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DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
COLINAS CORONADO SUBDIVISION

"We hereby certify this to be a true and correct
copy of the original instrument as filed for record."
BY: *Arria Ray*
LAWYERS TITLE OF EL PASO, INC.

TABLE OF CONTENTS

	<u>Page</u>
Recitals	1
Agreement	1
Article I General Purposes	2
Article II Definitions	2
2.1. Architectural Control Committee	2
2.2. Articles	2
2.3. Association	3
2.4. Board of Directors	3
2.5. Building Site	3
2.6. Bylaws	3
2.7. Common Areas	3
2.8. Member	3
2.9. Common Assessment	3
2.10. Common Expenses	3
2.11. Declarant	4
2.12. Detached Single Family Dwelling	4
2.13. Development Period	4
2.14. Improvement	4
2.15. Lot	4
2.16. Map	4
2.17. Mortgage	5
2.18. Mortgagee	5
2.19. Owner	5
2.20. Property	5
2.21. Rules and Regulations	5
2.22. Special Assessment	5
2.23. Special Expenses	5
Article III Common Areas.	6
3.1. Development	6
3.2. Conveyance to Association	6
3.3. Owner's Easement of Enjoyment	6
3.4. Delegation of Use	7
3.5. Alienation or Hypothecation	7
Article IV Duties of the Association; Duties of an Owner	8
4.1. Duties of the Association	8
4.2. Duties of Owners	10
Article V Association	11
5.1. Administration of Property	11
5.2. Membership	11
5.3. Voting Rights	12
5.4. Suspension of Voting Rights	12
5.5. Board of Directors	13
5.6. Architectural Control Committee	13
5.7. Rules and Regulations	13

Article VI Assessments	14
6.1. Establishment	14
6.2. Initial Assessments	14
6.3. Annual Common Assessment	14
6.4. No Exemptions	16
6.5. Special Assessments	16
6.6. Vendor's Lien	16
6.7. Subordination	17
6.8. Delinquent Assessments	17
6.9. Collection of Assessments	17
6.10. Commingling of Assessments	17
6.11. Assessment Roll	18
6.12. Mortgagee	18
Article VII Powers Reserved in Declarant	18
7.1. Changes	18
7.2. Annexation Pursuant to Approval	18
Article VIII Architectural Control	19
8.1. No Construction without Approval	19
8.2. Powers of Architectural Control Committee	19
8.3. Plan Approval	19
8.4. Membership	21
8.5. Plan Approval Compensation and Liability	21
8.6. Minimum Criteria	22
8.7. No Responsibility	23
Article IX Construction Restrictions	23
9.1. Construction Restrictions	23
9.2. Construction	23
9.3. Roofs	25
9.4. Setbacks	25
9.5. Maximum Structure Height	26
9.6. Street Frontage	26
9.7. Fences	26
9.8. Landscaping	27
9.9. Harmony of Exterior	28
9.10. Drainage	28
9.11. Utilities	29
9.12. Timeliness	29
Article X Use Restrictions	29
10.1. Use Restrictions	29
10.2. Maintenance	29
10.3. Garages	30
10.4. Clotheslines	30
10.5. Trash Containers	30
10.6. Guest Parking	30
10.7. Nuisance	30
10.8. Signs	31

10.9.	Lighting	31
10.10.	Pets	31
10.11.	Mineral Exploration	31
10.12.	Tanks	31
10.13.	Temporary Occupancy	31
10.14.	Dumping of Trash on Site	32
10.15.	Commercial Usage	32
10.16.	Vehicle Parking	32
10.17.	Temporary Structure	32
10.18.	Limit on Construction	33
10.19.	Value	33
10.20.	Leasing	33
10.21.	Sight Distance at Intersections	33
10.22.	Environmental Matters	33
10.23.	Access Prohibited From Stanton	34
Article XI Easements		34
11.1.	Utility Easements	34
11.2.	Drainage Easement	35
11.3.	Maintenance of Drainage Easement	35
11.4.	Declarant's Easement to Correct Drainage	35
11.5.	Easement to Inspect and Correct Violations	36
11.6.	Easements for Governmental Personnel	36
Article XII Timely Development/Right of First Refusal		36
12.1.	Covenant of Construction	36
12.2.	Deeds	37
Article XIII Default and Enforcement		37.
13.1.	Default and Remedies	37
13.2.	Costs	37
13.3.	No Waiver	37
13.4.	Rights Cumulative	37
13.5.	Enforcement	37
Article XIV Special Restrictions		38
14.1	Special Restrictions	38
Article XV General Provisions		38
15.1.	Acceptance of Governing Rules	38
15.2.	Amendments	39
15.3.	Delivery of Notices	39
15.4.	Severability	39
15.5.	Paragraph Titles	39

DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
COLINAS CORONADO SUBDIVISION

This Declaration of Covenants, Conditions, Restrictions and Easements for Colinas Coronado Subdivision (the "Declaration") is executed by Colinas Coronado, Inc., a Texas corporation (the "Declarant").

RECITALS

1. Declarant is the Owner of Colinas Coronado, an addition to the City of El Paso, El Paso County, Texas, according to the map and plat thereof of record in Volume 64, Page 26, Real Property Records of El Paso County, Texas, as amended by that certain Colinas Coronado Replat A dated October 24, 1991 of record in El Paso County Clerk File No. 044305, Real Property Records of El Paso County, Texas, a copy of which is attached hereto as Exhibit "A" (the "Property").

2. The Declarant desires to adopt this Declaration of Covenants, Conditions, Restrictions and Easements for the Property in order to promote the orderly development of the Property, enhance the quality of the development, and to ensure the development of a desirable residential neighborhood.

AGREEMENT

Declarant hereby covenants, agrees and declares that the Property, which shall be known as Colinas Coronado, shall hereinafter be subject to the covenants, conditions, restrictions, easements, limitations, reservations, liens, uses, and charges as provided in this Declaration, which shall run with the Property and shall be binding upon and inure to the benefit of Declarant, its successors and assigns, and any person or entity acquiring any right, title or interest in the Property, or any part thereof, their heirs, devisees, personal representatives, grantees, successors and assigns from the date of the recordation hereof in the Real Property Records of El Paso County, Texas until the expiration of Forty (40) years, at which time the same shall be automatically extended for successive periods of ten (10) years, unless otherwise agreed by two-thirds of the then record title Owners of Lots within the Property.

ARTICLE I

General Purposes

The Property and each and every Lot therein is subject to the covenants, conditions, restrictions, easements, limitations, reservations, uses, liens and charges hereby declared to insure the best use and the most appropriate development and improvement of each Lot and Improvements thereon, to protect each Owner against such improper use of surrounding Lots and Improvements thereon which may tend to depreciate the value of each Owner's Lot; to preserve, so far as practicable, the natural state and beauty of the Property including the common areas; to guard against the construction thereon of poorly designed or proportioned structures and structures built of improper or unsuitable materials; to obtain harmonious color schemes; to ensure the highest and best development of the Property; to encourage and assure the construction and maintenance of attractive homes on each Lot within the Property within appropriate locations on Building Sites; to prevent haphazard and inharmonious Improvements on the Lots or Building Sites therein; to secure and maintain proper setbacks from streets and adequate open spaces between structures; and, in general, provide adequately for a high grade and quality of Improvements on each Lot and Building Site thereon within the Property and thereby to enhance the value of investments made by each Owner of a Lot.

ARTICLE II

Definitions

The following terms used in this Declaration and in any document relating to the Property, unless otherwise provided or unless the context provides otherwise, are defined as follows:

2.1. Architectural Control Committee.

"Architectural Control Committee" and/or "ACC" shall mean the committee designated in this Declaration whose successors shall be appointed by the Board of Directors to control and supervise the construction, renovating and landscaping activities of the Owners with respect to their Lots herein declared to be subject to the control and supervision of the Association.

2.2. Articles.

"Articles" shall mean and refer to the Articles of Incorporation of the Association.

2.3. Association.

"Association" shall mean and refer to Colinas Coronado Homeowner's Association, Inc., a Texas nonprofit corporation, its successors and assigns.

2.4. Board of Directors.

"Board of Directors" shall mean and refer to the Board of Directors of the Association.

2.5. Building Site.

"Building Site" shall mean that portion of each Lot, as designated by or approved by the Architectural Control Committee, upon which it shall be permissible for an Owner to construct or cause to be constructed a Single Family Dwelling.

