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REVISED

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

LOS COMPADRES CANYON

Developers: CONQUISTADOR CONSTRUCTION COMPANY, INC.

November 15, 1982

1311-0788

REVISED
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS

This Revised Declaration, hereinafter called Declaration, is made on the date last entered and is by CONQUISTADOR CONSTRUCTION COMPANY, INC., hereinafter called Declarant.

WITNESSETH:

WHEREAS, Declarant is the Owner of certain real property located in El Paso, El Paso County, Texas and more particularly described as follows:

All of Blocks 94, 105 & 106, and portions of Blocks 92, 95 and 104, KERN PLACE ADDITION, an Addition in the City of El Paso, El Paso County, Texas, containing 15.22465 acres more or less, and more particularly described by metes and bounds in Exhibit A attached hereto and incorporated herein by reference.

NOW, THEREFORE, Declarant hereby declares that all the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the above described property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. Association. Association shall mean and refer to LOS COMPADRES CANYON HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

Section 2. Owner. Owner shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any lot which is a part of the property, including any purchaser under Contract of Sale, but excluding those having such interest merely as security for the performance of an obligation.

1311-0789

Section 3. Property. Property shall mean and refer to that certain real property heretofore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. Common Area. Common area shall mean all real property owned by the Association and for the common use and enjoyment of the owners, being more particularly described as follows:

Lots 4A, 23, 23A, 69A, 72A, 79A, 86, 87, 88, 41A, 45A, 53 and 65 in Block 1, LOS COMPADRES CANYON, an Addition in the City of El Paso, El Paso County, Texas, containing 5.53733 acres more or less, more particularly described on Exhibit B attached hereto and incorporated herein by reference.

Said common area shall be conveyed by the Declarant to the Association upon execution of this Declaration.

Section 5. Lot. Lot shall mean and refer to any plot of land shown upon the recorded subdivision map of the property with the exception of the common area.

Section 6. Declarant. Declarant shall mean and refer to CONQUISTADOR CONSTRUCTION COMPANY, INC., its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. Unit. Unit shall mean and refer to the dwelling upon a Lot.

Section 8. Party Walls. Party Walls shall mean and refer to a wall or fence upon the property on or near the dividing line between two Lots, as a common part of, or appurtenance to, adjoining Units.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements. Every Owner shall have a right and easement of enjoyment in and to, and an easement of ingress and egress through the Common Area, which easements shall be perpetual, appurtenant to and pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use and maintenance of the Common Area and of any recreational facility which may be situated upon the Common Area. So long as this Declaration is effective the Association shall maintain the Common Area in good order and condition as intended by Sections 25-41 of the City code of the City of El Paso or as hereafter amended. The Association shall have a reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property.

(b) The right of the Association to suspend the voting rights and right to use any recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty days for any infraction of its published rules and regulations.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any consenting public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by sixty-seven (67%) percent of each class of members and at least fifty-one percent (51%) of the holders of first mortgages, insurers and guarantors in the project has been recorded.

(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 sixty-seven (67%) percent of each class of members has been obtained and recorded, and the mortgages of at least 51% of the lots has likewise been obtained and recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to be situated thereon to the members of his family, his tenants, or contract purchasers who reside on the Property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting. The Association shall have two classes of voting membership:

(a) Class A: Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lots shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot.

(b) Class B: The Class B members shall be the Declarant and shall be entitled to three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or;

(ii) On the first day of January, 1985.

ARTICLE IV

COVENANT AND MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a Deed therefor, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association: (a) Annual assessments or charges, and; (b) Special assessments for capital improvements, such assessments to be established and

collected as hereinafter provided. Annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person or persons who was or were the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

The Association shall have the power and authority to assess members for taxes on the Common Area 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.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Property and for the improvement and maintenance of the Common Area. The private streets shall be part of the Common Area and it shall be the obligation of the Association to maintain them so that they remain useable and fit for the purpose intended. The Association shall be required to establish and maintain an adequate reserve fund for the periodic repair, replacement and maintenance of improvements to the Common Area, maintained out of annual assessments.

