

# **Declaration of Restrictive Covenants of the Saddleback Ranch Estates Subdivision**

## **Basic Information**

**Date:** July \_\_\_\_\_, 2024

**Declarant:** Cornerstone Capital Investments Fund I Indigo, LLC, a Texas limited liability company

**Declarant's Address:**

Cornerstone Capital Investments Fund I Indigo, LLC  
565 South Mason Road Ste. 203  
Katy, TX 77450

**Property Owners' Association:** Saddleback Ranch Estates Homeowner's Association, a Texas nonprofit corporation

**Property Owners' Association's Address:** 565 South Mason Road Ste. 203 Katy, TX 77450

**Property:** See, Exhibit A.

## **Definitions**

"ACC" means the Architectural Control Committee established in this Declaration.

"Assessment" means any amount due to the Property Owners' Association by an Owner or levied against an Owner by the Property Owners' Association under this Declaration.

"Board" means the Board of Directors of the Property Owners' Association.

"Bylaws" means the Bylaws of the Property Owners' Association adopted by the Board.

"Common Area" means all property within the Subdivision not designated as a Lot on the Plat and that has not been accepted for maintenance by the applicable governmental body. Declarant will convey the Common Area to the Property Owners' Association.

"Covenants" means the covenants, conditions, and restrictions contained in this

Declaration.

"Declarant" means Cornerstone Capital Investments Fund I Indigo, LLC, a Texas limited liability company, and any successor that acquires all unimproved Lots or homes owned by Declarant for the purpose of development and is named as successor in a recorded document.

"Dedictory Instruments" means this Declaration and the certificate of formation, Bylaws, rules of the Property Owners' Association, and standards of the ACC, as amended.

"Easements" means Easements within the Property for utilities, drainage, and other purposes as shown on the Plat or of record.

"Lot" means each tract of land designated as a lot on the Plat, excluding lots that are part of the Common Area.

"Member" means Owner.

"Owner" means every record Owner of a fee interest in a Lot.

"Plat" means the Plat of the Property recorded July \_\_\_\_, 2024 of the real property records of Austin County, Texas, and any replat of or amendment to the Plat made in accordance with this Declaration.

"Renting" means granting the right to occupy and use a Residence or Structure in exchange for consideration.

"Residence" means a detached building designed for and used as a dwelling by a Single Family and constructed on one or more Lots.

"Short Term Renting" means granting the right to occupy and use a Residence or Structure in exchange for consideration for a period of time less than 90 days.

"Single Family" means a group of individuals related by blood, adoption, or marriage or a number of unrelated roommates not exceeding the number of bedrooms in a Residence.

"Structure" means any improvement on a Lot (other than a Residence), including a sidewalk, driveway, fence, wall, tennis court, swimming pool, outbuilding, or recreational equipment.

"Subdivision" means the Property covered by the Plat and any additional

property made subject to this Declaration.

"Vehicle" means any automobile, truck, motorcycle, boat, trailer, or other wheeled conveyance, whether self-propelled or towed.

## **Clauses and Covenants**

### **A. Imposition of Covenants**

1. Declarant imposes the Covenants on the Subdivision. All Owners and other occupants of the Lots by their acceptance of their deeds, leases, or occupancy of any Lot agree that the Subdivision is subject to the Covenants.

2. The Covenants are necessary and desirable to establish a uniform plan for the development and use of the Subdivision for the benefit of all Owners. The Covenants run with the land and bind all Owners, occupants, and any other person holding an interest in a Lot.

3. Each Owner and occupant of a Lot agrees to comply with the Dedicatory Instruments and agrees that failure to comply may subject him to a fine, an action for amounts due to the Property Owners' Association, damages, or injunctive relief.

### **B. Plat and Easements**

1. The Plat, Easements, and all matters shown of record affecting the Property are part of this Declaration and are incorporated by reference.

2. An Owner may use that portion of a Lot lying in an Easement for any purpose that does not interfere with the purpose of the Easement or damage any facilities. Owners do not own any utility facilities located in an Easement.

3. Neither Declarant nor any Easement holder is liable for damage to landscaping or a Structure in an Easement.

4. Declarant and each Easement holder may install, maintain, and connect facilities in the Easements.

### **C. Use and Activities**

1. *Permitted Use.* A Lot may be used only for an approved Residence and approved Structures for Single Family residential use, including Short Term Renting in compliance with applicable law.

