

**SUPPLEMENTAL DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
GOVERNING RANCHOS DEL SOL UNIT FIVE
A Residential Subdivision**

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This Supplemental Declaration is made on the date hereinafter set forth by **LOOP 375, L.P.**, a Texas limited partnership, hereinafter referred to as "Declarant," joined by **RANCHOS PROPERTY OWNERS' ASSOCIATION**, hereinafter referred to as the "Association," and **RANCHOS DEL SOL UNIT 5, L.P.**, a Texas limited partnership, hereinafter referred to as "Ranchos LP".

WITNESSETH:

WHEREAS, Declarant has previously caused to be filed that certain Declaration of Covenants, Conditions and Restrictions for Ranchos del Sol Unit Four (a Residential Subdivision) (the "Declaration"), which Declaration is recorded in Book 2873, Page 1869, Real Property Records of El Paso County, Texas; and

WHEREAS, Ranchos LP, an affiliate of Declarant, is the developer of Ranchos del Sol Unit Five, a subdivision in El Paso, El Paso County, Texas, and desires to extend the scheme of the covenants and restrictions of the Declaration to Ranchos del Sol Unit Five; and

WHEREAS, Declarant, joined by the Association, has consented to the addition of Ranchos del Sol Unit Five to the property covered by the Declaration, all as permitted by Section 2.02 of the Declaration;

NOW, THEREFORE, Ranchos LP, joined by the Association, declares that the real property described in Article I below is and shall be held, transferred, sold, conveyed, occupied, and enjoyed, subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in the Declaration, all as supplemented by this Supplemental Declaration of Covenants, Conditions and Restrictions, hereinafter referred to as the "Supplemental Declaration."

ARTICLE I.
PROPERTY SUBJECT TO THIS SUPPLEMENTAL DECLARATION

Section 1.01. Description. The real property which is, and shall be held, transferred, sold, conveyed, and occupied subject to the Declaration and this Supplemental Declaration consists of the following:

All of Ranchos del Sol Unit Five, being all of Tracts 1A6 and 1G1, and a portion of Tracts 1E, 1E2, 1F1, 1F2, 1G2 and 6, O.A. DANIELSON SURVEY 312, City of El Paso, El Paso County, Texas, according to the plat thereof recorded in the Plat Records of El Paso County, Texas;

all of which real property shall hereafter be included within the term "The Properties" as defined in the original Declaration.

Section 1.02. Declaration. The terms and conditions of the original Declaration, except to the extent amended or supplemented by the terms and conditions of this Supplemental Declaration, shall be applicable to the real property described in Section 1.01 above, as if the same had been originally included within the original Declaration, including without limitation, the provisions with regard to assessments and liens contained in Article V of the Declaration.

ARTICLE II. SUPPLEMENTAL DECLARATION TERMS AND CONDITIONS

The supplemental terms and conditions are as follows:

Section 2.01 Terms.

- a. The term "Association" shall mean and refer to the nonprofit corporation which Declarant has caused to be incorporated under the name Ranchos Property Owners' Association, its successors and assigns.
- b. The term "Subdivision" shall now also include and refer to Ranchos del Sol Unit Five and the term "Subdivision Plat" shall now also include and refer to the map or plat of Ranchos del Sol Unit Five, recorded in the Plat Records of El Paso County, Texas.
- c. Section 2.01 of the Declaration is supplemented to reflect that the plat of Ranchos del Sol Unit Four is recorded in Book 70, Page 52, Plat Records of El Paso County, Texas.

Section 2.02. Association Membership. Each Owner of a Lot in Ranchos del Sol Unit Five shall be a Class A Member of the Association.

Section 2.03. Voting Rights. Until the Conversion Date (as defined in Section 3.05 of the Declaration and in this Supplemental Declaration), and subject to Section 2.07 below, Ranchos LP shall be the Class B Member with respect to all Lots in Ranchos del Sol Unit Five. From and after the Conversion Date (and at any time with respect to voting on Special Assessments to the extent provided in the Association's Bylaws), each Class A Member owning one of the Lots in Ranchos del Sol Unit Five shall be entitled to one (1) vote for each such Lot in which it holds the interest required for Association membership.

Section 2.04. Conversion Date. By the addition of Ranchos del Sol Unit Five to the property governed by the Declaration, the term "Conversion Date" shall be the earlier of (i) the date when Declarant and Ranchos LP (as appropriate) have sold or leased for a term in excess of forty (40) years, all of the Lots in Ranchos del Sol Unit Four and Ranchos del Sol Unit Five, or (ii) such earlier date established by the Declarant and Ranchos LP.

Section 2.05. Common Facilities. The term "Common Facilities" shall hereafter include improvements constructed on portions of one or more Lots in Ranchos del Sol Unit Five or on the medians in public streets within Ranchos del Sol Unit Five. After the Common Facilities in Ranchos del Sol Unit Five have been completed, Ranchos LP may convey its title thereto to the Association. Until the interest of Ranchos LP has been conveyed to the Association, Ranchos LP shall be entitled to exercise all rights and privileges it may have relating to such Common Facilities to the extent granted to the Association in this Declaration and all Supplemental Declarations. During such time, the Declarant (or the Board, at Declarant's request) may levy assessments for the purposes provided in Article V of the Declaration and otherwise exercise all rights of the Association in connection therewith so long as such assessments are levied against Lots owned by Declarant and Ranchos LP (subject to the provisions of Article V of the Declaration) and any such assessments levied and collected and not used shall be turned over to the Association when Ranchos LP transfers its interest in the Common Facilities to the Association.

Ranchos LP and the City of El Paso have entered into or will enter into a contract (the "City Contract") whereby Ranchos LP is granted the right to construct certain Common Facilities on the medians of public streets in Ranchos del Sol Unit Five, and the obligation to maintain such Common Facilities. The City Contract may be assigned to the Association, at which time the Association shall assume all of the duties and obligations of Ranchos LP under the City Contract and Ranchos LP shall be relieved of any further duties and obligations thereunder.