2.6. Bylaws.

"Bylaws" shall mean and refer to the Bylaws of the Association.

2.7. Common Areas.

"Common Areas" shall mean and refer to the following lots shown on the Map: Lot 1 and Lot 39, Block 1, the private streets municipally described as Ventana Del Sol Drive and Los Miradores Drive and the security gate (including security systems) and the landscaping along Stanton Street and the entrance improvements and landscaping relating thereto located at the intersection of Stanton Street and Ventana Del Sol Drive, and all street lights and mailboxes and areas for mailboxes.

2.8. Member.

"Member" shall mean and refer to a member of the Association.

2.9. Common Assessment.

"Common Assessment" shall mean an assessment for Common Expenses.

2.10. Common Expenses.

"Common Expenses" shall mean and refer to (a) the expenses of, or reasonable reserves for, the maintenance, management, operation, repair and replacement of those portions of the Property, including Common Areas, which it is the responsibility of the Association to maintain, manage, operate, repair and replace; (b) the cost of capital improvements which the Association may from time to time authorize; (c) the

expenses of management and administration of the Association, including without limitation, compensation paid by the Association to a manager, or accountants, attorneys, or other employees or agents; (d) any other item or items designated by or in accordance with other provisions of this Declaration or the Bylaws of the Association referred to as Common Expenses; and (e) any other expenses reasonably incurred by the Association on behalf of the Owners.

2.11. Declarant.

"Declarant" shall mean and refer to Colinas Coronado, Inc., its successors and assigns, if such successors or assigns should acquire each and every Lot from Declarant for the purpose of development.

2.12. Detached Single Family Dwelling.

"Detached Single Family Dwelling" or "Single Family Dwelling" shall mean a building or structure built and maintained for private, residential purposes and designed for occupancy by a single family.

2.13. Development Period.

"Development Period" shall be the period of time from date hereof until such time as Declarant is converted to a Class A member as contemplated and defined in Section 5.3 below.

2.14. Improvement.

"Improvement" or "Improvements" shall mean any and all alterations of the Property, other than interior modifications of existing structures, including, but not limited to, Single Family Dwellings, out buildings, ramadas, patios, garages, guest houses, servant's quarters, swimming pools, walls, fencing, landscaping and driveway, whether intended to be temporary or permanent. It shall also include all acts done to exteriors whether for maintenance or for alterations of color or other aesthetic effect.

2.15. Lot.

"Lot" shall mean and refer to any numbered lot shown on the Map, excluding Lot 1 and Lot 39, Block 1, which is designated on the Map as Dedicated Open Space, roads, the gate entrance, landscape areas and certain other areas identified on the Map.

2.16. Map.

"Map" shall mean and refer to the map and plat of the Property, of record in Volume 64, Page 26, of the Real Property Records of El Paso County, Texas, as amended by that certain Colinas Coronado Replat A dated October 24, 1991

of record in El Paso County Clerk File No. 044305, Real Property Records of El Paso County, Texas, attached hereto as Exhibit "A."

2.17. Mortgage.

"Mortgage" shall include deeds of trust and recorded Contracts of Sale of Real Estate wherein the purchaser is entitled to possession of a Lot.

2.18. Mortgagee.

"Mortgagee" shall mean a person or entity to whom a Mortgage upon a Lot is granted and shall include the beneficiary of a Deed of Trust and the holder of a Vendor's interest in recorded Contracts of Sale of Real Estate wherein the purchaser is entitled to possession of a Lot.

2.19. Owner.

"Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the payment or performance of an obligation, and the Declarant.

2.20. Property.

"Property" shall mean the Real Property hereinabove referenced and such additional property as may be annexed pursuant to Section 7.2 of this Declaration.

2.21. Rules and Regulations.

"Rules and Regulations" shall mean the Rules and Regulations governing the use of the Property or any portion thereof, duly adopted or as may be duly amended by the Board of Directors.

2.22. Special Assessment.

"Special Assessment" shall mean an assessment for Special Expenses.

2.23. Special Expenses.

"Special Expenses" shall mean (a) the expenses incurred by the Association for the repair of damage or loss to those portions of the Property which it is the responsibility of the Association to maintain caused by the negligent or tortious acts or neglect of an Owner which is not covered by insurance; and (b) any other item or items designated by or in accordance with other provisions of this Declaration or the Bylaws to be Special Expenses.

