

# Horse Creek Ranch Homeowners Association

PO Box 92, Moody, TX 76557



June 1, 2024

Dear Horse Creek Ranch property owner;

## ***Dissolving the Horse Creek Ranch Homeowners Association?***

Actually, we aren't sure. There has been significant discussion at the Board meetings, but we're concerned that what's been discussed may, or may NOT, be the sentiment of our community of Horse Creek Ranch property owners.

### **Please complete the 4-item survey on the last page.**

We understand you're busy and might not have time to read all of this letter. But please do complete the 4-item ranking on the survey. Your thoughts are important to us. We do appreciate your response! (... and you can skip to the last page if you wish.)

But back to WHY we're even writing this letter and asking for your response to the survey - we need your input on the future of the Homeowners Association (HOA). This last year we're seeing a distinct trend where HOA members simply aren't participating in the HOA at a level required to maintain the HOA as a viable, sustainable organization.

Likely there are many valid reasons for that, however that same lack of input causes us to be cautious, wondering whether we DO understand the sentiment of a preponderance of HCRHOA property owners.

Key to the above concern is understanding the *original intent* of having a homeowners association for Horse Creek Ranch. That intent was based on three key components:

1. The HOA would support a “Wildlife Management Plan” to allow us to maintain a tax base equivalent to “ag tax” – basically you were taxed at only about 10% of the “retail rate” of your land. However, the county taxing agency later removed that option for most of our properties and thus we abandoned the need to fund and operate a Wildlife Management Plan.
2. The HOA protected the investment of “the declarant” (Hines of Texas). However, in a recent discussion with Rick Hines, Rick stated that Hines of Texas no longer has any operating interest remaining in HCR – they no longer own any properties within Horse Creek Ranch.
3. Finally, by enforcing the “Deed Restrictions” tied to each of our properties, our community was offered a vision, a “promise,” of what our community would look like. We could have faith that years later, our community would not have degraded into something unlike what we were promised. On this point, we still do have that promise within the Deed Restrictions.

However, since 1 and 2 above no longer apply, there have been discussions in recent meetings of the HCRHOA Board, where members have expressed interest in modifying the Deed Restrictions and possibly even the composition of the HCRHOA.

And THAT is why we would love to have YOUR opinion.

***Please complete and return the Survey (located on last page) prior to June 10, 2024.***

Once the Survey period is completed and votes are tallied, the HCRHOA will determine whether there is sufficient support in moving forward on Survey options B, C or D. At that point the Board would work with our lawyer to confirm the strategy to accomplish the change and then confirm the resulting Deed Restrictions and HCRHOA composition.

Once the above is completed, the Board would hold a public meeting to review the proposed documents and composition. We would schedule the “formal vote” on the new plan sometime after that meeting.

But in advance of the above, we look forward to your Survey responses and possible attendance at future Board meetings. **Our next HCRHOA Board meeting is on Tuesday, June 11, 2024, at 6:30 PM at the Mother Neff Church and Community Center.**

Sincerely,

***Your HCRHOA Board of Directors***

## Frequently Asked Questions

### Critically Important

In the discussion that follows, **in ALL cases**, Deed Restrictions will continue to apply to each property that is **currently** within the HCRHOA.

Property that is currently within HCRHOA also currently has restrictions which define building construction requirements and general property use limitations. Within the Survey further below, Options B, C and D each assume that **a version of deed restrictions will continue to apply to all properties**, regardless of possible change to the HOA composition. However, if a change is required to the Deed Restrictions, it is the intent of the HCRHOA Board that nothing will be added, nor removed, from the resulting Deed Restrictions which would change the definition of property use and building requirements.

Again - all properties, regardless of membership in the HCRHOA, will continue to have deed restrictions apply to building on, and use of, that property.

