

FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
MOUNTAIN RIDGE ESTATES

This Declaration amends the covenants, conditions and restrictions dated August 20, 1980, of record in Book 1200, Page 1188, Deed Records of El Paso County, Texas, in the following particulars:

ARTICLE I, Section 1, shall hereafter read as follows:

"Association shall be and refer to Mountain Ridge Estates, Inc., a Texas non-profit corporation, its successors and assigns."

To ARTICLE I, Section 4, there shall be added the following:

"C. E. Wolf, also known as Clinton E. Wolf, and Aaron Wechter hereby transfer, assign and convey unto Mountain Ridge Estates, Inc.:

Lots 75, 76, 77, and 78 in Block 1, and Lot 9 in Block 3 of MOUNTAIN RIDGE ESTATES according to the Map and Plat thereof on file in Vol. 56, Page 45 Plat Records of El Paso County, Texas, and all streets.

"TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said MOUNTAIN RIDGE ESTATES, INC., its successors and assigns forever and we do hereby bind ourselves, our heirs, executors and administrators, to warrant and forever defend, all and singular the said premises unto the said MOUNTAIN RIDGE ESTATES, INC., its successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof."

To ARTICLE II, Section 1 (c), there shall be added the following:

"Also the written approval of at least 51% of the holders of first mortgages, insurers and guarantors in the project shall be obtained and recorded."

To ARTICLE II there shall be added Section 1 (d) as follows:

"d) The right of the Association to mortgage or encumber all or any part of the common area for the purpose of permanently improving the common area and facilities provided that no such mortgage shall be effective unless an instrument agreeing to such mortgage or encumbrance signed by two-thirds of each class of members has been obtained and recorded, and the mortgagees of at least 51% of the lots has likewise been obtained and recorded."

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ARTICLE III, Section 2 (b) (ii) shall hereafter read as follows:

"(ii) On the 1st day of January, 1985."

To ARTICLE IV, Section 1, there shall be added the following:

"The Association shall have the power and authority to assess members for taxes on the common property and the cost of insurance thereon, and individual special assessments may be levied against individual lot owners to reimburse the Association for extra costs for maintenance and repairs caused by willful and negligent acts of the individual owner and not caused by ordinary wear and tear."

To ARTICLE IV, Section 8, there shall be added the following:

"The Association shall give written notification to the holder(s) of any recorded mortgage or Deed of Trust on any lot of any default in payment of any assessment within a reasonable time if such default has not been cured within thirty (30) days."

To ARTICLE IV, Section 12, there shall be added the following:

"Any insurance policy shall provide for a minimum of ten days cancellation notice to the Association and thirty days notice to the mortgagee."

"Liability Insurance:

The owners association must maintain comprehensive general liability insurance coverage of all of the common elements and public ways of the project in an amount of not less than \$1,000,000 for bodily injury including deaths of persons and property damages arising out of a single occurrence. Coverage under this policy shall include, without limitation of legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the common elements, and legal liability arising out of lawsuits related to employment contracts of the owners association. The insurance company shall be required to give the Association a minimum of 10 days notice of cancellation and 30 days notice to any registered mortgagee.

"Flood Insurance:

In the event the property is located in a flood hazard area, the Association shall maintain flood insurance not less than (1) the maximum coverage available, or (2) 100% of the current replacement costs of all such buildings and other insurable property within the area.

"Fidelity Bonds:

Blanket fidelity bonds shall be required to be maintained by the Association for all officers, directors and employees of the Association and all other persons handling, or responsible for, funds of or administered by the owners association. In the event professional management is retained, the Association shall require a like policy to be maintained by the management company. Such fidelity bonds shall be in the name of the owners association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the owners association or the management agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three months' aggregate assessments on all the units plus reserve funds. The insurers shall waive defenses based upon exclusion of persons serving without compensation from the definition of 'employees'. Notices of cancellation are required 10 days in advance to the Association and 30 days in advance to any registered mortgagee.

"Notwithstanding any other provisions herein, the Association shall continuously maintain in effect such casualty, flood, liability insurance and fidelity bond coverage meeting the insurance and fidelity bond requirements for Planned Unit Developments/condominium projects established by the Federal National Mortgage Association and Government National Mortgage Association."

To ARTICLE X there shall be added Section 3 as follows:

"Section 3. Expansion of the project must be approved by 67% of the unit owners and 51% of the holders of first mortgages in the project."

To ARTICLE XII, Section 3, there shall be added the following:

"Any plans to abandon the Planned Unit Development status shall require the approval of 67% of the lot owners and 51% of the holders of first mortgages."