ARTICLE III

Common Areas

3.1. Development.

Declarant shall have the responsibility, at its sole cost and expense, to initially develop and landscape the Common Areas (except to the extent such Common Areas are to remain in a natural state) as Declarant deems appropriate in order that the Owners shall have the full use and enjoyment thereof in conjunction with the ownership and occupancy of their respective Lots. Except for the gate area, a security entry system, and certain streets and roadways municipally named as Ventana del Sol Drive and Los Miradores Drive, all Common Areas shall remain in their current natural state; provided, however, Declarant (or the Association if designated by the Declarant) shall have the right to develop, landscape and maintain Common Areas for drainage or for other reasons which are in the best interest of the subdivision or are provided in the Declaration.

3.2. Conveyance to Association.

Prior to Declarant's conveyance of the first Lot to an Owner, Declarant shall convey to the Association fee simple title to the Common Areas, subject to current real property taxes and reservations, easements, covenants and conditions and restrictions then of record, including those set forth in this Declaration except to the extent assigned to the Association. Such conveyance shall not relieve Declarant of its responsibility to complete the initial development of the Common Areas (as provided herein) within a reasonable time thereafter. The Association shall agree to own, operate and maintain the Common Areas in accordance with the terms of this Declaration.

3.3. Owner's Easement of Enjoyment.

Each Owner and the members of each Owner's family who reside in a Single Family Dwelling on the Owner's Lot shall have an easement in and to the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following:

(a) The right of the Association to establish and enforce compliance with uniform Rules and Regulations governing the use of the Common Areas not inconsistent with the terms of this Declaration, and to amend such Rules and Regulations from time to time. A copy of such Rules and Regulations shall be delivered or mailed to each Owner and Mortgagee of whom the Association has record notice, promptly upon the adoption thereof.

(b) The right of the Association to construct such facilities upon the Common Areas as the Association shall determine necessary for the use and enjoyment of the Owners and to provide maintenance services upon the Common Areas, provided, however, the Common Areas, except the gate area, streets and roadways, landscape buffer zones, and drainage areas, shall remain in their current natural state and such improvements and facilities shall be limited to those necessary to preserve the current natural state of the Common Areas. In no event is any Improvement to be constructed upon any portion of the Common Areas, except roadways and streets.

(c) The right of Declarant, its agents and employees, to the nonexclusive use of the Common Areas and the facilities thereof, for the completion of Declarant's initial development of the Common Areas (in the event same shall not have been completed prior to Declarant's conveyance of the Common Areas to the Association) and for display and exhibition purposes in connection with the sale of Lots, which right Declarant hereby reserves; provided, however, that no such use by Declarant shall otherwise unreasonably restrict the Owners in their use and enjoyment of the Common Areas or their Lots; or otherwise detract from the current natural state of the Common Areas, except the gate area and certain roadways and streets.

(d) The easements upon the Common Areas according to the Map and those easements and reservations contained in this Declaration.

3.4. Delegation of Use.

An Owner may only delegate such Owner's easement of enjoyment in and to the Common Areas to an Owner's tenants or contract purchasers or family members who reside in the Owner's Single Family Dwelling, but such Owner shall notify the Association in writing of the name of any such delegee.

3.5. Alienation or Hypothecation.

Except as herein otherwise specifically provided, no portion of the Common Areas may be alienated, released, transferred, hypothecated, encumbered, or for the Common Areas, excluding the gate area and certain roadways and streets and drainage areas, alter the current natural state, without the approval of two-thirds (2/3) of both the Class A and Class B Members present at any annual meeting (or special meeting called for such purpose) at which a quorum (as defined in the Bylaws) is present.