Section 2.06. Liens and Assessments. There is a vendor's lien retained by Ranchos LP in each deed to an Owner to secure the obligations of the Owner under the Declaration and this Supplemental Declaration, which vendor's lien is automatically transferred and assigned to the Association; provided, however, that such vendor's lien need not be specifically reserved in any such deed, but is automatically reserved pursuant to the Declaration and this Supplemental Declaration. Each Lot within Ranchos del Sol Unit Five shall be subject to assessments secured by an assessment lien with power of sale in favor of the Association as provided in Article V of the Declaration. Each Lot within Ranchos del Sol Unit Five shall be assessed an annual maintenance charge assessment substantially equivalent to the maintenance charge assessment imposed on all other Lots currently governed by the Declaration.

Section 2.07. Assignment of Certain Rights. To facilitate the operation of the Association and the development of Ranchos del Sol Unit Five, Ranchos LP hereby assigns its voting rights to the Declarant and grants to Declarant a proxy to vote on all matters before the Association until the Conversion Date. This assignment and proxy may be revoked by Ranchos LP at any time by filing a revocation in the Real Property Records of El Paso County, Texas.

Section 2.08. Architectural Control Committee. The Architectural Control Committee, as further described in the Declaration, is currently composed of Russell Hanson and Joe G. Hanson.

Section 2.09. Amendment. The Declarant and Ranchos LP shall have the right at any time and from time to time prior to the Conversion Date, without the joinder or consent of any other party, to amend the Declaration and Supplemental Declaration with respect to Ranchos del Sol Unit Five by any instrument in writing duly signed, acknowledged and filed for record in the Real Property Records of El Paso County, Texas.

Section 2.10. Density Restriction. The proposed use of Ranchos del Sol Unit Five is limited to a maximum of seventy-seven (77) residential units on 23.872 acres of land, more or less.

Section 2.11. Miscellaneous. The provision in Section 5.03 of the Declaration exempting the Owner of a Lot acquired from the Declarant from paying the assessment due immediately following the acquisition, shall also apply to Lots acquired from Ranchos LP. No action shall be taken against Ranchos LP, its partners or agents, for any action or failure to act on matters required of it or them by this Declaration, including without limitation, any matter related to the acts or omissions of the Architectural Control Committee.

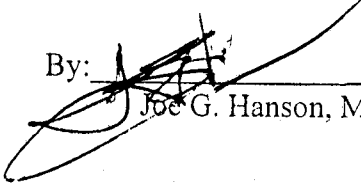
Except as supplemented by this Supplemental Declaration, the original Declaration is hereby confirmed and ratified in all respects.

IN WITNESS WHEREOF, the undersigned have executed this Supplemental Declaration to be effective as of the 16 day of August, 1999.

SIGNATURES FOLLOW ON NEXT PAGE

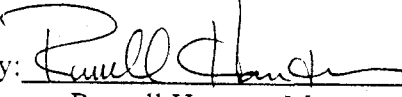
LOOP 375, L.P., a Texas limited partnership

By: 375, L.C.,
a Texas limited liability company

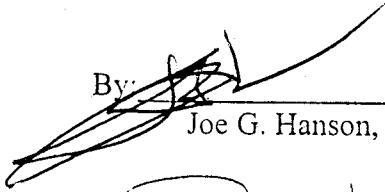
By: 
Joe G. Hanson, Manager

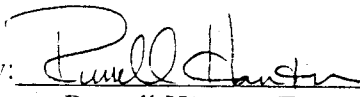
RANCHOS DEL SOL UNIT 5, L.P.
a Texas limited partnership

By: CHISHOLM PASS, L.C.
a Texas limited liability company

By: 
Russell Hanson, Manager

**BOARD OF TRUSTEES OF RANCHOS
PROPERTY OWNERS' ASSOCIATION**

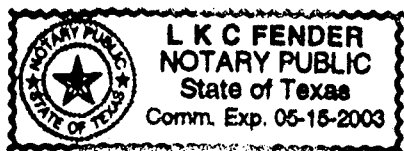
By: 
Joe G. Hanson, Trustee

By: 
Russell Hanson, Trustee

By: 
Rick Cordova, Trustee

STATE OF TEXAS)
)
COUNTY OF EL PASO)

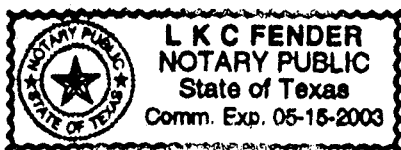
This instrument was acknowledged before me on this 13th day of August, 1999, by Joe G. Hanson, Manager of 375, L.C., General Partner of Loop 375, L.P. a Texas limited partnership, on behalf of said limited partnership, and in his capacity as a Trustee, Board of Trustees of Ranchos Property Owners' Association.



L K C Fender
Notary Public

STATE OF TEXAS)
)
COUNTY OF EL PASO)

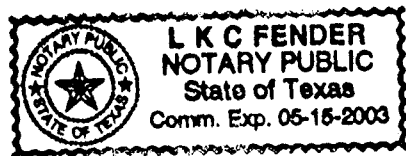
This instrument was acknowledged before me on this 13th day of August, 1999, by Russell Hanson, Manager of Chisholm Pass, L.C., General Partner of Ranchos del Sol Unit 5, L.P., a Texas limited partnership, on behalf of said limited partnership, and in his capacity as a Trustee, Board of Trustees of Ranchos Property Owners' Association.



L K C Fender
Notary Public

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this 13th day of August, 1999, by Rick Cordova, Trustee, Board of Trustees of Ranchos Property Owners' Association.