- **Is dissolving the HCRHOA even possible?** Yes, our lawyer assures us that although it's not a simple (nor cheap) process, it is possible. Texas law and legal precedent requires certain conditions to be met, however it does allow a homeowner's association to change its operating rules, guidelines, Deed Restrictions ... and even whether the HOA itself continues to exist.
- **What would be required?** Our lawyer states that it would require a formal vote be held of all property owners, and there is a required percentage that have to agree to the change. Once that occurs, notice is filed with the county to confirm the change.
- **Is the attached Survey that "formal vote"?** No. The Survey further below is our attempt to confirm whether there is enough support to move forward with the effort, which would entail another, future vote.
- **If the HCRHOA totally dissolves, then what happens to the Deed Restrictions?** A version of the Deed Restrictions would continue, but would be modified to:
  - remove references defining the HCRHOA,
  - remove references to Wildlife Management,
  - remove references to Declarant (Hines of Texas, LTD.), and
  - clean up confusing or conflicting language.
- **If the above is removed, what is "left in" the Deed Restrictions?** Because we were each promised "a vision" of what our community would look like, (for example, no industrial agriculture, no storefront businesses, no junk yards, etc.), there would continue to be a modified version of deed restrictions which would still support/enforce that vision we were all promised. *(See the section above titled "Critically Important".)*
- **Is it even possible to have restrictions without an HOA to enforce them?** Yes. Similar to the concept of "owning the mineral rights," deed restrictions are conditions that apply *to a property*. If that property changes owners, the restrictions continue to apply. And in cases where deed

restrictions exist but there is no HOA to enforce them, each property owner has the right to sue another property owner to enforce adherence to the deed restrictions.

- **One of the options on the survey is that all properties in Phase I and II would leave the HOA, and all properties in Phase III (Legend Oaks) would remain in the HOA. How would that work?** In the discussions we've had with property owners, there seems to be (but not confirmed) a significant number of property owners in Phases I and II that wish to exit the HOA. However, it seems that most of the property owners currently in Legend Oaks want the HOA to continue. If the HCRHOA were to only consist of properties currently within Legend Oaks, we believe the following is true. (We would confirm this with our Lawyer.)
  - Deed restrictions will continue to apply to ALL properties.
  - The new HCRHOA and its Architectural Control Committee (ACC), would monitor Deed Restriction adherence as it has in the past, but only for Legend Oaks properties.
  - The new HCRHOA, would not monitor/have jurisdiction over the Phases I and II properties.
  - It is conceivable, however, that should a Phase I or II property violate deed restrictions, the new HCRHOA would have the right to file suit for restriction enforcement, just as any owner of property IN Phase I or II has the right to do so.
- **If the HCRHOA is dissolved or reconstituted, what would happen to annual dues?**
  - If the HOA is totally dissolved, no property owner would pay further dues.
  - If instead the HCRHOA is "reconstituted" (becomes Legend Oaks properties only), the HOA would continue to collect annual dues only from Legend Oaks property owners. Phase I and II property owners would no longer pay dues.

## Horse Creek Ranch Homeowners Association Survey of Possible Deed Restriction / HOA Composition Change

**Property ID:**

**Owner:**

The following is NOT a binding vote. It is simply an attempt to determine whether there is sufficient property owner interest in any of the following propositions. ***If the results of the Survey show sufficient interest, the HCRHOA Board will follow up with more details / specifications.***

***Prior to June 10, 2024, please complete the Survey and return this page (only), in the self-addressed, stamped envelope.***

There will be one Survey allowed per PROPERTY. (If you own multiple properties, you should receive a Survey form for each.) If you have questions, or don't feel you received the proper number of Surveys (1 per property) please respond in the "additional comments" box, below. Be sure to include your preferred contact info if a response is needed.

Using the scale 1-4, please **RANK** your preference below with "1" being your most preferred, and "4" your least preferred. Use each rank only once. (Don't have multiple 1's, 2's, etc.)

Your Rank	Options of Deed Restrictions and HOA Composition	Will Require Deed Restr. Change?
	A) Leave HCRHOA as is - change nothing.	No
	B) Leave HCRHOA as is but do update Deed Restrictions.	Yes
	C) Only Phase III (Legend Oaks) remain in HCRHOA	Yes
	D) Dissolve HCRHOA entirely	Yes

***(For additional information see "Frequently Asked Questions" on prior pages.)***

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**Property Owner Signature**

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**Date**

**Additional Comments? Let us know your thoughts below or join us at the next Board meeting: Tuesday, June 11, 2024, at 6:30 PM at the Mother Neff Church and Community Center.**

***(Use this side for additional comments)***