserves relating to Common Property;
- C. **Reserves.** to maintain adequate reserves for periodic repair or replacement of Common Property elements, based on age, remaining useful life, quantity, and replacement cost;
- D. **Common Property Assessments.** to levy and collect Common Property assessments;
- E. **Hiring, Contracts and Liabilities.** to hire and terminate agents, employees, and contractors, and to make contracts and incur liabilities;
- F. **Common Area Rules.** to adopt, amend, and enforce reasonable rules regulating the use, maintenance, repair, replacement, modification, improvement, and appearance of Common Property;
- G. **Common Area Improvements.** to cause to be designed, constructed, repaired, improved, replaced and maintained improvements on the Common Property, as authorized, and constructed in accordance with Section 4.1 and Section 4.3 hereinabove.
- H. **Common Property Grants.** to grant easements, leases, licenses, and concessions through or over private streets, entries and exits, and any other portion of the Common Property;
- I. **Common Property Violation Fines.** if legal notice and an opportunity to be heard are given, to impose reasonable fines for violations of rules regulating the use of Common Property;
- J. **Assessments Collection.** to adopt, enforce, and amend rules regulating the collection of delinquent assessments and the application of payments, and to impose interest and late charges for late payment of assessments, and to levy returned check charges;
- K. **Insurance and Bonds.** to purchase insurance and bonds it considers appropriate or necessary;
- L. **Common Property Visibility and Safety Protection.** to remove anything that, in the opinion of the Association, reduces visibility on private streets, interferes with the use or maintenance of Common Property, or distracts from the appearance of Common Property;
- M. **Removal of Improperly Parked Vehicles.** to tow or cause the removal of vehicles improperly parked on the interior streets of the Stewart Ranch subdivision;
- N. **Reasonable Exercise of Powers.** to do anything necessary or desirable, and reasonably related to the functions, powers, and duties of the Association under this Article; and
- O. **Common Property Acceptance.** to accept a conveyance of fee title in and to the Common Property, if and when a lot owner wishes to make such a conveyance.

**ARTICLE 14**  
**MAINTENANCE AND REPAIR OBLIGATIONS**

14.1. **Association's Duty of Maintenance.** The Association's maintenance obligations will be discharged when and how the Board deems appropriate. The Association maintains, repairs, and replaces, as a Common Expense, funded by the Members of the Association, subject to any insurance then in effect, the portions of the Property listed below, regardless of whether the portions are on lots or Common Areas.

A. All Common Area improvements and grounds, and all common facilities or amenities thereon, in a well-maintained, safe, clean and attractive condition at all times, including without limitation all landscaping, improvements at entrances, walls or fences, and other improvements situated on the Common Property, with the exception that owners will mow the roadside ditches. The Association will perform the routine yard maintenance on all the Common Areas, including on any open ditch drainage system within public and private easements, as well as on all the yards on every lot owned by Declarant, at the Association's expense.

B. Any real and personal property owned by the Association, but which is not a Common Area, such as a lot owned by Declarant or the Association.

C. All private drives (as identified by recorded plat or otherwise) and not reserved for the exclusive use of each individual owner, including, without limitation, all grass, trees, shrubbery or other plantings, sidewalks, fences, walls, street lights, benches, trash receptacles, sprinkler systems, informational and directional street signage installed by Declarant, security gates, and any other landscaping or improvements located along or within such private drives, and any other property Declarant designates as a maintenance obligation of the Association by an amendment to this Declaration.

D. Any property adjacent to the Stewart Ranch subdivision Property, if maintenance of same is deemed to be in the best interests of the Association, and if not prohibited by the owner or operator of said property.

E. Any area, item, easement, or service, the maintenance of which is assigned to the Association by this Declaration or by the Plat.

F. In addition, to the extent permitted by the applicable governmental authority, the Association may maintain or replace all grass, trees, shrubbery or other plantings, sidewalks, fences, walls, streetlights, benches, trash receptacles, sprinkler systems, information and directional signage, security gates, traffic signals and any other landscaping or improvements located along or in dedicated rights of way, which were installed by Declarant. Further, the Association shall bear the responsibility for all utility charges incurred because of streetlights, security gates, and sprinkler systems which are installed on or about the Common Property and shall pay all insurance premiums attributable to or connected with any portion of the Common Property.

14.2 **Lot Owners' Duty of Maintenance.** This Section 14.2 is included in this Declaration by its heading only as a reference for lot owners to the following Rules & Regulations:



- Section 1.58, Lot Owners Duty of Maintenance;
- Section 1.59, Vacant Lot Maintenance;
- Section 1.60, Appearance Maintenance; and
- Section 1.61, Common Areas and Yards owned by Declarant

## **ARTICLE 15** **INSURANCE**

15.1. **General Provisions.** All insurance affecting the Property is governed by the provisions of this Article, with which the Board will make every reasonable effort to comply. The cost of insurance coverages and bonds maintained by the Association is an expense of the Association. Insurance policies and bonds obtained and maintained by the Association must be issued by responsible insurance companies authorized to do business in the State of Texas. The Association must be the named insured on all policies obtained by the Association. Each owner irrevocably appoints the Association, acting through its Board, as his or her trustee to negotiate, receive, administer, and distribute the proceeds of any claim against an insurance policy maintained by the Association. Additionally:

15.1.1. **Notice of Cancellation or Modification.** Each insurance policy maintained by the Association should contain a provision requiring the insurer to give at least ten (10) days' prior written notice to the Board before the policy may be canceled, terminated, materially modified, or allowed to expire, by either the insurer or the insured.

15.1.2. **Deductibles.** An insurance policy obtained by the Association may contain a reasonable deductible amount, which will be paid by the party who would be liable for the loss or repair in the absence of insurance. If a loss is due wholly or partly to an act or omission of an owner or resident or their invitees, the owner must reimburse the Association for the amount of the deductible that is attributable to the act or omission.

15.2. **Property.** To the extent it is reasonably available, the Association will obtain blanket all-risk insurance for insurable Common Area improvements. If blanket all-risk insurance is not reasonably available, then the Association will obtain an insurance policy providing fire and extended coverage. Also, the Association will insure the improvements on any lot owned by the Association.

15.3. **General Liability.** The Association will maintain a commercial general liability insurance policy over the Common Areas, expressly excluding the liability of each owner and resident within his or her lot, for bodily injury and property damage resulting from the operation, maintenance, or use of the Common Areas. If the policy does not contain a severability of interest provision, it should contain an endorsement to preclude the insurer's denial of an owner's claim because of negligent acts of the Association or other owners.

15.4. **Directors & Officers Liability.** To the extent it is reasonably available, the Association will maintain Directors and Officers liability insurance, errors and omissions insurance, indemnity bonds, or other insurance the Board deems advisable to insure the Association's directors, officers, committee members, and managers against liability for an act or omission in carrying out their duties in those capacities.

15.5. **Other Coverages.** The Association may maintain any insurance policies and bonds deemed by the Board to be necessary or desirable for the benefit of the Association, including but not limited to worker's compensation insurance, fidelity coverage, and any insurance and bond requested and required by an Underwriting Lender for planned unit developments as long as an Underwriting Lender is a mortgagee or an owner.