L K C Fender
Notary Public

Ranchos Del Sol Unit 5 LP

1715 Weston Brent, Suite B

El Paso, TX 79935

Doc# 99062206
Pages: 6
Date : 08-16-1999
Time : 01:05:01 P.M.
Filed & Recorded in
Official Records
of El Paso County, TX.
HONORABLE HECTOR ENRIQUEZ, JR
COUNTY CLERK
Rec. \$ 19.00

**SUPPLEMENTAL DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
RANCHOS DEL SOL UNITS FOUR AND FIVE
A Residential Subdivision**

This Supplemental Declaration, made on the date hereinafter set forth by **LOOP 375, L.P.**, a Texas limited partnership, hereinafter referred to as "Declarant," joined by **RANCHOS PROPERTY OWNERS' ASSOCIATION**, hereinafter referred to as the "Association," and **RANCHOS DEL SOL UNIT 5, L.P.**, a Texas limited partnership, the developer of Ranchos Del Sol Unit Five, El Paso, Texas, hereinafter referred to as "Ranchos LP".

WHEREAS, Declarant has previously caused to be filed that certain Declaration of Covenants, Conditions and Restrictions for Ranchos Del Sol Unit Four (a Residential Subdivision), being recorded in Volume 2873, Page 1869, Real Property Records of El Paso County, Texas, as amended by a Supplemental Declaration dated August 16, 1999, recorded under Clerk's File No. 99 062206, Real Property Records of El Paso County, Texas, adding Ranchos Del Sol Unit Five to the scheme of the covenants, conditions and restrictions (as amended, hereinafter referred to as the "Declaration"); and

WHEREAS, Declarant desires to give notice of the Conversion Date as provided in Section 3.05(b) of the Declaration and to convey to the Association all of the rights and privileges of the Declarant in and to the Common Facilities (as defined in the Declaration);

NOW, THEREFORE, the Declarant, joined by the Association and Ranchos LP, hereby establishes June 27, 2001, as the Conversion Date, thereby giving all Class A Members the full right to vote from and after that date. The establishment of a Conversion Date shall not affect the membership of, or impair the powers and rights of, the Architectural Control Committee identified in the Declaration.

Declarant agrees to convey the Common Facilities to the Association in accordance with a Deed Without Warranties of even date herewith to be recorded in the Real Property Records of El Paso County, Texas.


Capitalized terms used in this supplemental declaration shall have the meanings ascribed to them in the Declaration, unless otherwise defined herein. Except as supplemented by this Supplemental Declaration, the original Declaration is hereby confirmed and ratified in all respects.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, joined by the Association and Ranchos LP, has executed this Supplemental Declaration to be effective as of the 27 day of June, 2001.

2001 JUN 27 4 46 PM

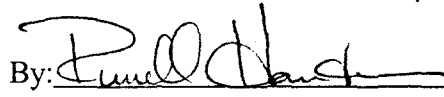
LOOP 375, L.P., a Texas limited partnership

By: 375, L.C.,
a Texas limited liability company


By: 
Joe G. Hanson, Manager

RANCHOS DEL SOL UNIT 5, L.P.
a Texas limited partnership

By: CHISHOLM PASS, L.C.
a Texas limited liability company

By: 
Russell Hanson, Manager

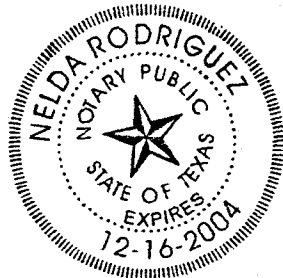
**RANCHOS PROPERTY OWNERS'
ASSOCIATION**

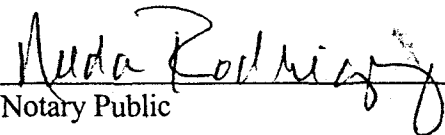
By: 
Russell Hanson, President

STATE OF TEXAS)

COUNTY OF EL PASO)

This instrument was acknowledged before me on this 5th day of June, 2001, by Joe G. Hanson, Manager of 375, L.C., General Partner of Loop 375, L.P., a Texas limited partnership, on behalf of said limited partnership.




Notary Public

1003240120747

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this 14th day of June, 2001, by Russell Hanson, Manager of Chisholm Pass, L.C., General Partner of Ranchos del Sol Unit 5, L.P., a Texas limited partnership, on behalf of said limited partnership, and in his capacity as a President of Ranchos Property Owners' Association, on behalf of said association.



Nelda Rodriguez

Notary Public

AFTER RECORDING RETURN TO:

Hanson Development Corporation
4487 N. Mesa, Suite 201
El Paso, Texas 79902

00476 104 1002

**UNANIMOUS WRITTEN CONSENT OF THE
SOLE VOTING MEMBER OF
RANCHOS PROPERTY OWNERS' ASSOCIATION**

The undersigned, being the sole voting member of RANCHOS PROPERTY OWNERS' ASSOCIATION, a nonprofit corporation, organized under the Texas Non-Profit Corporation Act, do by this writing consent to take the following action and adopt the following resolution:

RESOLVED, that the first sentence of Section 5.07 of the Bylaws is hereby amended to read as follows:

Members holding one-tenth (1/10) of the votes entitled to be cast, shall constitute a quorum for voting on matters brought before the Association at meetings of Members called by the Board.

This foregoing amendment is adopted by the undersigned pursuant to Section 11.01 of the Bylaws and pursuant to Section 2.07 of the Supplemental Declaration recorded on August 16, 1999 under Clerk's File No. 99062206, Real Property Records of El Paso County, Texas, in which Ranchos Del Sol Unit 5, L.P. granted to the undersigned a proxy to vote on all matters involving Ranchos Del Sol Unit Five.


The undersigned directs that this Consent be filed with the minutes of the proceedings of the members of the Association.

This Consent is executed pursuant to Article 1396-9.10 of the Texas Non-Profit Corporation Act, which authorizes the taking of action by the members by unanimous written consent without a meeting.

DATED EFFECTIVE the 22 day of April, 2001.