ARTICLE IV

Duties of the Association: Duties of an Owner

4.1. Duties of the Association.

The Association, acting by and through its Board of Directors, shall be responsible for the proper and efficient management and operation of the Common Areas as more particularly described herein. The Association shall be responsible for:

(a) maintaining and rebuilding, if necessary, the streets and all improvements relating thereto located upon the Common Areas;

(b) landscaping and installing watering systems (if any) upon the Common Areas not improved as roadways or otherwise remaining in their current natural state, except as provided in Section 4.2(a) hereof;

(c) operating and maintaining the Property's restrictive entry system and gate area and all improvements relating thereto;

(d) operating, maintaining (including insuring) and rebuilding, if necessary, all street signs, rock walls, retaining walls (if any), rock facing and other improvements originally constructed by Declarant or thereafter constructed by the Association;

(e) paying real estate taxes, assessments and other charges against the Common Areas;

(f) insuring all improvements which the Association is obligated to maintain against damage by fire or other insurable casualty with such companies and with such limits as the Association deems appropriate;

(g) hiring, firing, supervising and paying employees and independent contractors including, but not limited to, property managers, watchmen and security personnel to operate the restricted entry system, workers, landscapers, attorneys, accountants, architects and contractors to carry out the obligations set forth herein;

(h) maintaining such liability insurance as the Association deems necessary to protect the Association, the Board of Directors of the Association and the Architectural Control Committee from any liability from occurrences or happenings on or about the Common Areas (including, but not limited to, errors and omissions insurance for the Board of Directors and the Architectural Control Committee of the Association as may be available) or for any decisions or actions taken to enforce any provision of this Declaration;

(i) maintaining worker's compensation insurance for the employees (if any) of the Association;

(j) purchasing all goods, supplies, labor and services reasonably necessary for the performance of the obligations set forth herein;

(k) enforcing the provisions of this Declaration including, but not limited to, the Architectural Control provisions provided for in Article VIII hereof, the Construction Restrictions provided in Article IX hereof; the Use Restrictions provided for in Article X hereof;

(l) establishing and maintaining such cash reserves as the Association deems reasonably necessary for the maintenance, repair and replacement of any portion of the Common Areas for which it is responsible to maintain and for unforeseen contingencies;

(m) providing and paying for all utility services to the Common Areas (excluding those left in their current natural state) and except as provided in Section 4.2(a) hereof;

(n) negotiating and entering into cost sharing agreements and entering into such agreements and thereafter performing such agreements and/or enforcing the performance of the same;

(o) provide for trash collection as determined by the Association;

(p) entering into such agreements and taking such actions as are reasonably necessary and convenient for the accomplishment of the obligations set forth above and the operation and maintenance of the Property as a first class residential subdivision;

(q) The establishing, repairing, constructing maintaining and cleaning of all drainage areas on Common Areas or easements retained by Declarant or the Association with respect to the Property, including the drainage channel along Los Miradores Drive, the drainage pipe under Lot 34 in accordance with the drainage easement shown on the Map, the drainage on Ventana del Sol, and the drainage grates on Ventana del Sol and Los Miradores. Excluding, however, the drainage culvert behind lots 29 through 38 which has been dedicated to the City of El Paso with the recording of the subdivision Plat; and

(r) collection and paying all taxes, charges and assessments, including franchise taxes, income taxes and all other taxes.

Notwithstanding anything in this Declaration to the contrary, in the event the need for maintenance, repairs or replacements required to be performed by the Association shall be caused by the negligent or tortious acts or neglect of an Owner, a member of an Owner's family, or an Owner's agent, employee, invitee, licensee or tenant, then such Owner shall be responsible for all of such damage, which shall be considered a Special Expense. Furthermore, notwithstanding anything in this Declaration to the contrary, the Association shall not be liable to any Owner for any delay in the completion of any repair, restoration, replacement or maintenance due to causes beyond the reasonable control of the Association, its contractors or subcontractors. Specifically, the Association shall not be liable for delay occasioned by weather, shortage or unavailability of materials and strikes or work stoppages.

4.2. Duties of Owners.

(a) Each Owner shall be responsible for the upkeep and maintenance of all Improvements and landscaping upon and abutting each Owner's Lot, including, but not limited to, maintaining and landscaping the rock retaining walls to be provided by Owner as specified in Section 9.7 below and maintaining, landscaping and watering the portion of the Common Areas (if any and which are not required to be in their current natural state) located between each Owner's Lot line and the concrete header curb adjacent thereto. The repair, replacement and maintenance required to be performed by the Owner upon those areas which are exposed to public view shall be done in a manner consistent with the first-class character of the Property and the intended development thereof and shall be subject to the control and supervision of the Association. In the event an Owner fails to perform the required maintenance or landscaping within thirty (30) days after written notice from the Association specifying the nature thereof, the Association may, but shall not be obligated to, enter upon or adjacent to such Owner's Lot and perform such maintenance for and on behalf of the Owner, and the cost thereof shall be considered a Special Expense of such Owner.