Section 3. Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be \$150.00 per Lot. From and after January 1st of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased each year not more than 5% above the maximum assessment for the previous year without a vote of the membership. From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above 5% by a vote of two-thirds of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in an assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capitol improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum For Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast 60% of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. The Association shall also be entitled to collect a late charge in such amounts and upon such conditions as the Board of Directors may from time to time determine.

Section 8. Effect of Nonpayment of Assessments - Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 10% per annum, and the Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each such Owner by his acceptance of a Deed to a Lot, hereby expressly vests in the LOS COMPADRES CANYON HOMEOWNERS ASSOCIATION, INC., or its agents the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or Deed of Trust Lien on real property; and such Owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association, acting on behalf of the Lot Owners shall have the power to bid at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same; and to subordinate so much of its right to such liens as may be necessary or expedient to satisfy an insurance company continuing to give total coverage, notwithstanding nonpayment of such defaulting Owner's portion of the premium. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

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.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All properties dedicated to, and accepted by, a local public authority, the Common Area, and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessment.

Section 11. Management Agreements. Each Owner of a Lot hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all such agreements shall be available to each Owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be cancelled without cause and without penalty on not more than ninety (90) days notice to the other party, by an affirmative vote of 60% of the votes of each class of the members of the Association. In no event shall such management agreement be cancelled prior to execution by the Association of its Board of Directors of a new management agreement with a party or parties, which new management agreement will become operative immediately upon the cancellation of the preceding management agreement. It shall be the duty of the Association or its Board of Directors to execute a new management agreement prior to the expiration of any prior management contract. Any and all management agreements shall be made with a responsible party or parties having experience adequate for the management of a project of this type.

Section 12.

(a) Insurance Assessments. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all of the buildings owned by the Association against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard, and shall also obtain a broad form public liability policy covering all Common Areas, and all damage or injury caused by the negligence of the Association or any of its agents. Said insurance may include coverage against vandalism. Premiums for all such insurance shall be common expenses. All such insurance coverage shall be written in the name of the Association. It shall be the individual responsibility of each Owner, at his own expense, to provide, as he sees fit, hazard insurance, homeowner's liability insurance, theft and other insurance covering real and personal property damage and loss.

(b) Repair or Reconstruction. In the event of damage or destruction by fire or other casualty to any property covered by insurance written in the name of the Association, the Board of Directors shall, with concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to rebuild or repair such damaged or destroyed portions of the Property to as good condition as formerly, substantially in accordance with this Declaration and the original plans and specifications. All such insurance proceeds shall be deposited in a bank or other financial institution, the account of which bank or institution are insured by a Federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature of at least one-third of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction, or rebuilding of such destroyed building or buildings. In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly, the Board of Directors shall levy a special assessment against all Owners, as established by Article IV, Section 4, above, to make up any deficiency for repair or rebuilding of the Common Area.

(c) Notices. Any insurance policy shall provide for a minimum of thirty (30) days notice of cancellation or substantial modification to the Association and thirty (30) days notice to the mortgagee.

(d) Liability Insurance. The Association must maintain comprehensive general liability insurance coverage of all of the Common Areas of the Project in an amount not less than \$1,000,000 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Coverage under this policy shall include, without limitation 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 Area, and legal liability arising out of lawsuits related to employment contracts of the Association. The insurance company shall be required to give the Association and any first lien mortgagee a minimum of thirty (30) days notice of cancellation or substantial modification.

(e) 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 Common Area buildings and other insurable property within the flood hazard area.

(f) 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 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 Association as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the 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 or substantial modification are required thirty (30) days in advance to the Association and thirty (30) days in advance to any first lien mortgagee.

(g) General. Notwithstanding any other provisions contained 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 projects established by the Federal National Mortgage Association and Government National Mortgage Association.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected, maintained or altered on any Lot or the Common Area until the construction plans and specifications and a plan 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 of existing structures and as to location with respect to topography and finished grade elevation. After such location with respect to topography and

finished grade elevation has been approved and the finished grade of the lots has been completed, such finished grade shall not be altered, changed or disturbed. Whenever practicable, residences constructed on the Lots shall be situated so that a side wall of the residence will also serve as a retaining wall to provide lateral support to the adjoining Lot next higher in elevation. Building location, setback requirements, frontages, and height requirements will be established by the Architectural Control Committee and will be controlled to optimize the overall appearance of the development and to enhance the Common Area.