2. *Prohibited Activities.* Prohibited activities are -

- a. any activity that is otherwise prohibited by the Dedicatory Instruments;
- b. any illegal activity;
- c. any nuisance, noxious, or offensive activity;
- d. any dumping of rubbish;
- e. any storage of –
  - i. building materials except during the construction or renovation of a Residence or a Structure;
  - ii. vehicles, except vehicles in a garage or Structure or operable automobiles on a driveway; or
  - iii. unsightly objects unless completely shielded by a Structure;
- f. any exploration for or extraction of minerals;
- g. any keeping or raising of animals, livestock, or poultry for commercial use. Animals raised for personal consumption are permissible. Pets also are allowed and should be domesticated, such as dogs and cats, not to exceed 4 confined to a fenced yard or within the Residence. Large animals: horses, or cattle should be limited to 1 head per acre. No commercial kennels of any sort.
- h. any commercial or professional activity except reasonable home office use;
- i. sex trafficking, creation of adult content, or any salacious material production contributing to the delinquency of minors and adults
- j. the drying of clothes in a manner that is visible from any street;
- k. the display of any sign except –
  - i. one not more than five square feet, advertising the Lot for sale or rent or advertising a garage or yard sale; and

- ii. political signage not prohibited by law or the Dedicatory Instruments;
- l. installing a mobile home, manufactured home which are not new;
- m. moving a previously constructed house onto a Lot;
- n. interfering with a drainage pattern without ACC approval;
- o. hunting and shooting; and
- p. occupying a Structure that does not comply with the construction standards of a Residence.

#### **D. Construction and Maintenance Standards**

##### **1. Lots**

- a. *Consolidation of Lots.* An Owner of adjoining Lots, with ACC approval, may consolidate those Lots into one site for the construction of a Residence.
- b. *Subdivision Prohibited.* No Lot may be further subdivided.
- c. *Maintenance.* Each Owner must keep the Lot, all landscaping, the Residence, and all Structures neat, well-maintained, and attractive.

##### **2. Residences and Structures**

- a. *Aesthetic Compatibility.* All Residences and Structures must be aesthetically compatible with the Subdivision, as determined by the ACC.
- b. *Maximum Height.* The maximum height of a Residence is 40 feet.
- c. *Required Area.* The total area of a Residence, exclusive of porches, garages, or carports, must be at least 1,200 square feet.
- d. *Location on Lot.* No Residence or Structure may be located in violation of the setback lines shown on the Plat. Each Residence must face the front Lot line. All Structures must be located behind the front wall of the Residence.

- f. *Damaged or Destroyed Residences and Structures.* Any Residence or Structure that is damaged must be repaired within 90 days (or within a period approved by the ACC) and the Lot restored to a clean, orderly, and attractive condition. Any Residence or Structure that is damaged to the extent that repairs are not practicable must be demolished and removed within 90 days and the Lot restored to a clean and attractive condition.
- g. *Fences, Walls, and Hedges.* No fence, wall, or hedge may be located forward of the front wall line of the Residence, except for trellises and decorative fences that are approved by the ACC.
- h. *Traffic Sight Lines.* No landscaping that obstructs traffic sight lines may be placed on any Lot.

3. *Building Materials for Residences and Structures*

- a. *Roofs.* Only composition and metal roofs may be used on Residences and Structures.

Nothing herein shall be interpreted to prohibit or restrict a property owner who is otherwise authorized to install shingles on the roof of the owner's property from installing shingles that are (1) designed primarily to be wind and hail resistant, (2) provide heating and cooling efficiencies greater than those provided by customary composite shingles or (3) provide solar generation capabilities; and that, when installed: (A) resemble the shingles used or otherwise authorized for use on property in the subdivision; (B) are more durable than and are of equal or superior quality to the shingles used or otherwise authorized for use on property in the subdivision; and (C) match the aesthetics of the property surrounding the owner's property.

- b. *Air Conditioning.* Window unit air conditioners may not be used in a Residence.
- c. *Color Changes.* No change to the color of the exterior walls, trim, or roof of a Residence will be permitted unless otherwise approved by the ACC.

- d. *Lot Identification.* Lot address numbers and name identification must be aesthetically compatible with the Subdivision.

## **E. Property Owners' Association**

1. *Establishment and Governance.* The Property Owners' Association is established by filing its certificate of formation and is governed by the certificate, the Declaration, and the Bylaws. The Property Owners' Association has the powers of a nonprofit corporation and a property owners' association under the Texas Business Organizations Code, the Texas Property Code, and the Dedicatory Instruments.

2. *Rules.* The Board may adopt rules that do not conflict with law or the other Dedicatory Instruments. On request, Owners will be provided a copy of any rules.

3. *Membership and Voting Rights.* Every Owner is a Member of the Property Owners' Association. Membership is appurtenant to and may not be separated from ownership of a Lot. The Property Owners' Association has two classes of voting Members:

- a. *Class A.* Class A Members are all Owners, other than Declarant. Class A Members have one vote per Lot. When more than one person is an Owner, each is a Class A Member, but only one vote may be cast for a Lot.

- b. *Class B.* The Class B Member is Declarant and has the number of votes for each Lot owned specified in the Bylaws. The Class B Membership ceases and converts to Class A Membership on the earlier of –

- i. when the Class A Members' votes exceed the total of Class B Member's votes or

- ii. January 30, 2034.