LOOP 375, L.P., a Texas limited partnership

By: 375, L.C.,
a Texas limited liability company

By:  _____
Joe G. Hanson, Manager

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
RANCHOS DEL SOL, UNIT FOUR
(A Residential Subdivision)

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

THIS DECLARATION, made on the date hereinafter set forth by LOOP 375, L.P., a Texas limited partnership, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Article II of this Declaration and desires to create thereon a residential community with designated "Lots" and "Common Facilities" (as those terms are defined herein) for the benefit of the present and future owners of said Lots; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in said community and for the maintenance of said Common Facilities; and

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

WHEREAS, Declarant shall cause a non-profit corporation to be incorporated under the laws of the State of Texas for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, the Declarant declares that the real property described in Article II is and shall be held, transferred, sold, conveyed, occupied, and enjoyed subject to the covenants, restrictions, easements, charges, and liens (sometimes referred to herein collectively as "covenants and restrictions") hereinafter set forth.

ARTICLE I. DEFINITIONS

The following words, when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

- (a) "Association" shall mean and refer to the non-profit corporation which Declarant shall cause to be incorporated under the name of RANCHOS Property Owners' Association as herein provided, its successors and assigns.
- (b) "The Subdivision" shall mean and refer to RANCHOS DEL SOL UNIT FOUR and all subdivisions brought within the scheme of this Declaration, and any other real property (including specifically, but without limitation, all or portions of other subdivisions being or to be developed by Declarant or affiliated or subsidiary entities) brought within the scheme of this Declaration.
- (c) "The Properties" shall mean and refer to the properties described in Article II hereof which are subject to this Declaration.
- (d) "Subdivision Plat" shall mean and refer to the map or plat of RANCHOS DEL SOL UNIT FOUR recorded in the Plat Records of El Paso County, Texas.
- (e) "Lot" and/or "Lots" shall mean and refer to each of the lots shown upon the Subdivision Plat. Reference herein to "the Lots (each Lot) in The Subdivision" shall mean and refer to Lots as defined respectively in this Declaration and all Supplemental Declarations.
- (f) "Common Facilities" shall consist of improvements for the use and benefit of all or some Owners constructed on portions of one or more Lots or on the medians in public streets. By way of illustration, it is contemplated as of the date of this Declaration that the Common Facilities may include medians in public streets; landscaping and signage in the entryway to the Subdivision. References herein to "the Common Facilities (any Common Facility) in The Subdivision" shall mean and refer to Common Facilities as defined respectively in this Declaration and all Supplemental Declarations. The Common Facilities shall be initially developed by the Declarant, at its sole cost and expense.
- (g) "Supplemental Declaration" shall mean and refer to any Supplemental Declaration of Covenants, Conditions and Restrictions bringing additional property within the scheme of this Declaration under the authority provided in Article II hereof. References herein (whether specific or general) to provisions set forth in "all (any) Supplemental Declarations" shall be deemed to relate to the respective properties covered by such Supplemental Declaration.

(h) "Owner" shall mean and refer to the record owner of the fee simple title to any Lot, or if such Lot is subject to a term purchase contract with Declarant, to the contract purchaser, whether one or more persons or entities, but shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. References herein to "the Owners in The Subdivision" shall mean and refer to Owners as defined in this Declaration and all Supplemental Declarations.

(i) "Member" and/or "Members" shall mean and refer to all those Owners who are members of the Association as provided in Article III, together with all the Owners in The Subdivision who are members of an association as provided in all Supplemental Declarations.

ARTICLE II. PROPERTY SUBJECT TO THIS DECLARATION

Section 2.01. Description. The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration consists of the following:

RANCHOS DEL SOL, UNIT FOUR, being a portion of Tracts 1A, 1E, and 1H, O. A. DANIELSON SURVEY No. 312, City of El Paso, El Paso County, Texas, containing in all 1,984,991.60 square feet or 45.5691 acres;

all of which real property is sometimes hereinafter referred to as the "Existing Property."

Section 2.02. Additions to Existing Property. Additional lands may become subject to the scheme of this Declaration in the following manner:

(a) Additions by Declarant. The Declarant, its successors and assigns shall have the right to bring within the scheme of this Declaration additional properties in future stages of the development (including, without limitation, subsequent sections of Ranchos del Sol Subdivision and all or portions of other subdivisions being or to be developed by Declarant or affiliated or Subsidiary entities), upon the approval of the Board of Trustees of the Association in its sole discretion. Any additions authorized under this and the succeeding subsection shall be made by filing of record a Supplemental Declaration of Covenants, Conditions and Restrictions with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property and the execution thereof by members of the Board of Trustees of the Association shall constitute all requisite evidence of the required approval thereof by such Board of Trustees. Such Supplemental Declaration must impose at least an annual maintenance charge assessment on the property covered thereby, on a uniform, per lot basis, substantially equivalent to the maintenance charge and assessment imposed by this Declaration, and may contain such complimentary additions and/or modifications of the covenants and restrictions contained in this Declaration as may be applicable to the additional lands.

(b) Other Additions. Upon the approval of the Board of Trustees of the Association, in its sole discretion, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association may file of record a Supplemental Declaration of Covenants and Restrictions upon the satisfaction of the conditions specified in subsection (a) above.

(c) Mergers. Upon a merger or consolidation of the Association with another association, the Association's properties, rights, and obligations or, alternatively, the properties, rights, and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants and restrictions applicable to the properties of the other association as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants and restrictions established by this Declaration or any Supplemental Declaration.

Section 2.03. Density Restriction. The proposed use of the Existing Property is limited to a maximum of one hundred thirty-four (134) residential units on 45.5691 acres of land, more or less.

ARTICLE III. THE ASSOCIATION

Section 3.01. Organization. The Declarant shall cause the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas.

Section 3.02. Purpose. The purpose of the Association in general shall be to provide for and promote the health, safety, and welfare of the Members, to collect the regular and special assessments, and to administer the funds so collected, to provide for the maintenance, repair, preservation, upkeep, and protection of the Common Facilities in The Subdivision and such other purposes as are stated in the Articles of Incorporation consistent with the provisions of this Declaration and all Supplemental Declarations.