To ARTICLE XII there shall be added:

"Section 5 First Lien Holders Rights:

"a) The consent of the owners of lots to which at least 67% of the votes in the owners association are allocated and approval of 51% of eligible holders of first mortgages on units shall be required to materially amend any provisions of the declaration, by-laws, or equivalent documents of the project or to add any material provisions thereto which establish, provide for, govern or regulate any of the following:

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1. Voting;
 2. Assessments, assessment liens, or subordination of such liens;
 3. Reserves for maintenance, repair and replacement of the common elements;
 4. Insurance or fidelity bonds;
 5. Rights to use the common elements;
 6. Responsibility for maintenance and repair of the several portions of the Planned Unit Development;
 7. Expansion or contraction of the Planned Unit Development or the addition, annexation or withdrawal of property to or from the development;
 8. Boundaries of any lot;
 9. The interests in the general or limited common elements;
 10. Convertibility of units into common elements or of common elements into units;
 11. Leasing of the units within the project;
 12. Imposition of any right of first refusal or similar restriction on the right of an owner to sell, transfer or otherwise convey his or her lot in the project;
 13. Establishment of self-management by the Association where professional management has been required by a majority of the holders of first mortgages or Federal National Mortgage Association.
- "b) Notices of Action: A holder, insurer or guarantor of a first mortgage, upon written request to the owners association (such request to state the name and address of such holder, insurer, or guarantor and the unit number), will be entitled to timely written notice of:
1. Any condemnation loss or any casualty loss which affects a material portion of any improved lot or which affects any improved lot on which there is a first mortgage held, insured or guaranteed by such eligible holder.
 2. Any delinquency in the payment of assessments or charges owed by an owner of an improved lot subject to the mortgage of such eligible holder, insurer or guarantor, where such delinquency has continued for a period of 60 days.
 3. Any lapse, cancellation or material modification of any insurance policy maintained by the owners association pursuant to Article IV, Section 12.

"Section 6 Declarants Exposure to Assessments:
When a lot is owned by the declarant and is vacant or the improvements being constructed thereon are not completed and occupied, no part of the assessment shall be due and payable.

"Section 7 Declarants Guarantee of Loss as a Result of Operation of the Association:
The declarant shall be responsible for contributing the net

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difference between income and expense to the Association. This responsibility shall exist so long as the declarant or his assigns control the majority of the votes of the Association.

"Section 8 Trash Receptacles and Collection:
Trash, garbage and other waste shall not be kept except in sanitary containers. All trash receptacles shall be screened by fences or shrubbery so as not to be visible from other lots. Each owner shall make or cause to be made appropriate arrangements with the City of El Paso for collection and removal of garbage and trash on a regular basis. If the owner fails to make such provisions, the Association may do so and assess the costs thereof to the owner. Each and every lot owner shall observe and comply with any and all regulations or requirements promulgated by the City of El Paso or the Association, or both, in connection with the storage and removal of trash and garbage.

"Section 9 Accounting:
The Association and Board of Directors of the Association shall provide for an annual accounting of all income and expense items to all holders of mortgage indebtedness secured by any of the properties. This report shall be provided, without request, within 60 days of the close of the fiscal year of the Association. Any such mortgagee shall be allowed access, in normal business hours, to the books of record of the Association upon proper identification of such mortgagee."

IN WITNESS WHEREOF, the undersigned, being the declarant herein, has hereunto set its hand this 18th day of January, 1982.

WOLF & WECHTER JOINT VENTURE

By C. E. Wolf
C. E. Wolf

By Aaron Wechter
Aaron Wechter

THE STATE OF TEXAS }
COUNTY OF EL PASO }

BEFORE ME, the undersigned authority, on this day personally appeared C. E. WOLF and AARON WECHTER, known to me to be the persons and officers whose names are subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said WOLF & WECHTER JOINT VENTURE, and that they executed the same as the act of such Joint Venture for the purposes and consideration therein expressed and in the capacity therein

MY HAND AND SEAL OF OFFICE, this 30 day of January.

[Signature]

FILED FOR RECORD

JAN 20 PM 4:21

*Return to
S. J. ...*

James ...
DEPUTY

STATE OF TEXAS COUNTY OF EL PASO
I hereby certify that this instrument was filed
on the date and time stamped hereon by me and
was duly recorded in the volume and page of the
Official Public Records of Real Property, El Paso
County, Texas.

JAN 20 1932



H. C. ...

COUNTY CLERK, El Paso County, Texas