15.6. **Owner's Responsibility for Insurance.** Each owner will obtain and maintain fire and extended coverage on all the dwellings and other improvements on his or her lot, in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in event of damage or destruction from any insured hazard. Further, each owner will obtain and maintain general liability insurance on his or her lot. Each owner will provide the Association with proof or a certificate of insurance on request by the Association from time to time. The Board may establish additional minimum insurance requirements, including types and minimum amounts of coverage, to be individually obtained and maintained by owners if the insurance is deemed necessary or desirable by the Board to reduce potential risks to the Association or other owners. Each owner, lessee and resident is solely responsible for insuring his or her personal property in his or her dwelling and on the lot, including furnishings, vehicles, and stored items. This Article may not be construed to require the Association to continually monitor the owners' insurance coverages.

## **ARTICLE 16**

### **MORTGAGEE PROTECTION**

16.1. **Introduction.** This Article establishes certain standards for the benefit of Mortgagees, as defined below. If a Mortgagee requests from the Association compliance with the guidelines of an Underwriting Lender, the Board, without approval of owners or mortgagees, may amend this Article and other provisions of the Documents, as necessary, to meet the requirements of the Underwriting Lender. This Article is supplemental to, not a substitution for, any other provision of the Documents. In case of conflict, this Article controls.

As used in this Article, a "Mortgagee" is a holder, insurer, or guarantor of a purchase money mortgage secured by a recorded senior or first deed of trust lien against a lot. Some Sections of this Article apply to all "Known Mortgagees." Other Sections apply to "Eligible Mortgagees," as defined below.

16.1.1. **Known Mortgagees.** An owner who mortgages his or her lot will notify the Association, giving the complete name and address of his or her mortgagee and the loan number. An owner will also provide that information on request by the Association from time to time. The Association's obligations to mortgagees under the Documents extend only to those mortgagees known to the Association. All actions and approvals required by mortgagees will be conclusively satisfied by the mortgagees known to the Association, without regard to other holders of liens on lots. The Association may rely on the information provided by owners and mortgagees.

16.1.2. **Eligible Mortgagees.** "Eligible Mortgagee" means a mortgagee that submits to the Association a written notice containing its name and address, the loan number, the

identifying number and street address of the mortgaged lot, and the types of actions for which the Eligible Mortgagee requests timely notice. A single notice per lot will be valid so long as the Eligible Mortgagee holds a mortgage on the lot. The Board will maintain this information. A representative of an Eligible Mortgagee may attend and address any meeting which an owner may attend.

#### 16.2. **Mortgagee Rights.**

16.2.1. **Termination.** An action to terminate the legal status of the Property after substantial destruction or condemnation must be approved by at least fifty-one percent (51%) of Eligible Mortgagees, in addition to the required consents of owners. An action to terminate the legal status for reasons other than substantial destruction or condemnation must be approved by at least two-thirds (2/3rds) of the owners and the Eligible Mortgagees. The approval of an Eligible Mortgagee is implied when the Eligible Mortgagee fails to respond within thirty (30) days after receiving the Association's written request for approval of a proposed amendment, provided the Association's request was delivered by certified or registered mail, return receipt requested.

16.2.2. **Inspection of Books.** Mortgagees may inspect the Association's books and records, including the Documents, by appointment, during normal business hours.

16.2.3. **Financial Statements.** If a Mortgagee so requests, the Association will give the Mortgagee any existing previously audited or reviewed financial statement for the preceding fiscal year within one hundred and twenty (120) days after the Association's fiscal year-end. A Mortgagee may have an audited statement prepared at its own expense.

16.2.4. **Right of First Refusal.** Any right of first refusal imposed by the Association with respect to a lease, sale, or transfer of a lot does not apply to a lease, sale, or transfer by a Mortgagee, including transfer by deed in lieu of foreclosure or foreclosure of a deed of trust lien.

16.3. **Insurance Policies.** If an Underwriting Lender is a Mortgagee, or if an owner, at the request of the Underwriting Lender requests, the Association will comply with the Underwriting Lender's insurance requirements to the extent the requirements are reasonable and available, and do not conflict with other insurance requirements of these Protective Covenants.

### **ARTICLE 17** **AMENDMENTS**

17.1. **Consents Required.** As permitted by this Declaration, certain amendments of this Declaration may be executed by Declarant alone, or by the Board alone. Otherwise, amendments to this Declaration must be approved by owners of at least two-thirds (2/3rds) of the lots.

17.2. **Method of Amendment.** For an amendment that requires the approval of owners, this Declaration may be amended by any method selected by the Board from time to time, pursuant to the Bylaws and Rules and Regulations, provided the method gives an owner of each Lot the substance, if not exact wording, of the proposed amendment, a description of the effect of the

proposed amendment, and an opportunity to vote for or against the proposed amendment.

17.3. **Effective.** To be effective, an amendment approved by the owners must be in the form of a written instrument (1) referencing the name of the Property, the name of the Association, and the recording data of this Declaration and any amendments hereto; (2) signed and acknowledged by an officer of the Association, certifying the requisite approval of owners or directors and, if required, Eligible Mortgagees; and (3) recorded in the Official Public Records of Hood County, except as modified by the following Section.

17.4. **Declarant Provisions.** Declarant has an exclusive right to unilaterally amend this Declaration for the purposes stated in Appendix I. An amendment that may be executed by Declarant alone is not required to name the Association or to be signed by an officer of the Association. No amendment may affect Declarant's rights under this Declaration without Declarant's written and acknowledged consent, which must be part of the recorded amendment instrument. This Section may not be amended without Declarant's written and acknowledged consent.

17.5. **Ordinance Compliance.** When amending the Documents, the Association must consider the validity and enforceability of the amendment in light of current public law, including without limitation any Hood County Subdivision Ordinances promulgated and in effect.

17.6. **Merger.** Merger or consolidation of the Association with another association must be evidenced by an amendment to this Declaration. The amendment must be approved by at least two-thirds (2/3rds) of the owners of the lots. Upon a merger or consolidation of the Association with another association, the property, rights, and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association may administer the provisions of the Documents within the Property, together with the covenants and restrictions established upon any other property under its jurisdiction. No merger or consolidation, however, will cause or result in a revocation, change, or addition to the covenants established by this Declaration within the Property.

17.7. **Termination.** Termination of the terms of this Declaration and the status of the Property as a planned unit development are according to the following provisions. In the event of substantially total damage, destruction, or public condemnation of the Property, an amendment to terminate must be approved by owners of at least two-thirds (2/3rds) of the lots. In the event of public condemnation of the entire Property, an amendment to terminate may be executed by the Board without a vote of owners. In all other circumstances, an amendment to terminate must be approved by owners of one hundred percent (100%) of the lots. In the event the Association is terminated either voluntarily or involuntarily and that the planned unit development continues as a subdivision, the individual lot owners shall bear all the subdivision's utilities, maintenance and other subdivision responsibilities provided herein under the enforcement authority of Hood County, Texas.