ARTICLE VI

ARCHITECTURAL CONTROL COMMITTEE

The Board of Directors of the LOS COMPADRES CANYON HOMEOWNERS ASSOCIATION, INC. or three or more representatives appointed by the Board shall constitute the Architectural Control Committee. Upon the death or resignation of a member of the Board or one of its designated representatives, the remaining members of the Board or the remaining representatives shall have full authority to act as the Architectural Control Committee until a successor is elected or appointed as the case may be. The Committee's approval or disapproval as required in this Declaration shall be in writing. In the event that the Committee, or its designated representatives fail to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, and no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and this Declaration shall be deemed to have been fully complied with.

ARTICLE VII

EASEMENTS

Section 1. Easements on Plat. No building or other permanent structure shall be erected or maintained on any part of any area designated as a utility or drainage easement as shown on the recorded plat.

Section 2. Other Easements. Residences constructed where a sidewall also serves as a retaining wall as provided in Article V above, may also be constructed with a roof which extends over a portion of the adjoining Owner's Lot. In such event there is hereby created an easement over and across that part of the adjoining Owner's Lot five (5) feet in width and running in length along the property line to a point ten (10) feet beyond the

end of the overhanging roof. This easement shall be for the sole purpose of allowing the Owner whose roof extends over the adjoining Lot access to repair and maintain the roof and sidewall. The Owner of the adjoining lot shall not utilize that portion of this Lot upon which the easement has been imposed so as to prevent access or the use described above. The Owner in whose favor the easement lies shall promptly repair or replace any damage caused by his use of the easement. If any portion of the Common Area encroaches upon any Lot, or any Lot encroaches upon the Common Area or another Lot as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the improvements, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

ARTICLE VIII

PARTY WALLS

Section 1. Culpatory Causes. Any owner causing damage to a Party Wall shall promptly commence or cause to be commenced repairs to or construction of such damaged Party Wall (including the providing of any temporary protection against the elements which may be required) and diligently pursue the same to completion, at his sole cost and expense. If such owner fails to timely commence such repairs or reconstruction and diligently to pursue them to completion, the owner of the adjoining Unit of which the Party Wall is a part, may effect such repairs or reconstruction at the sole cost and expense of the owner causing such damage. In addition, the owner causing such damage shall pay to the repairing owner as liquidated damages an amount equal to 20 percent of the cost of any such repairs or reconstruction, and such right to liquidated damages shall be appurtenant to the land and shall inure to the benefit of the repairing owner's successors in title.

Section 2. Non-Culpatory Causes. The cost of repairs or reconstruction of any damage to a Party Wall not caused by an owner of the adjoining unit shall be borne equally by said owners. Both owners shall jointly effect any such necessary repairs or reconstruction (including the providing of temporary protection against the elements which may be required) and shall diligently pursue the completion thereof. In the event one owner does not join the other owner in effecting any such necessary repairs or reconstruction, the other owner may proceed to effect same, and the owner not joining in the repairs or reconstruction shall reimburse the repairing owner for 60 percent of the cost of

any such repairs or reconstruction, the owner may proceed to effect same, and the owner not joining in the repairs or reconstruction shall reimburse the repairing owner for 60 percent of the cost of any such repairs or reconstruction, and such right of contribution shall be appurtenant to the land and shall inure to the benefit of the repairing owner's successors in title.

Section 3. Insurance. Nothing contained in this Article VIII shall be construed in any way so as to relieve any insurance company from the payment of any and all amounts which would be payable under any policy or policies had not this Article VIII been inserted in this Declaration.

Section 4. Maintenance. Each Owner shall maintain that portion of such Party Wall or Party Walls within the boundaries of his Unit at all times in good order and repair, and no Party Wall, its footings or any portion thereof, shall be removed, damaged, injured, or destroyed, nor shall the same be altered, added to, enlarged or extended except for the purpose of maintaining or repairing the same, unless upon the prior consent of the Board of Directors of the Homeowner's Association. In the event of the failure of any Owner or Owners properly to maintain the Party Wall, the Association may perform all works of restoration and repair as may be necessary in the sole discretion of its Board of Directors.