Section 3.03. Trustees. The Association shall initially act through a two-member Board of Trustees, which shall manage the affairs of the Association. Until the Conversion Date, each of the members of the Board of Trustees may act on behalf of the Board of Trustees without the joinder of the other member. The initial Trustees of the Association shall be selected by Declarant. Each initial Trustee shall serve for an initial term as

provided in the Bylaws of the Association and, thereafter, until his successor is duly elected and qualified. After the expiration of the term of the initial Trustees, the Members shall elect a Board of Trustees as provided for in the Bylaws. Any vacancy, from whatever cause other than removal, occurring in the Board of Trustees shall be filled by appointment made by the remaining Trustee or Trustees. The person appointed by the remaining Trustee or Trustees to fill such vacancy shall serve for the remainder of the initial term and until his successor is duly elected and qualified.

Section 3.04. Members. Each Owner, whether one or more persons or entities, of a Lot shall, upon and by virtue of becoming such Owner, automatically become a Member of the Association and shall remain a Member thereof until his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the legal ownership of each Lot and may not be separated from such ownership. Whenever the legal ownership of any Lot passes from one person to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association, and no certificate of membership will be issued.

Section 3.05. Voting Rights. The Association shall have two classes of voting membership:

(a) CLASS A. The Class A Members shall be all Owners with exception of the Declarant. After the Conversion Date, Declarant shall also become a Class A Member to the extent Declarant is the Owner of a Lot or Lots.

(b) CLASS B. The Class B Member shall be the Declarant. The Class B membership of Declarant shall cease and become converted to Class A membership upon occurrence of the earlier of the following (the "Conversion Date"):

(i) When Declarant has sold or leased for a term in excess of forty (40) years its interest in 100% of the Lots to unrelated third parties. A sale or a lease for such term to an unrelated third party shall include a sale or lease to joint ventures or partnerships that include Declarant as a co-venturer or partner; or

(ii) Such earlier date as may be established by Declarant in a Supplemental Declaration to be recorded by Declarant.

Until the Conversion Date, the Class A Members shall not be entitled to vote (except to the extent the Bylaws of the Association permit voting for Special Assessments). The Class B Member shall be entitled to one (1) vote for each Lot in which it holds the interest required for membership.

From and after the Conversion Date (and at any time with respect to voting on Special Assessments to the extent provided in the Association's Bylaws), each Class A Member shall be entitled to one (1) vote for each Lot in which it holds the interest required for Association membership. Where more than one person or entity holds an interest in any Lot or subdivided portion thereof, all such persons collectively shall be a single Member, and the vote for such Member shall be exercised as the several parties shall determine among themselves; provided, however, that in aggregate no more than one (1) vote shall be cast with respect to each Lot.

The Association shall not be a voting member of the Association by virtue of its ownership of any Lot, or subdivided portion thereof.

Section 3.06. Title to Common Facilities. To the extent permitted by law, the Declarant may have and retain the legal title to the Common Facilities in The Subdivision until such time as it has completed the improvements and may thereafter convey such title as Declarant may have to the Association for maintenance. Until the interest of the Declarant in the Common Facilities has been conveyed to the Association by Declarant, Declarant shall be entitled to exercise all rights and privileges it may have relating to such Common Facilities to the extent granted to the Association in this Declaration and all Supplemental Declarations. During such time, the Declarant (or the Board, at Declarant's request) may levy assessments for the purposes provided in Article V below and otherwise exercise all rights of the Association in connection therewith so long as such assessments are levied against Lots owned by Declarant (subject to the provisions of Article V below) and any such assessments levied and collected and not used shall be turned over to the Association when Declarant transfers its interest in the Common Facilities to the Association.

ARTICLE IV. PROPERTY RIGHTS IN THE COMMON FACILITIES

Section 4.01. Member's Easements of Enjoyment. Subject to the provisions of Section 4.02 of this Article IV, and the interests of the City of El Paso, every Member shall have a common right and easement of enjoyment in and to the Common Facilities in The Subdivision, and such right and easement shall be appurtenant to and shall pass with the title to each Lot in The Subdivision.

Section 4.02. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association, in its discretion, to make, publish, and enforce reasonable rules and regulations governing the use and enjoyment of the Common Facilities or any part thereof, all

of which reasonable rules and regulations shall be binding upon, complied with, and observed by each Member; and

(b) The right of the Association to enter into contracts or agreements relative to the maintenance of such Common Facilities in such instances and on such terms as its Board of Trustees may deem appropriate; and

(c) The right of the Association to suspend the voting rights of a Member during the period he is in default in excess of thirty (30) days in the payment of any maintenance charge assessment against his Lot; and to suspend such rights for a period not to exceed sixty (60) days for any infractions of its published rules and regulations; and the aforesaid rights of the Association shall not be exclusive, but shall be cumulative of and in addition to all other rights and remedies which the Association may have in this Declaration and Supplemental Declarations or in its Bylaws or at law or in equity on account of any such default or infraction; and

(d) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of constructing and maintaining the Common Facilities. Notwithstanding any other provision in this Declaration to the contrary, no action under this subsection (d) may be had without the consent of Members holding at least two-thirds (2/3) of the votes.

Section 4.03. Delegation of Use. Any Member may delegate his right of use and enjoyment of the Common Facilities in The Subdivision, together with all easement rights granted to Members in this Declaration and all Supplemental Declarations, to the members of his family, his tenants, or contract purchasers who reside on his Lot. The term "Member" is further defined to include and refer to the executors, personal representatives and administrators of any Member, and all other persons, firms, or corporations acquiring or succeeding to the title of the Member by sale, grant, will, foreclosure, execution, or by any legal process, or by operation of law, or in any legal manner.