## **F. ACC**

1. *Establishment*

- a. *Purpose.* The ACC is established as a committee of the Property Owners' Association to assist the Property Owners' Association in ensuring that all Residences, Structures, and landscaping within the Subdivision are aesthetically compatible and conform to the Dedicatory

Instruments.

b. *Members.* The ACC consists of at least 3 persons appointed by the Board. The Board may remove or replace an ACC member at any time.

c. *Term.* ACC members serve until replaced by the Board or they resign.

d. *Standards.* Subject to Board approval, the ACC may adopt standards that do not conflict with the other Dedicatory Instruments to carry out its purpose. These standards are not effective unless recorded with the county clerk. On request, Owners will be provided a copy of any standards.

## 2. *Plan Review*

a. *Required Review by ACC.* No Residence or Structure may be erected on any Lot, or the exterior altered, unless plans, specifications, and any other documents requested by the ACC have been submitted to and approved by the ACC. The plans and specifications must show exterior design, height, building materials, color scheme, location of the Residence and Structures depicted horizontally and vertically, all in the form and detail the ACC may require.

### b. *Procedures*

i. *Complete Submission.* Within 14 days after the submission of plans and specifications by an Owner, the ACC must notify the submitting Owner of any other documents or information required by the ACC. In the absence of timely notice from the ACC requesting additional documents or other information, the submission is deemed complete.

ii. *Deemed Approval.* If the ACC fails to give notice of disapproval of the plans and specifications to the submitting Owner within 14 days after complete submission, the submitted plans and specifications are deemed approved.

c. *Appeal.* An Owner may appeal any action of the ACC to the Board. The appealing Owner must give written notice of the appeal to the Board, and if the appeal is by an Owner who is not the submitting Owner, the appealing Owner must also give written notice to the submitting Owner within 15 days after the ACC's action. The Board shall determine the



appeal within 90 days after timely notice of appeal is given. The determination by the Board is final.

d. *Records.* The ACC will maintain written records of all requests submitted to it and of all actions taken. The Board will maintain written records of all appeals of ACC actions and all determinations made. Any Owner may inspect the records of the ACC and Board, but no Owner may inspect or copy the interior floor plan or security system design of any other Owner.

e. *No Liability.* The Property Owners' Association, the Board, the ACC, and their members will not be liable to any person submitting requests for approval or to any Owner by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove any request.

## **G. Assessments**

1. *Authority.* The Property Owners' Association may levy Assessments to promote the recreation, health, safety, and welfare of the residents in the Subdivision, to fund operating expenses of the Property Owners' Association, and to improve and maintain the Common Areas.

2. *Personal Obligation.* An Assessment is a personal obligation of each Owner when the Assessment accrues.

3. *Creation of Lien.* Assessments are secured by a continuing vendor's lien on each Lot, which lien is reserved by Declarant and hereby assigned to the Property Owners' Association. By acceptance of a deed to a Lot, each Owner grants the lien, together with the power of sale, to the Property Owners' Association to secure Assessments.

4. *Commencement.* A Lot becomes subject to Assessments on conveyance of the Lot by Declarant.

### **5. Regular Assessments**

a. *Rate.* Regular Assessments are levied annually by the Board to fund the anticipated operating and maintenance expenses of the Property Owners' Association. Until changed by the Board, the Regular Assessment is \$400 per year.

b. *Changes to Regular Assessments.* Regular Assessments may be changed annually by the Board. Written notice of the Regular

Assessment will be sent to every Owner at least thirty days before its effective date.

c. *Collections.* Regular Assessments will be collected yearly in advance and payable on the first day of January of each year.

6. *Special Assessments.* In addition to the Regular Assessments, the Board may levy Special Assessments to fund the cost of any construction, reconstruction, repair, or replacement of any capital improvement on the Common Area or for any other purpose benefitting the Subdivision but requiring funds exceeding those available from the Regular Assessments. The Members must approve Special Assessments. Written notice of the terms of the Special Assessment will be sent to every Owner.

7. *Approval of Special Assessments.* Any Special Assessment must be approved by a 50% vote at a meeting of the Members in accordance with the Bylaws.

8. *Fines.* The Board may levy a fine against an Owner for a violation of the Dedicatory Instruments as permitted by law.

9. *Subordination of Lien to Mortgages.* The lien granted and reserved to the Property Owners' Association is subordinate to any lien granted by an Owner against a Lot not prohibited by the Texas Constitution. The foreclosure of a superior lien extinguishes the Property Owners' Association's lien as to Assessments due before the foreclosure.

10. *Delinquent Assessments.* Any Assessment not paid within 30 days after it is due is delinquent.