Section 5. Easement. In the event that there shall be located within any Party Wall pipes, vents, outlets, or other structures serving more than one Unit the Owner(s) of each Unit so served shall have and enjoy a perpetual easement for the maintenance and use of any such pipe, vent outlet or other structure.

ARTICLE IX

LAND USE

Section 1. Building Type. No Lot shall be used except for residential purposes. No structure shall be erected, altered, or placed or permitted to remain on any of said Lots, or any part thereof, other than one single family dwelling together with private garage or carport and other customary appurtenances to private dwellings.

Section 2. Temporary Structures. No structure of a temporary character including trailers, tents, shacks, or other buildings shall be used on any Lot at any time as a residence, either temporarily or permanently.

Section 3. Recreational Vehicles and Boats. No recreational vehicles, motor homes, trailers, trucks, campers, or motorcycles of any kind or character and no boats or yachts shall be stored or parked on any Lot closer to the street than the building setback line, and in any case shall be shielded from view from the street by fence, garage or other enclosure. Any such enclosure shall be constructed or erected in accordance with these restrictions and approved by the Architectural Control Committee prior to commencement of construction.

Section 4. Nuisances. No noxious or offensive activity shall be carried on upon any Lot including but not limited to excessive noise from motorcycles, cars, stereos, radios and pets nor shall anything be done thereon which may be or may become an annoyance or a nuisance to the neighborhood.

Section 5. Signs, Billboards, and Miscellaneous Provisions. No drilling or excavation for oil, gas, water, sand, clay, dirt, coal, gravel or any other mineral shall be made on said Property, whether for profit or otherwise. No signboard, billboard, posterboard or advertising of any kind may be placed on any part of any Lot. No "For Sale" or "For Rent" or other similar signs shall be placed on any Lot; except, with the prior approval of the Architectural Control Committee, one sign, not to exceed 36" x 24" may be placed on any Lot. All fences and retaining walls must be suitable in design, material, and structure and are to be approved in writing by the Architectural Control Committee prior to the construction of such fences and retaining walls. No barbed wire or chain link fences shall be permitted. No radio, television towers or aerial wires shall be maintained over any part of any Lot not occupied by a structure, and all such towers or wires must be approved in writing by the Architectural Control Committee prior to the creation or construction thereof.

ARTICLE X

EXTERIOR MAINTENANCE

Each Owner of a Lot shall maintain his Lot and the improvements situated thereon in such a manner that they are always kept in good order, condition, and repair. In the event the Owner of any Lot shall fail to maintain his Lot and the improvements situated thereon in good order, condition, and repair, the Association after approval by two-thirds of the Board of Directors shall have the right, through its agents and employees, to enter upon said Lot without being guilty of

trespass and to repair and maintain and restore the Lot and the exterior of the improvements situated thereon. The cost of such exterior maintenance and restoration of the Lot shall be added to and become part of the assessment to which the Lot is subject.

ARTICLE XI

ANNEXATION OF ADDITIONAL PROPERTY

Section 1. Other Development. In accordance with Section 25-41 of the City Code of the City of El Paso, or as same may be hereinafter amended, additional residential property and common area may be annexed to the Property with the consent of sixty-seven percent (67%) of Lot Owners, and fifty-one percent (51%) of the holders of first mortgages. Notice and quorum shall be the same as is provided in Article IV, Section 5.

Section 2. Time Limit. Declarant may annex and declare additional property to be part of this Project without the consent of the members of the LOS COMPADRES CANYON HOMEOWNERS ASSOCIATION, INC. within three (3) years of the date of this Declaration provided that said annexation is subject to the approval of the City of El Paso in accordance with Section 25-41 of the City Code of the City of El Paso, or as same be hereafter amended.