Section 4.04. Alienation or Hypothecation. Except as herein otherwise specifically provided, no portion of the Common Facilities may be alienated, released, transferred, hypothecated, or otherwise encumbered without the approval of Members present at any annual meeting (or special meeting called for such purpose) holding two-thirds (2/3) of the voting rights at which a quorum (as defined in the Bylaws) is present.

ARTICLE V. ASSESSMENTS AND LIENS

Section 5.01. Purpose of Assessments. The assessments levied hereunder by the Association shall be used exclusively for the purpose of maintaining the Common Facilities and promoting the comfort, collective mutual enjoyment, health, safety and welfare of the Owners of the Property, including, but not limited to, the following:

- (a) The maintenance, repair or replacement of any and all Common Facilities, along with the cost of any associated management or supervisory services, fees, labor, equipment, and materials;
- (b) The design, purchase and installation of any Common Facilities;
- (c) The purchase of insurance coverage relating to Common Facilities, and other property of the Association;
- (d) The carrying out of the duties of the Board of Trustees as provided in the Bylaws and Articles of Incorporation of the Association and in this Declaration;
- (e) The carrying out of purposes of the Association as stated herein and in its Declaration and Articles of Incorporation; and
- (f) The carrying out of all other matters set forth or contemplated in the Declaration, or allowed by law for a Texas non-profit corporation.

Section 5.02. Annual Budget and Regular Assessments. Each fiscal year while this Declaration is in force, the Board shall adopt an annual budget and set the amount of the Regular Annual Assessment to be levied for the next year, taking into consideration Association operating costs for the then current year, expected normal increases in such costs over the next year, and additional future needs of the Association, including the establishment and maintenance of an Association reserve fund as provided for herein. The annual budget shall be adopted by the Board not later than fifteen (15) days prior to the commencement of each fiscal year. Notwithstanding the above, in the event the Board fails for any reason to adopt an annual budget covering the succeeding fiscal year, then and until such time as an annual budget shall have been adopted for such succeeding fiscal year, the annual budget currently in effect shall continue and the Regular Annual Assessment shall be deemed the same as for the current year.

The Regular Annual Assessment for each fiscal year shall be determined by the Board upon its adoption of the annual budget for such fiscal year in the following manner:

(a) The Regular Annual Assessment with respect to any fiscal year shall equal the total amount of the annual budget approved by the Board with respect to such fiscal year; and

(b) Each Lot's pro rata share of the Regular Annual Assessment shall be determined by multiplying the Regular Annual Assessment by a fraction, the numerator of which is one (1), and the denominator of which is the total number of Lots subject to this Declaration. The Board in its discretion may adjust the annual budget and pro rata shares to provide for lesser assessments for unimproved lots. An improved Lot is one with a residence available for occupancy, whether occupied or not.

Should any surplus exist at the end of any year, the Board may, at its own discretion, reduce the amount required for the next Regular Annual Assessment by an amount not more than said surplus, provided, however, that reserve fund requirements are first met.

Section 5.03. Payment of Regular Assessments. The Regular Annual Assessments provided for herein shall commence on a date fixed by the Board and thereafter shall be due and payable in quarterly installments, in advance, on the first day of the first month in each quarter of the fiscal year; provided, however, that if the commencement date of the initial Regular Annual Assessment for the Association shall not be the same as the first day of the first month of a quarter in the fiscal year, then the initial quarterly assessment installment shall be from the date of commencement to the first day of the next quarter, and payment shall be prorated for the number of days remaining in the quarter; and provided further that the Owner of a Lot acquiring title to the Lot from the Declarant shall have no obligation to pay the quarterly installment due immediately following the acquisition, but shall commence payment with the second quarterly installment date.

Section 5.04. Special Assessments. In addition to the Regular Annual Assessments provided for herein, Special Assessments may be levied and paid as provided in the Bylaws of the Association.

Section 5.05. Enforcement and Personal Obligation of Owners For Payment of Assessments. The Assessments provided for herein shall be the personal and individual debt of the Owner of a Lot, or subdivided portion thereof, covered by such assessments. No Owner may, for any reason, exempt itself from liability for such assessments levied in accordance with the provisions of this Declaration or the Bylaws. In the event that any assessment or installment thereof is not paid when due, and remains unpaid for a period of thirty (30) days thereafter, then the unpaid amount of any such assessment or installment thereof shall become delinquent and shall, together with interest thereon as herein provided and costs of collection thereof, become a continuing personal obligation and debt of the non-paying Owner secured by a self-executing lien (and may also include a vendor's lien retained by Declarant in the initial deed to an Owner which vendor's lien is automatically transferred and assigned to the Association) on the Lot or subdivided portion thereof, including all improvements thereon, to which such assessment or installment pertains. The Association shall have the right to reject any partial payment of any assessment or installment thereof and demand full payment, or the Association may, in its sole discretion, elect to accept any such partial payment on account only, without waiving any rights established hereunder with respect to any remaining balance due.

The obligation of any Owner to pay any assessment imposed on a Lot during such Owner's period of ownership shall remain its personal obligation, and a sale or other transfer of title to such Lot shall not release such former owner from said liability notwithstanding an assumption of liability by the purchaser or transferee. The lien for any unpaid assessments shall be unaffected by any sale or transfer of full or partial ownership interest in a Lot, or subdivided portion thereof, and shall continue in full force and effect. In the event of full or partial sale or transfer of an ownership interest in a Lot, it shall be the sole obligation of the Owner selling or transferring such interest (and not the Association) to disclose to any buyer or transferee that an unpaid assessment and associated lien against the ownership interest exist prior to the date at which such sale or transfer is to be consummated. A copy of such notice shall be sent to the Association at the same time. Upon written request, the Association shall provide an Owner with a statement reflecting the amount of any unpaid or delinquent assessments with respect to a Lot owned by said Owner.