17.8. **Condemnation.** In any proceeding, negotiation, settlement, or agreement concerning condemnation of the Common Area, the Association will be the exclusive representative of the owners. The Association may use condemnation proceeds to repair and replace any damage or

destruction of the Common Area, real or personal, caused by the condemnation. Any condemnation proceeds remaining after completion, or waiver, of the repair and replacement will be deposited in the Association's reserve funds.

## **ARTICLE 18**

### **DISPUTE RESOLUTION**

18.1. **Introduction & Definitions.** The Association, the owners, Declarant, all persons subject to this Declaration, and any person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, the "Parties") agree to encourage the amicable resolution of disputes involving the Property and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, each Party hereby covenants and agrees that this Article applies to all claims as hereafter defined. As used in this Article only, the following words, when capitalized, have the following specified meanings:

18.1.1. "**Claim**" means any claim, grievance, or dispute between Parties involving the Properties, except Exempt Claims as defined below, and including without limitation:

- A. Claims arising out of or relating to the interpretation, application, or enforcement of the Documents.
- B. Claims relating to the rights and/or duties of Declarant as Declarant under the Documents.
- C. Claims relating to the design, construction, or maintenance of the Property.

18.1.2. "**Claimant**" means any Party having a Claim against any other Party.

18.1.3. "**Exempt Claims**" means the following claims or actions, which are exempt from this Article:

- A. The Association's claim for assessments, and any action by the Association to collect assessments.
- B. An action by a Party to obtain a temporary restraining order or equivalent emergency equitable relief, and such other ancillary relief as the Court deems necessary to maintain the status quo and preserve the Party's ability to enforce the provisions of this Declaration.
- C. Enforcement of the easements, architectural control, maintenance, and use restrictions of this Declaration.
- D. A suit to which an applicable statute of limitations would expire within the notice period of this Article, unless a Party against whom the Claim is made agrees to toll the statute of limitations as to the Claim for the period reasonably necessary to comply with this Article.

18.1.4. "**Respondent**" means the Party against whom the Claimant has a Claim.

18.2. **Mandatory Procedures.** Claimant may not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of its Claim until Claimant has

complied with the procedures of this Article.

18.3. **Notice.** Claimant must notify Respondent in writing through verified mail of the Claim (the "Notice"), stating plainly and concisely: (1) the nature of the Claim, including date, time, location, persons involved, and Respondent's role in the Claim; (2) the basis of the Claim (i.e., the provision of the Documents or other authority out of which the Claim arises); (3) what Claimant wants Respondent to do or not do to resolve the Claim; and (4) that the Notice is given pursuant to this Section.

18.4. **Negotiation.** Claimant and Respondent will make every reasonable effort to meet in person to resolve the Claim by good faith negotiation. Within sixty (60) days after Respondent's receipt of the Notice, Respondent and Claimant will meet at a mutually-acceptable place and time to discuss the Claim. At such meeting or at some other mutually agreeable time, Respondent and Respondent's representatives will have full access to the property that is subject to the Claim for the purposes of inspecting the property. If Respondent elects to take corrective action, Claimant will provide Respondent and Respondent's representatives and agents with full access to the property to take and complete corrective action.

18.5. **Mediation.** If the parties negotiate but do not resolve the Claim through negotiation within one hundred and twenty (120) days from the date of the Notice (or within such other period as may be agreed on by the parties), Claimant will have thirty (30) additional days within which to submit the Claim to mediation under the auspices of a mediation center or individual mediator on which the parties mutually agree. The mediator must have at least five (5) years of experience serving as a mediator and must have technical knowledge or expertise appropriate to the subject matter of the Claim. If Claimant does not submit the Claim to mediation within the 30-day period, Claimant is deemed to have waived the Claim, and Respondent is released and discharged from any and all liability to Claimant on account of the Claim.

18.6. **Termination of Mediation.** If the parties do not settle the Claim within thirty (30) days after submission to mediation, or within a time deemed reasonable by the mediator, the mediator will issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. Thereafter, Claimant may file suit or initiate administrative proceedings on the Claim, as appropriate.

18.7. **Allocation of Costs.** Except as otherwise provided in this Section, each party bears all of its own costs incurred prior to and during the proceedings described in the Notice, Negotiation, and Mediation sections above, including its attorneys' fees. Respondent and Claimant will equally divide all expenses and fees charged by the mediator.

18.8. **Enforcement of Resolution.** Settlement of the Claim through negotiation or mediation will be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of the agreement, then the other party may file suit or initiate administrative proceedings to enforce the agreement without the need to again comply with the procedures set forth in this Article. In that event, the party taking action to enforce the agreement is entitled to recover from the non-complying party all costs incurred in enforcing the agreement, including, without limitation, attorneys' fees and court costs.

18.9. **Release Exemptions.** A release or discharge of Respondent from liability to Claimant on account of the Claim does not release Respondent from liability to persons who are not party to Claimant's Claim. A party having an Exempt Claim may submit it according to the procedures of this Article.

18.10. **Litigation Approval & Settlement.** In addition to and notwithstanding the above alternate dispute resolution procedures, the Association may not initiate any judicial or administrative proceeding without the prior approval of owners of at least a majority of the lots, except that no such approval is required (1) to enforce provisions of this Declaration, including collection of assessments; (2) to challenge condemnation proceedings; (3) to enforce a contract against a contractor, vendor, or supplier of goods or services to the Association; (4) to defend claims filed against the Association or to assert counterclaims in a proceedings instituted against the Association; or (5) to obtain a temporary restraining order or equivalent emergency equitable relief when circumstances do not provide sufficient time to obtain the prior consents of owners in order to preserve the status quo. The Board, on behalf of the Association and without the consent of owners, is hereby authorized to negotiate settlement of litigation, and may execute any document related thereto, such as settlement agreements and waiver or release of claims. This Section may not be amended without the approval of Owners of at least seventy-five percent (75%) of the Lots.

## **ARTICLE 19 GENERAL PROVISIONS**

19.1. **Compliance.** The owners hereby covenant and agree that the administration of the Association will be in accordance with the provisions of the Documents and applicable laws, regulations, and ordinances, as same may be amended from time to time, of any governmental or quasi-governmental entity having jurisdiction over the Association or Property.

19.2. **Higher Authority.** The Documents are subordinate to federal and state law, and local ordinances. Generally, the terms of the Documents are enforceable to the extent they do not violate or conflict with local, state, or federal law or ordinance.

19.3. **Ordinances.** Ordinances which modify or materially affect the covenants, conditions or restrictions of this Declaration, which may be adopted by Hood County, will be provided to owners and will be complied with if the physical nature of the Property and each lot permit.

19.4. **Notice.** All demands or other notices required to be sent to an owner or resident by the terms of this Declaration may be sent by ordinary or verified mail, postage prepaid, to the party's last known address as it appears on the records of the Association at the time of mailing. If an owner fails to give the Association an address for mailing notices, all notices may be sent to the owner's lot, and the owner is deemed to have been given notice whether or not he or she actually receives it.

19.5. **Liberal Construction.** The terms and provision of each Document are to be liberally construed to give effect to the purposes and intent of the Document. All doubts regarding a provision, including restrictions on the use or alienability of property, will be resolved in favor of the operation of the Association and its enforcement of the Documents, regardless which party seeks enforcement.