ARTICLE XII

USE OF THE PROPERTY BY DECLARANT

Notwithstanding anything herein to the contrary, Declarant, his agent, employees, successors or assigns may operate and maintain upon the Property described herein a real estate sales and development business, and may place, erect and maintain upon the Property such customary sales and advertising signs, and parking areas as are usual and reasonable for such real estate sales and development operations until all Lots on the property have been sold and conveyed to grantees, or until the 1st day of January, 1985, whichever shall first occur.

Notwithstanding anything herein to the contrary, Declarant, his agents, employees, contractors, sub-contractors and other authorized personnel shall have the right to enter in and upon the Property and to perform work, and all other related activities and other acts required thereon, in order to complete construction on the Property and construction upon such additional property or adjacent property of Declarant, to make

repairs, and to perform work required by governmental agencies having jurisdiction over the property or other adjacent properties of Declarant; and during construction to direct and maintain and store upon the Property such shacks, storage buildings, temporary toilets, storage yards and areas, materials, tools and machines, fabrication areas and other temporary installations for the requirements and convenience of construction. It is expressly provided that no Owner shall in any manner interfere with any of the foregoing activities of Declarant. No action shall be maintained by any Owner for damage or inconvenience resulting from the exercise of the foregoing rights of Declarant.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In order to insure compliance with the intent of Section 25-41 of the City Code of the City of El Paso, or as the same may be hereafter amended, the City of El Paso may enforce this Declaration for the benefit of any Owner, the Association or its general zoning authority.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

Section 3. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the land for as long as the LOS COMPADRES CANYON exists as a planned residential district under Section 25-41 of the City Code of the City of El Paso, or as hereafter amended. The City of El Paso's interest in these covenants, conditions, and restrictions may be sooner released without the consent of any third person benefited thereby, by the City of El Paso, after recommendation by the City Plan Commission, upon the recording of an instrument in writing to that effect in the Deed Records of El Paso County, Texas. In the event the City of El Paso releases its interest as above provided, these covenants, conditions and restrictions, shall

nonetheless run with and bind the land for a term of thirty-five (35) years from date this Declaration is recorded, after which time shall same be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty-year period by an instrument signed by not less than 90% of the Lot Owners, and thereafter by an instrument signed by not less than 75% of the Lot Owners. Any amendment must be recorded in the Deed Records of El Paso County, Texas.

Any plans to abandon the Planned Unit Development status shall require the approval of 67% of the Lot Owners and 67% of the holders of first mortgages.

Section 4. First Lien Holders Rights.

(a) Consent. The consent of the Owners of Lots to which at least 67% of the votes in the 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 Property or to add any material provisions thereto which establish, provide for, govern or regulate any of the following:

- (1) Voting;
- (2) Assessments, assessment liens, or subordination of such liens;
- (3) Reserves for maintenance, repair and replacement of the Common Area;
- (4) Insurance or fidelity bonds;
- (5) Rights to use the Common Area;
- (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 Area;

(10) Convertibility of units into Common Area or of Common Area into units;

(11) Leasing of the units within the Property;

(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;

(13) Establishment of self-management by the Association where professional management has been required by any holder of first mortgage or the Federal National Mortgage Association.

(14) Any provisions which are for the express benefit of mortgage holders, insurers or guarantors of first mortgages on units.

(b) Notices of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the 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 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 sixty (60) days.

(3) Any lapse, cancellation or material modification of any insurance policy maintained by the Association pursuant to Article IV, Section 12.

(4) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders.

Section 5. Declarant's 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, the

Declarant shall be liable for a reduced assessment equal to 10% of the assessment of other Lot Owners.

Section 6. Declarant's Guarantee of Loss as a Result of Operation of the Association. The Declarant shall be responsible for contributing the net 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 7. 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 8. 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 sixty (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 1st day of December, 1982.

CONQUISTADOR CONSTRUCTION
COMPANY, INC.

BY: Stanley O. Kingery
Stanley O. Kingery, President

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared STANLEY O. KINGERY, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said CONQUISTADOR CONSTRUCTION COMPANY, INC. and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 1st day of December, 1982.