The unpaid amount of any assessment shall bear interest from its due date at eighteen percent (18%) per annum or the maximum legal rate of interest then prevailing, whichever is lesser. In addition, the Board may elect to retain the services of an attorney of its choice for the purposes of collecting any unpaid assessment and interest charges thereon, and/or to foreclose the lien against the property subject thereto and/or to pursue any other legal or equitable remedy which the Association may have and there shall be added to the amount of unpaid assessment and interest charges thereon, any and all collection costs incurred by the Association, whether judicial or non-judicial, and including, but not limited to, reasonable attorney's fees and court costs.

Section 5.06. Lien and Foreclosure. Upon delinquency, all sums assessed in the manner provided in this Declaration or in the Bylaws, together with all interest costs as herein provided shall be secured by the lien provided for under Section 5.05 above. As further evidence and notice of such assessment lien, the Association may prepare a written notice of such lien setting forth the amount of delinquent indebtedness, the name of the Owner of the property covered by such lien, and a description of the property. Such notice shall be signed by a duly authorized Officer of the Association and shall be recorded in the office of the County Clerk of El Paso County, Texas, or such other place as may be required by law for the recording of liens affecting real property at such time as such notice is recorded. Such lien for payment of assessments shall attach from the date such payment becomes delinquent and may be enforced after recording said notice through (i) nonjudicial foreclosure of such lien on the Lot, or subdivided portion thereof and any improvements thereon in like manner as a mortgage on real property, and in accordance

with the Texas Property Code, it being understood that each Owner of a Lot expressly grants to the Association a power of sale, through a trustee designated in writing by the Board, (ii) suit against the Owner personally obligated to pay the assessment, and/or (iii) foreclosure of the aforesaid lien judicially. In any foreclosure proceeding whether judicial or nonjudicial, the Owner shall be required to pay the costs, expenses and reasonable attorneys' fees incurred by the Association. The Association shall have the power to bid on the property being foreclosed.

Section 5.07. Lien Subordination. Any lien established as provided for in this Declaration or the Bylaws, shall be subordinate and inferior to any mortgage or deed of trust in favor of any bank, savings and loan association, insurance company, pension fund, or other similar financial institution or other lender approved by the Board; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a foreclosure sale (whether public or private) of any such Lot pursuant to the terms and conditions of any such mortgage or deed of trust, and provided further, that the loan secured by the mortgage or deed of trust shall be a valid purchase money loan or construction loan. Such foreclosure sale shall not relieve any new Owner taking title at such sale from liability for the amount of any assessments thereafter becoming due or from a lien arising from any such subsequent assessment. Notwithstanding anything herein to the contrary, a lien for assessments shall be unaffected by a foreclosure of other than a first lien created by a deed of trust or mortgage.

Upon the written request of any such lender holding a superior lien on any Lot as provided herein, the Association shall report to such lender any unpaid assessments which are delinquent as herein defined. The Association may from time to time, at its own initiative, elect to report delinquent assessments to such mortgage lenders.

Section 5.08. Notice of Lien or Suit. Any Owner shall at the request of the Association give notice to the Association of every lien or encumbrance upon his Lot or subdivided portion thereof, other than for taxes and Assessments, and notice of every suit or other proceeding which may affect the title to his Lot or subdivided portion thereof, and such notice shall be given within five (5) days after the Owner has knowledge thereof.

Section 5.09. Collection and Enforcement. Each Member, by his assertion of title or claim of ownership or by his acceptance of a deed to a Lot, whether or not it shall be so recited in such deed, shall be conclusively deemed to have expressly vested in the Association, and in its officers and agents, the right, power and authority to take all action which the Association shall deem proper for the collection of assessments and/or for the enforcement and foreclosure of the liens securing the same.

ARTICLE VI. ARCHITECTURAL CONTROL

Section 6.01. Architectural Control. No building, fence, wall or other structure shall be erected, placed or altered on any of the Lots until the construction plans and specifications and a plat showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing and proposed structures, and as to location with respect to topography and finish grade elevation. The Committee shall have broad, discretionary authority to interpret and apply the standards set forth in this Declaration.

Section 6.02. Architectural Control Committee.

(a) Membership. The Architectural Control Committee is composed of Joe G. Hanson, Warren Kirwin and Russell Hanson, all of El Paso, Texas. A majority of the Committee may designate a representative to act for it. In the event of the death or resignation of any member of the Committee, the remaining members of the Committee shall have full authority to designate a successor. Neither the members of the Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant to this Declaration. Any time after the expiration of ten years from the date of this Declaration, or at any time after all of the members resign, the Association shall have the power through a duly recorded written instrument to change the membership of the Committee or remove or restore to it any of its powers and duties.

(b) Procedure. The Committee's approval or disapproval as required in this Declaration shall be in writing, and in the event the Committee, or its designated representative, fails to approve or disapprove within thirty (30) days after final and complete plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related procedural requirements of this Declaration shall be deemed to have been fully complied with. No action shall be taken against the Declarant, its officers, directors or shareholders, the Association, its officers, trustees, or members, or the Architectural Control Committee for any action or failure to act on matters required of them by this Declaration.

ARTICLE VII. BUILDING AND USE RESTRICTIONS

Section 7.01. Land Use and Building Type. None of the Lots will be used except for the purposes permitted by the Zoning Ordinance of the City of El Paso in effect on the date this document is executed. No structure shall be erected, altered, placed, or permitted to remain on any of the Lots, or any part thereof, other than one single-family detached dwelling, not to exceed two stories in height, together with private garage or carport and other customary appurtenances to the private dwelling.

Section 7.02. Dwelling Size. The ground floor area of the single-family detached residence, exclusive of open or screened porches, terraces, patios, driveways, carports and garages, shall not be less than 2,000 square feet for a one-story dwelling, and the combined living areas of 1-1/2 or two-story dwellings, exclusive of open or screened porches, terraces, patios, driveways, carports and garages, shall not be less than 2,000 square feet for up and downstairs, with a minimum of 1,200 square feet on the first floor.