19.6. **Severability.** Invalidation of any provision of this Declaration by judgment or court order does not affect any other provision, which remains in full force and effect. The effect of a general statement is not limited by the enumeration of specific matters similar to the general.

19.7. **Captions.** In all Documents, the captions of articles and sections are inserted only for convenience and are in no way to be construed as defining or modifying the text to which they refer. Some boxed notices are inserted to alert the reader to certain provisions and are not to be construed as defining or modifying the text.

19.8. **Appendices.** The Following appendix is attached to this Declaration and incorporated herein by reference: Appendix I – Declarant Representations & Reservations.

19.9. **Interpretation.** Whenever used in the Documents, unless the context provides otherwise, a reference to a gender includes all genders. Similarly, a reference to the singular includes the plural, the plural the singular, where the same would be appropriate.

19.10. **Run with the Property.** Unless terminated or amended by owners as permitted herein, the provisions of this Declaration run with and bind the Property and will remain in effect perpetually to the extent permitted by law.

19.11. **Preparer.** This Declaration was prepared by or at the direction of Fall Creek Land Partners, LLC, a Texas limited liability company, Declarant herein, and is entered into with the approval of Declarant and of all lot owners owning lots on the effective date of this Declaration.

**IN WITNESS WHEREOF**, Declarant has executed this Declaration of Covenants, Conditions and Restrictions as of this \_\_\_\_\_ day of June, 2024.

**DECLARANT OF THE DECLARATION FOR  
STEWART RANCH SUBDIVISION:**

**Fall Creek Land Partners, LLC,**  
a Texas Limited Liability Company

By:   
Wes Thompson, Managing Member



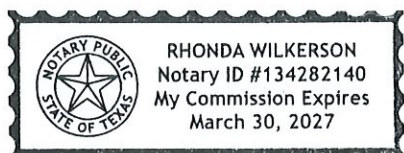
ACKNOWLEDGEMENT

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

This instrument was acknowledged before me on this 28<sup>th</sup> day of June, 2024 by Wes Thompson, Managing Member of Fall Creek Land Partners, LLC, a Texas Limited Liability Company, on behalf of said company.

Rhonda Wilkerson

Notary Public



SIGNED AND ACKNOWLEDGED by:

**Stewart Ranch HOA, Inc.,**  
a Texas Non-Profit Corporation

By: W Thompson  
Wes Thompson, Chairman & President

By: Trennon Massengale  
Trennon Massengale, Board Member,  
Vice President & Assistant Secretary

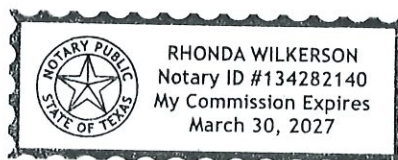
By: Casey Yates  
Casey Yates, Secretary/Treasurer and  
Tax Officer

ACKNOWLEDGEMENT

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

This instrument was acknowledged before me on this 28<sup>th</sup> day of June, 2024 by Wes Thompson, Chairman of the Board and President, Trennon Massengale, Board Member, Vice President and Assistant Secretary, and Casey Yates, Secretary/Treasurer and Tax Officer of Stewart Ranch HOA, Inc., a Texas Non-Profit Corporation, on behalf of said company.

Rhonda Wilkerson  
Notary Public



### CERTIFICATION

I, Casey Yates, the undersigned, am the duly elected and acting Secretary of both Fall Creek Land Partners, LLC, a Texas Limited Liability Company, and Stewart Ranch HOA, Inc., a Texas Non-Profit Corporation; and I do hereby certify that the within and foregoing Declaration of Covenants, Conditions and Restrictions is adopted as the Declaration of said Stewart Ranch Subdivision.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 28<sup>th</sup> day of June, 2024.

**Fall Creek Land Partners, LLC,  
a Texas Limited Liability Company**

By:   
Casey Yates, Secretary/Treasurer

**Stewart Ranch HOA, Inc.  
a Texas Non-Profit Corporation:**

By:   
Casey Yates, Secretary/Treasurer

**EXHIBIT A**  
**STEWART RANCH SUBDIVISION**  
**METES & BOUNDS LEGAL DESCRIPTION**

BEING A TRACT OF LAND SITUATED IN THE W. SMITH SURVEY, ABSTRACT NO. 522, THE J. TANDY SURVEY, ABSTRACT NO. 799, AND THE J. BROOKS SURVEY, ABSTRACT NO. 846, HOOD COUNTY, TEXAS AND BEING ALL OF A CALLED 207.063 ACRE TRACT AS DESCRIBED IN A DEED RECORDED IN INSTRUMENT NO. 2022-0001187, OFFICIAL PUBLIC RECORDS, HOOD COUNTY, TEXAS (O.P.R.H.C.T.) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD WITH CAP FOUND FOR THE SOUTHWEST CORNER OF SAID 207.063 ACRE TRACT, THE SAME BEING CALLED IN THE SOUTH LINE OF SAID W. SMITH SURVEY, THE SAME BEING THE SOUTHEAST CORNER OF A CALLED 239.886 ACRE TRACT I AS DESCRIBED IN A DEED RECORDED IN VOLUME 1393, PAGE 375, DEED RECORDS HOOD COUNTY TEXAS (D.R.H.C.T.), THE SAME BEING IN THE NORTH BOUNDARY LINE OF A CALLED 25.59 ACRE TRACT II AS DESCRIBED IN A DEED RECORDED IN VOLUME 1944, PAGE 737, D.R.H.C.T.;

THENCE N 32° 06' 56" W WITH THE SOUTHWEST LINE OF SAID 207.063 ACRE TRACT AND WITH THE EAST BOUNDARY LINE OF SAID 239.886 ACRE TRACT A DISTANCE OF 1251.05' TO A 1/2" IRON ROD WITH CAP FOUND, THE SAME BEING THE SOUTHERNMOST SOUTHEAST CORNER OF A CALLED 2.856 ACRE TRACT AS DESCRIBED IN A DEED RECORDED IN VOLUME 1406, PAGE 658, D.R.H.C.T., THE SAME BEING A COMMON CORNER OF SAID 239.886 ACRE TRACT;

THENCE WITH THE COMMON LINE BETWEEN SAID 207.063 ACRE TRACT AND SAID 2.856 ACRES AS FOLLOWS:

N 33° 29' 42" W, 778.93' TO A FENCE POST FOUND;

N 08° 09' 26" E, 1361.64' TO A FENCE POST FOUND;

N 56° 00' 13" E, 287.98' TO A FENCE POST FOUND;

N 34° 09' 23" W, 100.73' TO A 5/8" IRON ROD WITH CAP FOUND, THE SAME BEING IN THE EAST BOUNDARY LINE OF SAID 2.856 ACRE TRACT, THE SAME BEING IN THE APPARENT SOUTH RIGHT OF WAY OF CLEBURNE HIGHWAY;

THENCE WITH THE COMMON LINE BETWEEN SAID 207.063 ACRE TRACT AND SAID CLEBURNE HIGHWAY AS FOLLOWS:

N 68° 38' 49" E, A DISTANCE OF 333.00' TO A WOODEN ROW MARKER FOUND;

N 80° 55' 29" E, A DISTANCE OF 488.52' TO A WOODEN ROW MARKER FOUND FOR THE BEGINNING OF A CURVE TO THE RIGHT;

WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 2241.83', AN ARC LENGTH OF 1303.93', AND A CHORD BEARING AND DISTANCE OF S 76° 12' 01" E, 1285.62' TO A WOODEN ROW MARKER FOUND;

S 59° 30' 23" E, A DISTANCE OF 2370.50' TO A 3/8" IRON ROD FOUND, THE SAME BEING THE NORTHERNMOST NORTHEAST CORNER OF A CALLED 30.00 ACRE TRACT AS DESCRIBED IN A DEED RECORDED IN INSTRUMENT NO. 2013-0001614, O.P.R.H.C.T.;

THENCE S 59° 17' 33" W WITH THE SOUTHEASTERLY LINE OF SAID 207.063 ACRE TRACT AND THE NORTH LINE OF SAID 30.00 ACRE TRACT A DISTANCE OF 1049.80' TO A 5/8" IRON ROD FOUND;

THENCE S 59° 09' 40" W WITH THE SOUTHEASTERLY LINE OF SAID 207.063 ACRE TRACT AND CONTINUING WITH THE NORTH LINE OF SAID 30.00 ACRE TRACT A DISTANCE OF 399.03' TO A FENCE POST FOUND, FOR THE NORTHWEST CORNER OF SAID 30.00 ACRE TRACT AND BEING THE NORTHEAST CORNER OF A CALLED 73.76 ACRE TRACT AS DESCRIBED IN A DEED RECORDED IN VOLUME 2023, PAGE 44 D.R.H.C.T.;

THENCE S 59° 08' 52" W WITH THE SOUTHEASTERLY LINE OF SAID 207.063 ACRE TRACT AND THE NORTH LINE OF SAID 73.76 ACRE TRACT A DISTANCE OF 1498.31' TO A 5/8" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID 73.76 ACRE TRACT, AND BEING THE NORTHEAST CORNER OF A CALLED 5.277 ACRE TRACT AS DESCRIBED IN A DEED RECORDED IN INSTRUMENT NO. 2016-0000270 O.P.R.H.C.T.;

THENCE S 59° 08' 09" W WITH THE SOUTHEASTERLY LINE OF SAID 207.063 ACRE TRACT AND THE NORTH LINE OF SAID 5.277 ACRE TRACT A DISTANCE OF 419.57' TO A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID 5.277 ACRE TRACT, ALSO BEING THE NORTHEAST CORNER OF A CALLED 5.186 ACRE TRACT AS DESCRIBED IN A DEED RECORDED IN VOLUME 2382, PAGE 363 D.R.H.C.T.;

THENCE S 60° 41' 02" W WITH THE SOUTHEASTERLY LINE OF SAID 207.063 ACRE TRACT AND THE NORTH LINE OF SAID 5.186 ACRE TRACT A DISTANCE OF 419.97' TO A BENT 1/2" IRON ROD FOUND, THE SAME BEING THE NORTHWEST CORNER OF SAID 5.186 ACRE TRACT AND BEING THE NORTHERN MOST NORTHEAST CORNER OF SAID 25.59 ACRE TRACT;

THENCE S 61° 02' 47" W WITH THE SOUTHEASTERLY LINE OF SAID 207.063 ACRE TRACT AND THE NORTH LINE OF SAID 25.59 ACRE TRACT A DISTANCE OF 122.24' TO THE PLACE OF BEGINNING AND CONTAINING 207.000 ACRES OF LAND.

**APPENDIX I**  
**to**  
**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS,**  
**for**  
**STEWART RANCH SUBDIVISION**

**DECLARANT REPRESENTATIONS & RESERVATIONS**

**A.1. General Provisions.**

A.1.1. **Introduction.** Declarant intends this Stewart Ranch subdivision's Declaration to be perpetual and understands that provisions pertaining to the initial development, construction, marketing, and control of the Property will become obsolete when Declarant's role is complete. As a courtesy to future users of this Declaration, who may be frustrated by then-obsolete terms, Declarant is compiling the Declarant-related provisions in this Appendix.

A.1.2. **General Reservation & Construction.** Notwithstanding other provisions of the Documents to the contrary, nothing contained therein may be construed to, nor may any mortgagee, other owner, or the Association, prevent or interfere with the rights contained in this Appendix I, which Declarant hereby reserves exclusively unto itself and its successors and assigns. In case of conflict between this Appendix and any other Document, this Appendix controls. This Appendix may not be amended without the prior written consent of Declarant. The terms and provisions of this Appendix must be construed liberally to give effect to Declarant's intent to protect Declarant's interests in the Property.

A.1.3. **Purpose of Development and Declarant Control Periods.** This Appendix I gives Declarant certain rights during the Development Period and the Declarant Control Period to ensure a complete and orderly build-out and sellout of the Property, which is ultimately for the benefit and protection of owners and mortgagees. Declarant may not use its control of the Association and the Property for an advantage over the owners by way of retention of any residual rights or interests in the Association or through the creation of any contractual agreements which the Association may not terminate without cause with ninety (90) days' notice.

A.1.4. **Definitions.** As used in this Appendix I and elsewhere in the Documents, the following words and phrases, when capitalized, have the following specified meanings:

1. **"Builder"** means a person or entity which purchases, or contracts to purchase, a lot from Declarant or from another Builder for the purpose of constructing a dwelling for resale or under contract to an owner other than Declarant. As used in this Declaration, Builder does not refer to Declarant or to any home building or home marketing company that is an affiliate of Declarant.
2. **"Preferred Builders"** shall mean those Builders who may be approved by the ACC and the Declarant, in their sole discretion, following the ACC's review and approval of a Builder Qualification Application and other required documents

attesting to each such Builder's quality construction and historic home construction volume of not more than thirty (30) homes annually

3. **"Declarant Control Period"** also known as **"Development Period,"** means that period of time during which Declarant controls the operation of the Association and owns the unsold residential lots and the Common Area property and amenities. The duration of the Declarant Control Period will be from the date this Declaration is recorded for a maximum period not to exceed the earlier of:

- a. December 31, 2035; or
- b. Four (4) months after title to one hundred percent (100%) of the lots that may be created in the Property have been conveyed to owners other than Builders.

A.1.5. **Builders.** Declarant, in its own name or through its affiliates, intends to construct dwellings on the lots in connection with the sale of the lots. However, Declarant may, without notice, sell some or all of the lots to one or more Builders to improve the lots with dwellings to be sold and occupied.

A.2. **Declarant Control Period Reservations.** Declarant reserves the following powers, rights, and duties during the Declarant Control Period:

A.2.1. **Officers & Directors.** During the Declarant Control Period, Declarant may appoint, remove, and replace any officer or director of the Association, including the Architectural Control Committee, none of whom need be HOA Members or owners, and each of whom is indemnified by the Association as a "Leader."