Karen B. Ogle
Notary Public

My Commission Expires:

Sept. 16, 1986

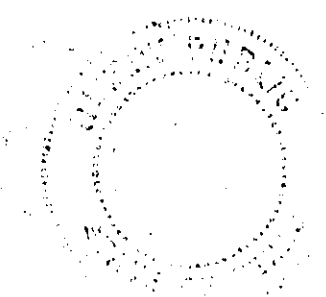


EXHIBIT A

Property Description: All of Blocks 94, 105, and 106 and portions of Blocks 92, 95, and 104, Kern Place Addition, El Paso, El Paso County, Texas.

METES AND BOUNDS DESCRIPTION

The parcel of land herein described is all of Blocks 94, 105, and 106 and portions of Blocks 92, 95 and 104, Kern Place Addition, El Paso, El Paso County, Texas, and is more particularly described by metes and bounds as follows:

Commencing at a point, said point being monument No. 232, and lying on the westerly boundary line of H.F. Fisher Survey No. 293; Thence, North 00° 00' 14" West, a distance of 181.71 feet to a point lying on the northerly right-of-way line of Robinson Blvd; Thence, 108.20 feet, along said right-of-way line and along the arc of a curve to the left having a radius of 160.41 feet, a central angle of 38° 38' 46", and a chord which bears South 45° 28' 53" West, a distance of 106.16 feet to a point; Thence, South 26° 09' 30" West, continuing along said right-of-way line, a distance of 388.63 feet to a point lying on the southerly boundary line of Los Compadres Subdivision; Thence, North 02° 51' 00" East, along said boundary line, a distance of 111.94 feet to a point; Thence, North 87° 02' 00" West, continuing along said boundary line, a distance of 292.07 feet to a point, said point being the TRUE POINT OF BEGINNING of this description;

THENCE, South 27° 58' 00" West, a distance of 133.96 feet to a point for a corner;

THENCE, South 52° 08' 19" East, a distance of 164.04 feet to a point for a corner;

THENCE, South 25° 11' 00" West, a distance of 143.66 feet to a point for a curve;

THENCE, 68.92 feet along the arc of a curve to the right having a radius of 759.50 feet, a central angle of 05° 11' 56", and a chord which bears South 27° 46' 58" West, a distance of 68.89 feet to a point for a tangent;

THENCE, North 06° 27' 00" West, a distance of 116.45 feet to a point for a corner;

THENCE, South 87° 20' 31" West, a distance of 27.69 feet to a point for a curve;

THENCE, 98.85 feet along the arc of a curve to the right having a radius of 351.62 feet, a central angle of 16° 06' 27", and a chord which bears South 71° 37' 22" West, a distance of 98.53 feet to a point for a tangent;

THENCE, South 78° 40' 04" West, a distance of 50.00 feet to a point for a curve;

THENCE, 42.63 feet along the arc of a curve to the left having a radius of 224.73 feet, a central angle of 10° 52' 04", and a chord which bears North 16° 45' 58" West, a distance of 42.56 feet to a point for a tangent;

THENCE, North 22° 12' 00" West, a distance of 63.07 feet to a point for a curve;

THENCE, 8.98 feet along the arc of a curve to the left having a radius of 3.69 feet, a central angle of 139° 30' 00", and a chord which bears South 88° 03' 00" West, a distance of 6.92 feet to a point for a tangent;

THENCE, South 44° 27' 32" West, a distance of 79.38 feet to a point for a corner;

THENCE, South 18° 18' 00" West, a distance of 40.00 feet to a point for a corner;

THENCE, South 22° 53' 09" East, a distance of 53.15 feet to a point for a corner;

THENCE, North 71° 42' 00" West, a distance of 170.00 feet to a point for a corner, said point lying on the easterly boundary line of Sierra Crest Subdivision;

THENCE, along said boundary line the following courses:

North 18° 18' 00" East, a distance of 149.25 feet to a point for a curve;

139.21 feet along the arc of a curve to the left having a radius of 276.54 feet, a central angle of 28° 30' 30", and a chord which bears North 03° 52' 45" East, a distance of 137.74 feet to a point for a tangent;

North 10° 32' 30" West, a distance of 549.86 feet to a point for a curve;