## **H. Remedial Rights**

1. *Late Charges and Interest.* A late charge of \$25.00 is applied to all delinquent payments. In addition, delinquent Assessments accrue interest at a rate of 9% per year. Both the late charge and interest are separate payments that may be modified by the Board

2. *Costs, Attorney's Fees, and Expenses.* If the Property Owners' Association complies with all applicable notice requirements, an Owner is liable to the Property Owners' Association for all costs and reasonable attorney's fees incurred by the Property Owners' Association in collecting delinquent Assessments, foreclosing the Property Owners' Association's lien, and enforcing the Dedicatory Instruments.

3. *Judicial Enforcement.* The Property Owners' Association may bring an action against an Owner to collect delinquent Assessments, foreclose the Property Owners' Association's lien, or enforce or enjoin a violation of the Dedicatory

Instruments. An Owner may bring an action against another Owner to enforce or enjoin a violation of the Dedicatory Instruments.

4. *Remedy of Violations.* The Property Owners' Association may levy a fine against an Owner for a violation of the Dedicatory Instruments.

5. *Suspension of Rights.* If an Owner violates the Dedicatory Instruments, the Property Owners' Association may suspend the Owner's rights under the Dedicatory Instruments in accordance with law.

6. *Damage to Property.* An Owner is liable to the Property Owners' Association for damage to Common Areas caused by the Owner or the Owner's family, guests, agents, independent contractors, and invitees in accordance with law.

## **I. Common Area**

1. *Common Area Easements.* Each Owner has an easement in and to the Common Area, subject to the right of the Property Owners' Association to -

- a. charge reasonable admission and other fees for the use of recreational facilities situated on the Common Area, and if an Owner does not pay these fees, the Owner may not use the recreational facilities;
- b. suspend an Owner's rights to use a Common Area under the Dedicatory Instruments;
- c. grant an easement approved by the Board over the Common Area for utility, drainage, or other purposes; and
- d. dedicate or convey any of the Common Area for public purposes, on approval by a vote of 66% of the Members at a meeting in accordance with the Bylaws.

2. *Permitted Users.* An Owner's right to use and enjoy the Common Area extends to the Owner's family, guests, agents, and invitees, subject to the Dedicatory Instruments.

3. *Unauthorized Improvements in Common Area.* An Owner may not erect or alter any Structure on, or clear, landscape, or disturb, any Common Area except as approved by the Board.

## **J. General Provisions**

1. *Term.* This Declaration runs with the land and is binding for a term of 40 years. The term may be extended for an initial term of 10 years. Thereafter, this Declaration automatically continues for successive terms of 10 years each, unless within 6 months before the end of a term, 75 percent of the Members at a meeting in accordance with the Bylaws elect not to extend the term. An instrument reflecting the extension will be signed by the Property Owners' Association and recorded.

2. *No Waiver.* Failure by the Property Owners' Association or an Owner to enforce the Dedicatory Instruments is not a waiver.

3. *Corrections.* The Board may correct typographical or grammatical errors, ambiguities, or inconsistencies contained in this Declaration, provided that any correction must not impair or affect a vested property right of any Owner.

4. *Amendment.* This Declaration may be amended at any time by vote of 67 percent of Owners entitled to vote on the amendment. An instrument containing the approved amendment will be signed by the Property Owners' Association and recorded.

5. *Conflict.* This Declaration controls over the other Dedicatory Instruments.

6. *Severability.* If a provision of this Declaration is unenforceable for any reason, to the extent the unenforceability does not destroy the basis of the bargain among the parties, the unenforceability does not affect any other provision of this Declaration, and this Declaration is to be construed as if the unenforceable provision is not a part of the Declaration.

7. *Notices.* All notices must be in writing and must be given as required or permitted by the Dedicatory Instruments or by law. Notice by mail is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed (a) to a Member, at the Member's last known address according to the Property Owners' Association's records, and (b) to the Property Owners' Association, the Board, the ACC, or a managing agent at the Property Owners' Association's principal office or another address designated in a notice to the Members. Unless otherwise required by law or the Dedicatory Instruments, actual notice, however delivered, is sufficient.

8. *Annexation of Additional Property.* On written approval of the Board and not less than 75 percent of the Members at a meeting in accordance with the Bylaws, the owner of any property who desires to subject the property to this Declaration may record an annexation agreement that will impose this Declaration and the Covenants on that property.

Cornerstone Capital Investments Fund I Indigo,  
LLC, a Texas limited liability company,

\_\_\_\_\_  
Todd Hayes, Manager

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_,  
2024, by \_\_\_\_\_, a Manager of Cornerstone Capital Investments Fund I  
Indigo, LLC, Manager of Cornerstone Capital Investments Fund I Indigo, LLC, a Texas  
limited liability company.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

After recording, please return to:  
565 S. Mason Road Ste. 203 Katy, TX 77450