A.2.2. **Weighted Votes.** During the Declarant Control Period, the vote appurtenant to each lot owned by Declarant is weighted ten (10) times that of the vote appurtenant to a lot owned by another owner. In other words, during the Declarant Control Period, Declarant may cast the equivalent of ten (10) votes for each lot owned by Declarant on any issue before the Association. On termination of the Declarant Control Period and thereafter, the vote appurtenant to Declarant's lots is weighted uniformly with all other votes.

A.2.3. **Budget Funding.** During the Declarant Control Period only, Declarant is responsible for funding the difference as a loan to the Association between the Association's operating expenses and the Regular Assessments received from owners other than Declarant, and will provide any additional funds necessary to pay actual cash outlays of the Association. On termination of the Declarant Control Period, Declarant will cease being responsible for the difference between the Association's operating expenses and the assessments received from owners other than Declarant. As assessments are funded into the Association's operating account by lot owners in an amount sufficient to repay part or all of Declarant's loans to the Association, without jeopardizing the Association's financial ability to pay its operating obligations, Declarant's loans to the Association shall be repaid to Declarant.

A.2.4. **Funding of Lots and Common Area Improvements.** Fall Creek Land Partners, LLC allocated cost of improvements to lots and Common Areas (which costs are not included in

the price of the lot at the time of purchase by an owner) may at Declarant's discretion be assessed to the owners as a Special Assessment under Section 9.4.2 in the Stewart Ranch subdivision's Declaration.

A.2.5. **Declarant Assessments.** During the Declarant Control Period, any real property owned by Declarant is not subject to assessment by the Association.

A.2.6. **Builder Obligations.** During the Declarant Control Period only, Declarant has the right but not the duty (1) to reduce or waive the assessment obligation of a Builder, and (2) to exempt a Builder from any or all liabilities for the Special Assessment Transfer Fees charged in Section 9.4.1 of this Stewart Ranch subdivision's Declaration by the Association or its manager. Absent such an exemption, any Builder who owns a lot is liable for all assessments and other fees charged by the Association in the same manner as any owner.

A.2.7. **Commencement of Assessments.** During the initial development of the Property, Declarant may elect to postpone the Association's initial levy of Regular Assessments until the earlier to occur of the sale of a number of the residential lots (which number of lots and timing of this determination is solely in Declarant's discretion). During the Declarant Control Period, Declarant will determine if and when the Association first levies Regular Assessments against the lots. Prior to the first levy, Declarant will be responsible for all maintenance and operating expenses of the Association; however, Declarant shall be entitled to be reimbursed at Declarant's cost by the Association at or before Declarant's transfer of control of the Association to the owners of the Association.

A.2.8. **Expenses of Declarant.** Expenses related to the completion and marketing of the Property will be paid by Declarant and are not expenses of the Association except as provided in Section A.2.4 above.

A.2.9. **Budget Control.** During the Declarant Control Period, the right of owners to veto assessment increases or special assessments is not effective and may not be exercised.

A.2.10. **Organizational Meeting.** Within sixty (60) days after the end of the Declarant Control Period, or sooner at the Declarant's option, Declarant will call an organizational meeting of the Members of the Association for the purpose of electing, by vote of the owners, Directors to the Board. Written notice of the organizational meeting must be given to an owner of each lot at least ten (10) days before the meeting. For the organizational meeting, owners of ten percent (10%) of the lots shall constitute a quorum. The Directors elected at the organizational meeting will serve until the next annual meeting of the Association or a special meeting of the Association called for the purpose of electing Directors, at which time the staggering of terms will begin.

A.3. **Development Period Reservations.** Declarant reserves the following easements and rights, exercisable at Declarant's sole discretion, at any time during the Development Period:

A.3.1. **Platting.** If the Property includes unplatted parcels, they may be platted in whole or in part, and in phases. The right to plat belongs to the owner of the unplatted parcel, provided,

however, that a plat that creates Common Areas or obligations for the Association must also be approved by Declarant. Declarant's right to have the Property platted, or to approve such plats, is for a term of years and does not require that Declarant own land described herein at the time or times Declarant exercises its right of platting. Any unplatted parcel in the Property constitutes a "lot" as defined in Article 1 of this Declaration. For any act or decision that requires a count of lots or a vote of lot owners, each unplatted parcel is counted as one lot per acre of gross area, rounding down to the nearest acre. The owner of an unplatted parcel has one vote for the first acre of gross area and an additional vote for each additional full acre of gross area (the equivalent of one vote per acre of gross area), which must be cast as a block and may not be divided for purposes of voting.

A.3.2. **Expansion.** The Property is subject to expansion. During the Development Period, Declarant may, but is not required to, annex any real property: (1) any portion of which is contiguous with, adjacent to, or within one thousand (1,000) feet of any real property that is subject to this Declaration, (2) in any addition or subdivision platted by Hood County as a phase or section of the Stewart Ranch Subdivision or (3) located in a planned development district created by Hood County for the property subject to this Declaration. Declarant annexes real property by subjecting it to this Declaration and the jurisdiction of the Association by recording a supplement or an amendment of this Declaration, executed by Declarant, in Hood County's Real Property Records. The supplement or amendment of annexation must include a description of the additional real property or a reference to the recorded plat that describes the additional real property. Declarant's right to annex land is for a term of ten (10) years and does not require that Declarant own land described herein at the time or times Declarant exercises its right of annexation.

A.3.3. **Withdrawal.** During the Development Period, Declarant may withdraw from the Property any portion of the real property (1) that is not platted with single family, detached residential lots or (2) that is platted as a phase of the Stewart Ranch Subdivision, provided that no lot in the phase to be withdrawn has been conveyed to an owner other than Declarant or a Builder.

A.3.4. **Changes in Development Plan.** Declarant may modify the initial development plan to respond to perceived or actual changes and opportunities in the marketplace. Subject to approval by (1) Hood County and (2) the owner of the land or lots to which the change would directly apply (if other than Declarant), Declarant may (a) change the sizes, dimensions, and configurations of lots and streets; (b) change the minimum dwelling size; (c) change the building setback requirements; and (d) eliminate or modify any other feature of the Property.

A.3.5. **Builder Limitations.** Declarant may require its approval (which may not be unreasonably withheld) of all documents and materials used by a Builder in connection with the development and sale of lots, including without limitation promotional materials; deed restrictions; forms for deeds, lot sales, and lot closings. Without Declarant's prior written approval, a Builder may not use a sales office or model in the Property to market houses, lots, or other products located outside the Property.

A.3.6. **Architectural Control.** During the Development Period, Declarant has the absolute

right to serve as the Architectural Control Committee pursuant to Article 6 of this Declaration. Declarant may from time to time, but is not obligated to, delegate all or a portion of its reserved rights under Article 6 and this Appendix to (1) an Architectural Control Committee appointed by the Board, or (2) a committee comprised of architects, engineers, or other persons who may or may not be members of the Association. Any such delegation must be in writing and must specify the scope of delegated responsibilities. Any such delegation is at all times subject to the unilateral rights of Declarant (1) to revoke such delegation at any time and reassume jurisdiction over the matters previously delegated and (2) to veto any decision which Declarant in its sole discretion determines to be inappropriate or inadvisable for any reason. Declarant also has the unilateral right to exercise architectural control over vacant lots in the Property. Neither the Association, the Board of Directors, nor a committee appointed by the Association or Board (no matter how the committee is named) may involve itself with the approval of new homes and related improvements on vacant lots.