24.93 feet along the arc of a curve to the left having a radius of 60.70 feet, a central angle of 23° 32' 00", and a chord which bears North 22° 18' 30" West, a distance of 24.76 feet to a point for a tangent;

North 34° 04' 30" West, a distance of 403.00 feet to a point for a corner;

South 55° 55' 30" West, a distance of 63.67 feet to a point for a corner;

North 19° 09' 20" West, a distance of 70.99 feet to a point for a curve;

251.15 feet along the arc of a curve to the left having a radius of 543.02 feet, a central angle of 26° 30' 00", and a chord which bears North 32° 24' 20" West, a distance of 248.92 feet to a point for a tangent;

North 45° 39' 20" West, a distance of 98.00 feet to a point for a curve;

23.56 feet along the arc of a curve to the right having a radius of 15.00 feet, a central angle of 90° 00' 00", and a chord which bears North 00° 39' 20" West, a distance of 21.21 feet to a point for a tangent;

North 45° 39' 20" West, a distance of 30.00 feet to a point for a corner;

North 74° 39' 00" West, a distance of 192.50 feet to a point for a corner, said point lying on the southeasterly boundary line of Sierra Crest Subdivision;

THENCE, North 42° 21' 00" East, along said boundary line, a distance of 377.00 feet to a point for a corner, said point lying on the southerly boundary line of Kern Place Addition;

THENCE, along said boundary line the following courses:

South 33° 51' 30" East, a distance of 223.01 feet to a point for a curve;

73.10 feet along the arc of a curve to the right having a radius of 71.59 feet, a central angle of 58° 30' 22", and a chord which bears South 61° 08' 11" East, a distance of 69.97 feet to a point for a tangent;

South 32° 28' 59" East, a distance of 90.00 feet to a point for a curve;

70.04 feet along the arc of a curve to the left having a radius of 52.80 feet, a central angle of 76° 00' 00", and a chord which bears South 69° 53' 00" East, a distance of 65.01 feet to a point for a tangent;

North 72° 07' 00" East, a distance of 136.05 feet to a point for a corner, said point lying on the westerly boundary line of Los Compadres Subdivision;

THENCE, along said boundary line the following courses:

South 13° 25' 00" East, a distance of 223.77 feet to a point for a corner;

South 27° 09' 05" East, a distance of 659.94 feet to a point for a corner;

South 23° 36' 34" East, a distance of 491.28 feet to the TRUE POINT OF BEGINNING of this description.

Said parcel of land contains 15.22465 acres (663,185.82 sq. ft.) of land more or less.