Section 7.03. Building Location. Without exception, all building setback lines will comply with setback requirements of the Zoning Ordinance of the City of El Paso. For the purposes of these Covenants, eaves, steps, and open porches shall not be considered as part of a building, provided however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another Lot.

Section 7.04. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat.

Section 7.05. Nuisances. No noxious or offensive activity shall be carried on upon any of the Lots, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood.

Section 7.06. Temporary Structures and Trailers. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other building shall be used on any of the Lots at any time as a residence, either temporarily or permanently, and no buses, trailers, motor homes, mobile homes, recreational vehicles, boats, or stored or disabled vehicles shall be stored or kept on any Lot.

Section 7.07. Fences and Garden Walls. No fence or garden wall shall be erected, placed, or altered on any of the Lots nearer to any street than the minimum building setback line except that on corner lots a fence may be placed or erected along the rear lot and forward along the side street lot line. This provision shall not preclude any necessary retaining walls. All walls shall be solid masonry, except that rear-property walls and side walls abutting a public street may have columns and ornamental iron curtains not more than five feet in height. Chain link fences are not permitted.

Section 7.08. Completion of Structure. Any residential or accessory structure once commenced shall be completed as to exterior in accordance with the provisions of this Declaration in not more than 180 days from the date of commencement, which shall be the date the foundation slab is poured.

Section 7.09. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two and six feet above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Lot within ten feet from the intersection of the street property line with the edge of a driveway or alley pavement. No trees shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

Section 7.10. Attached Structures, Exterior Maintenance. Attached structures will at all times be maintained with a compatible scheme as to exterior treatment. If an Owner of any Lot fails to maintain the premises in a neat and orderly manner, the Declarant or the Association shall have the right, through its agents and employees, to enter the Lot in order to repair, maintain, and restore the Lot, including landscaping, and the exterior of any buildings and other improvements located on the Lot, all at the expense of the Owner.

Section 7.11. Miscellaneous. No privy shall be placed upon any of the Lots. No signboard or other visible advertisement larger than one square foot may be placed upon any Lot, other than signs pertaining to the sale of Lots or the builders' signs which may be placed upon the premises during the construction of improvements on the property. Signs shall comply with the Zoning Ordinance of the City of El Paso. No excavation shall be made on any of the Lots for the purpose of obtaining sand, rock, clay, dirt, coal or gravel, whether for profit or otherwise. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any of the Lots, except that dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose whatever.

Section 7.12. Drainage. Drainage of Lots and the subdivision will be according to approved City of El Paso Drainage Plans. It is unlawful to alter or in any way change the drainage of any Lot, without prior approval of the City Engineer.

Section 7.13. Soils Condition. It is the responsibility of each Owner to determine the soils condition of the Owner's Lot prior to any construction, and to take appropriate action to insure the integrity of the foundation of any improvements constructed on the Lot.

Section 7.14. Landscaping. All Lots shall be landscaped within ninety (90) days following substantial completion of construction of the residential structure.

Section 7.15. Lot Condition. All Lots shall at all times be kept in a healthful, sanitary and attractive condition, free of garbage, trash, junk or other waste matter. No Lot shall be used for open storage of any

materials whatsoever, which storage is visible from the street, except that new building materials used in the construction of improvements erected on any Lot may be placed upon such Lot during construction.

ARTICLE VIII. GENERAL PROVISIONS

Section 8.01. Term. The covenants in this Declaration are to run with the land and shall be binding on all parties and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the owners of the then current majority of the Lots has been recorded agreeing to change this Declaration in whole or in part.

Section 8.02. Enforcement. Enforcement shall be by procedure at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. In such event, the person violating or attempting to violate any covenant shall be charged with all costs of suit, including reasonable attorney's fees. The City of El Paso shall be entitled to enforce the residential density covenants contained in Section 2.03.

Section 8.03. City of El Paso. The City of El Paso shall have the right to enforce, by any proceeding at law or in equity, all restrictions and conditions now or hereafter imposed by the provisions in Article VII. Failure or delay to enforce any covenant herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 8.04. Severability. The invalidity of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

Section 8.05. Encroachments. It shall not be in violation of these covenants for a Lot owner to acquire, own, and use a portion of an adjoining Lot in order to comply with the building setback requirements to resolve problems resulting from encroachment of buildings, rock walls, or other permanent improvements.

Section 8.06. Amendment. The covenants, conditions, and restrictions of this Declaration may be amended as follows:

(1) by Declarant at any time and from time to time, without the joinder of or consent of any other party, for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development evidenced by this Declaration;

(2) By Declarant at any time and from time to time with respect to any Lots owned by Declarant at the time, and no such amendment shall in any way serve to release, modify or effect these protective covenants as to any land theretofore conveyed; and

(3) After the Conversion Date, by an instrument signed by the Owners of sixty-six and two-thirds (66.67%) of the Lots.

No amendment shall be effective until recorded in the Real Property Records of El Paso County, Texas.

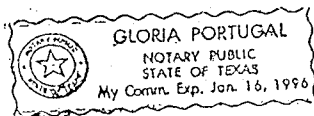
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, have executed this Declaration to be effective as of the 31st day of Feb, 1994/1995

DECLARANT: LOOP 375, L.P., a Texas limited partnership

By: [Signature]
Name: Joe Hanson
Title: MANAGING PARTNER

STATE OF TEXAS)
COUNTY OF EL PASO)

This instrument was acknowledged before me this 14th day of February 1995, by JOE G. HANSON, MANAGING PARTNER of LOOP 375, L.P., a Texas limited partnership, on behalf of said limited partnership.



[Signature]
Notary Public

95-20253

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FILED FOR RECORD
IN MY OFFICE

'95 APR 11 AM 10:32

~~EL PASO COUNTY~~
EL PASO COUNTY TEXAS

ANY INSTRUMENT WHICH RESTRICTS THE SALE, MORTGAGE
OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR
OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW
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 Record of Real Property of El Paso County, Texas.



APR 11 1995

[Handwritten signature]

El Paso County, Texas

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