A.3.7. **Amendment.** During the Development Period, Declarant may amend this Declaration and the other Governing Documents, without consent of other Owners or any mortgagee, for the following limited purposes:

1. To add real property and improvements to the Property.
2. To withdraw real property from the Property.
3. To create lots, Easements, and Common Areas, Common Facilities and Common Amenities within the Property.
4. To subdivide, combine, or reconfigure lots.
5. To convert lots into Common Areas.
6. To convey or dedicate portions of the Property to the Association or to Hood County, Texas.
7. To modify the construction and use restrictions of Article 7 of this Declaration.
8. To modify the construction specifications of this Declaration.
9. To merge the Association with another property owners' association.
10. To comply with requirements of an underwriting lender.
11. To resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the Documents.
12. To enable any reputable title insurance company to issue title insurance coverage on the lots.
13. To enable an institutional or governmental lender to make or purchase mortgage loans on the lots.



14. To change the name or entity of Declarant.
15. To change the name of the addition in which the Property is located.
16. To change the name of the Association.
17. For any other purpose, provided the amendment has no material adverse effect on any right of any owner.

A.3.8. **Completion.** During the Development Period, Declarant has (1) the right to complete or make improvements indicated on the Plat; (2) the right to sell or lease any lot owned by Declarant; and (3) an Easement and right to erect, construct, and maintain on and in the Common Area and lots owned or leased by Declarant whatever Declarant determines to be necessary or advisable in connection with the construction, completion, management, maintenance, leasing, and marketing of the Property, including, without limitation, parking areas, temporary buildings, temporary fencing, portable toilets, storage areas, dumpsters, trailers, and commercial vehicles of every type.

A.3.9. **Easement to Inspect and Right to Correct.** During the Development Period, Declarant reserves for itself the right, but not the duty, to inspect, monitor, test, redesign, correct, and relocate any structure, improvement, or condition that may exist on any portion of the Property, including the lots, and a perpetual nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise this right. Declarant will promptly repair, at its sole expense, any damage resulting from the exercise of this right. By way of illustration but not limitation, relocation of a Screening Wall may be warranted by a change of circumstance, imprecise installation of the original wall, or desire to comply more fully with public codes and ordinances. This Section may not be construed to create a duty for Declarant or the Association.

A.3.10. **Promotion.** During the Development Period, Declarant reserves for itself an Easement and right to place or install signs, banners, flags, display lighting, potted plants, exterior decorative items, seasonal decorations, temporary window treatments, and seasonal landscaping on the Property, including items and locations that are prohibited to other Owners and residents, for purposes of promoting, identifying, and marketing the Property and/or Declarant's houses, lots, developments, or other products located outside the Property. Declarant reserves an Easement and right to maintain, relocate, replace, or remove the same from time to time within the Property. Declarant also reserves the right to sponsor marketing events, such as open houses, MLS tours, and brokers' parties, at the Property to promote the sale of lots. During the Development Period, Declarant also reserves (1) the right to permit Builders to place signs and promotional materials on the Property and (2) the right to exempt Builders from the sign restriction in this Declaration.

A.3.11. **Offices.** During the Development Period, Declarant reserves for itself the right to use dwellings owned or leased by Declarant as models, storage areas, and offices for the marketing, management, maintenance, customer service, construction, and leasing of the Property and/or Declarant's developments or other products located outside the Property. Also, Declarant reserves for itself the easement and right to make structural changes and

alterations on and to lots and dwellings used by Declarant as models, storage areas, and offices, as may be necessary to adapt them to the uses permitted herein.

A.3.12. **Access.** During the Development Period, Declarant has an Easement and right of ingress and egress in and through the Property for purposes of constructing, maintaining, managing, and marketing the Property, and for discharging Declarant's obligations under this Declaration. Declarant also has the right to provide a reasonable means of access for the home-buying public through any existing or future gate that restricts vehicular access to the Property or to the Additional Land in connection with the active marketing of lots and homes by Declarant or Builders, including the right to require that the gate be kept open during certain hours and/or on certain days. This provision may not be construed as an obligation or intent to gate the Property.

A.3.13. **Declarant May Grant Utility Easements.** During the Development Period, Declarant may grant permits, licenses, and Easements over, in, on, under, and through the Property for drainage, utilities, roads, and other purposes necessary for the proper development and operation of the Property. Declarant reserves the right to make changes in and additions to the Easements on any lot, as shown on the Plat, to more efficiently or economically install drainage features, utilities or other improvements. Utilities may include, but are not limited to, water, sewer, trash removal, electricity, natural gas, propane, telephone, television, cable, internet service, and security. To exercise this right as to land that is not a Common Area of the Property or not owned by Declarant, Declarant must have the prior written consent of the landowner.

A.3.14. **Assessments.** For the duration of the Development Period, any lot owned by Declarant is not subject to mandatory assessment by the Association until the date Declarant transfers title to an owner other than Declarant. If Declarant owns a lot on the expiration or termination of the Development Period, from that day forward Declarant is liable for assessments on each lot owned by Declarant in the same manner as any owner.

A.3.15. **Land Transfers.** During the Development Period, any transfer of an interest in the Property to or from Declarant to a Home Builder may in the discretion of the Declarant not subject to any transfer-related provision in the Documents, including without limitation an obligation for transfer fees, as established in the Special Assessment Transfer Fees provisions of Article 9.4.1 of this Declaration. The application of this provision includes without limitation Declarant's lot take-downs and Declarant's sale of lots to homebuilders.

A.4. **Common Areas.** Declarant will convey title to the Common Areas to the Association by one or more deeds, with or without warranty. Any initial Common Area improvements will be installed, constructed, or authorized by Declarant. At the time of conveyance to the Association, the Common Areas will be free of encumbrance except for the property taxes accruing for the year of conveyance. Declarant's conveyance of title is a ministerial task that does not require and is not subject to acceptance by the Association or the owners. The transfer of control of the Association at the end of the Declarant Control Period is not a transfer of Common Areas requiring inspection, evaluation, acceptance, or approval of Common Area improvements by the owners.

A.5. **Declarant's and/or the Association's Yard Power**. Although the Association is interested in the condition and appearance of all lots in the Property, Declarant may be particularly concerned, from time to time, about the appearance of the unfenced front and side yards because of their heightened visibility to potential purchasers of the Property. Therefore, on recording this Declaration, Declarant creates the Yard Power Easement defined below, which attaches to and burdens all of the lots in the Property for the duration of the Development Period. The purpose of this easement is to permit, but not require, the Association, during the Development Period, to control the condition and attractiveness of yards that are visible to the home buying public.