SUB-LAND, INC.
Consulting Engineers — Land Surveyors

Luis A. Flores
Registered Public Surveyor
Texas License No. 1916

May 13, 1981
Job Number 01-792341A

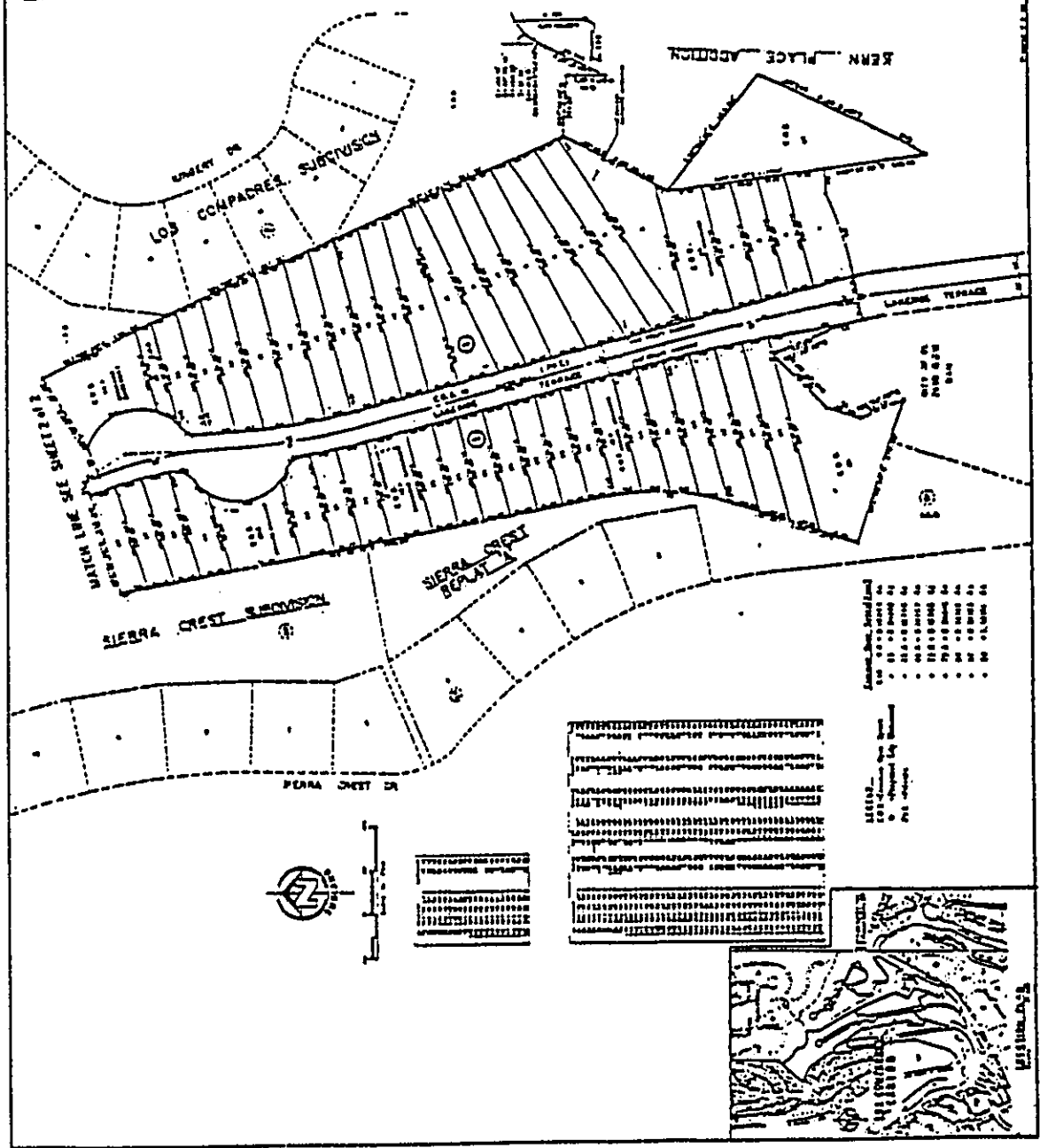
EXHIBIT B

LOS COMPADRES CANYON

BEING A REPEAT OF ALL OF
BLOCKS 101 AND 102 AND
PORTIONS OF BLOCKS 91, 92, AND
103, BERN PLACE ADDITION,
CITY OF EL PASO, EL PASO COUNTY,
TEXAS

CONTAINING: 18,810 ACRES
MORE OR LESS

THESE ARE THE ORIGINAL RECORDS OF THE
LANDS OFFICE OF THE STATE OF TEXAS
AND ARE HEREBY REPRODUCED FOR THE
PURPOSES OF THIS PROJECT.
THESE RECORDS ARE THE PROPERTY OF
THE STATE OF TEXAS AND ARE NOT TO
BE REPRODUCED OR COPIED IN ANY
MANNER WITHOUT THE WRITTEN
CONSENT OF THE STATE OF TEXAS.
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MANNER WITHOUT THE WRITTEN
CONSENT OF THE STATE OF TEXAS.



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RETURN

WAYNE GRINNELL
SUB-LAND, INC.
6600 WESTWIND
EL PASO, TX 79912

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 said County, El Paso
County, Texas.



MAY 5 1982

H. C. [Signature]

COUNTY CLERK, El Paso County, Texas

1311-0815

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ck # 0457-57.00

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02 11 2
Julia Coulter

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.



DEC 17 1982

[Signature]

COUNTY CLERK, El Paso County, Texas

1311-0816

RETURN TO

NAME: Consistor Properties.

ADDRESS: 42 Goodwin Lane

CITY: El Paso TX

ZIP CODE: 79902

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