A.5.1. **Definitions**. As used in this Section, the following terms have specified meanings:

1. **"Yard Area"** means that portion of the lot surface that is (1) exterior to the dwelling, (2) not within a fenced yard, and (3) visible from a Street.
2. **"Yard Improvements"** means all items, materials, and plants in the Yard Area, including but not limited to fences, retaining walls, planter boxes, plant beds, mailboxes, yard lamps, security cameras and related equipment, decorative yard items, trees, shrubs, flowers, ground covers, lawns, other plant material, and yard irrigation systems. All Yard Improvements are owned by the Lot Owner.
3. **"Yard Power Easement"** means an easement of maintenance, access, and entry over the Yard Areas of all lots in the Property to ensure the attractiveness of the Yard Areas from streets in and around the Property. Declarant hereby reserves a right and easement of access and entry to the front, side and back Yard Areas of each lot to exercise the discretionary rights created by this easement. Nothing in this Section may be construed to obligate Declarant to install any improvement on any lot in the Property.

A.5.2. **Neighborhood Standards**. For purposes of this Section, the Architectural Control Committee shall be the arbiter of the standards of maintenance and appearance for the Yard Areas. The ACC may have higher standards for Yard Areas in certain parts of the Property at different times during the marketing of homes.

A.5.3. **Duration of Easement**. This easement for Declarant terminates automatically at the end of the Development Period, but may continue in effect if adopted by the Association. Declarant may terminate this easement earlier by recording a notice of termination in the Real Property Records of Hood County, Texas.

A.6. **Working Capital Fund**. Declarant may (but is not required to) establish a working capital fund for the Association by requiring purchasers of lots to make a one-time contribution to this fund, subject to the following conditions:

1. The amount of the contribution, at Declarant's discretion, shall initially be One Thousand and No/100 Dollars (\$1,000.00) per lot, which will be collected on the closing of the sale of the lot as a Buyer's Special Assessment Transfer Fee to new owners other than Declarant, a Successor Declarant, a Declarant affiliate.
2. As a lot marketing incentive, Declarant shall have the discretionary right to exempt Home Builders from paying a Buyer's Special Assessment Transfer Fee. And in the

alternative, Declarant shall have the discretionary right to waive or lower this Buyer's Special Assessment Transfer Fee to select Builders who commit in writing to begin construction of a home on one or more lots within twelve (12) months from the Builder's date of purchase of any such lot.

3. Subject to the foregoing Home Builder provision, if a lot's contribution is not collected from the owner at closing either by payment in cash or by owner's execution of a Regular Assessment or Special Assessment Promissory Note payable to the Declarant or to the Association, neither Declarant nor the owner of the lot is thereafter liable for the contribution. Declarant acknowledges that this condition may create an inequity among the owners, but deems these alternatives to be a necessary incentive to Preferred Builders who agree to meet the ACC standards to ensure uniquely distinctive architecture for each home in the subdivision.

4. Contributions to the fund are not advance payments of regular assessments and are not refundable to the contributor by the Association or by Declarant. This may not be construed to prevent a selling owner from negotiating reimbursement of the contribution from a purchaser.

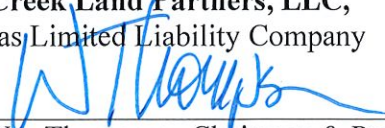
5. Declarant will transfer the balance of the working capital fund to the Association on or before termination of the Declarant Control Period. Declarant may not use the fund to defray Declarant's expenses or construction costs.

A.7. **Successor Declarant.** Declarant may designate one or more Successor Declarants for specified designated purposes and/or for specified portions of the Property, or for all purposes and all of the Property. To be effective, the designation must be in writing, signed and acknowledged by Declarant and Successor Declarant, and recorded in the Real Property Records of Hood County, Texas. Declarant (or Successor Declarant) may subject the designation of Successor Declarant to limitations and reservations. Unless the designation of Successor Declarant provides otherwise, a Successor Declarant has the rights of Declarant under this Section and may designate further Successor Declarants.

**IN WITNESS WHEREOF**, Declarant's Board members have executed this Declaration of Covenants, Conditions and Restrictions as of this 28<sup>th</sup> day of June, 2024.

**DECLARANT OF THE DECLARATION FOR  
STEWART RANCH SUBDIVISION:**

**Fall Creek Land Partners, LLC,**  
a Texas Limited Liability Company

By:   
Wes Thompson, Chairman & President

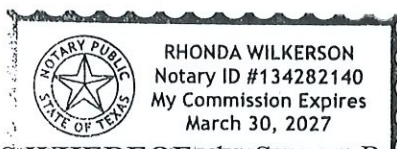


ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF HOOD

This instrument was acknowledged before me on this 28th day of June, 2024 by Wes Thompson, Chairman of the Board and President of Fall Creek Land Partners, LLC, a Texas Limited Liability Company, on behalf of said company.



Rhonda Wilkerson  
Notary Public

IN WITNESS WHEREOF, the Stewart Ranch HOA, Inc's Board members have executed this Declaration of Covenants, Conditions and Restrictions as of this 28th day of June, 2024.

**HOMEOWNERS ASSOCIATION  
BOARD FOR STEWART RANCH  
HOA, INC.**

a Texas Non-Profit Corporation:

**SIGNED AND ACKNOWLEDGED by:**

By: W Thompson  
Wes Thompson, Chairman & President

By: Trennon Massengale  
Trennon Massengale, Board Member,  
Vice President & Assistant Secretary

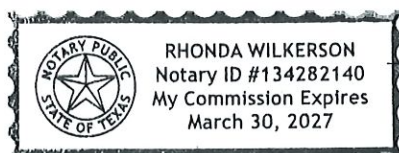
By: Casey Yates  
Casey Yates, Secretary/Treasurer and  
Tax Officer

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF HOOD

This instrument was acknowledged before me on this 28th day of June, 2024 by Wes Thompson, Chairman of the Board and President, Trennon Massengale, Board Member, Vice President and Assistant Secretary, and Casey Yates, Secretary/Treasurer and Tax Officer of Stewart Ranch HOA, Inc., a Texas Non-Profit Corporation, on behalf of said company.



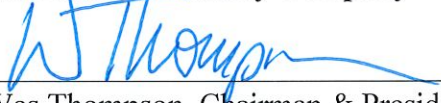
Rhonda Wilkerson  
Notary Public

**CERTIFICATION AND ACKNOWLEDGEMENT**

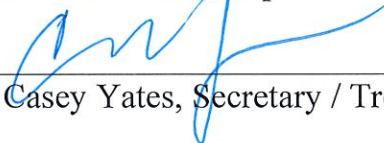
I, the undersigned, am the duly elected and acting Secretary of both Fall Creek Land Partners, LLC, a Texas Limited Liability Company, and Stewart Ranch HOA, Inc., a Texas Non-Profit Corporation; and I do hereby certify that the within and foregoing Declaration of Covenants, Conditions and Restrictions is adopted as the Declaration of said Stewart Ranch Subdivision.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 28<sup>th</sup> day of June, 2024.

**Fall Creek Land Partners, LLC,  
a Texas ~~Limited~~ Liability Company**

By:   
Wes Thompson, Chairman & President

**Stewart Ranch HOA, Inc.  
a Texas Non-Profit Corporation:**

By:   
Casey Yates, Secretary / Treasurer

**After filing return to:**

Wes Thompson  
7701 Hwy 171, Suite C  
Godley, Texas 76044