(b) Each Owner, and not the Association, shall have the responsibility of obtaining and keeping in full force and effect, at each Owner's sole expense, (i) standard fire and extended risk insurance on all Improvements on each Owner's Lot and the personal property and furnishings contained in each Owner's Single Family Dwelling; (ii) broad form comprehensive liability coverage for each Owner's Lot (which shall be in addition to and not in lieu of the comprehensive liability coverage required to be purchased by the Association); and (iii) such other insurance coverage as each Owner may elect to purchase in addition to the insurance coverage purchased by the

Association; provided, however, that in no event is the insurance coverage purchased by the Association to be brought into contribution with insurance purchased by Owners. The Lot Owner shall provide evidence of insurance upon written request from the Association. In the event an Owner shall fail to secure the insurance coverage herein required to be purchased and maintained by such Owner within thirty (30) days after written notice shall have been given such Owner by the Association specifying the insurance coverage required, the Association may, but shall not be obligated to, secure and maintain such insurance coverage for and on behalf of such Owner, and the cost thereof shall be considered a Special Expense. Under no circumstances shall this provision or these Declarations require or place a duty upon the Association to insure that Lot Owners maintain insurance as provided herein. Nor shall the Association be responsible in the event a Lot Owner fails to have insurance or coverage as provided herein.

(c) When casualty damage shall occur to any Improvement, the Owner thereof, shall, within ninety (90) days thereafter, commence and diligently pursue to completion, the restoration thereof. Any reconstruction shall be subject to the control and supervision of the Association and the Architectural Control Committee. The cost of such restoration shall be borne by such Owner.

ARTICLE V

Association

5.1 Administration of Property.

The Property shall be administered by the Association, who shall be elected in accordance with the Bylaws, and whose duties will be governed by the terms of this Declaration, the Articles and the Bylaws of the Association. The Association may employ professional management agents to perform, subject to the supervision of the Board of Directors, such duties and services as the Board of Directors shall direct, including, but not limited to, management of the Common Areas and the collection of and accounting for assessments made by the Association. Any such management agreement shall provide for a rate of compensation to be established and/or approved by the Board of Directors, and shall further provide for the right of the Association to terminate the same with cause upon not more than thirty (30) days written notice and without cause upon not more than sixty (60) days written notice.

5.2. Membership.

Each Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated

from ownership of a Lot. Ownership of a Lot shall be the sole qualification for membership. The membership held by an Owner shall not be transferred, pledged or alienated in any way, except upon the sale of such Lot, and then only to the purchaser of such Lot. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. Evidence of transfer of membership shall be furnished to the Association in the form of a certified copy of the recorded conveyance of a Lot signed by the current Owner thereof as reflected upon the books and records of the Association.

5.3. Voting Rights.

The Association shall have two classes of voting membership with the voting rights hereinafter indicated:

Class A Members. Class A Members shall be all Owners with the exception of Declarant and each such Member shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons shall constitute one Member, and the one (1) vote for such Lot shall be exercised as they among themselves shall determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B Members. Declarant shall be a Class B Member and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to a Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) When the total votes outstanding in the Class A membership equals the total votes outstanding in Class B membership; or

(2) Should Declarant notify in writing the Association of Declarant's election to convert from a Class B Member to a Class A Member;

and (unless the next annual meeting of the Association shall come within one hundred twenty (120) days after such conversion) a special meeting of the Members shall be called by the Board of Directors within not more than one hundred twenty (120) days after such conversion for the purpose of electing a new Board of Directors. In all cases, Declarant shall be treated as a Member for purposes of this Declaration.

5.4. Suspension of Voting Rights.

The voting rights of any Member shall be automatically suspended during any period during which such Member shall be delinquent in the payment of assessments due the Association.

5.5. Board of Directors.

The Board of Directors of the Association shall be not less than five (5) in number; provided the initial Board of Directors pursuant to the Articles shall have three (3) members composed of the following:

John E. Liddicoat
Thomas A. Prendergast
Javier "Jay" Reyes

who shall commence to serve at the time of recordation of this Declaration and shall serve until Declarant either removes any such initial Director or becomes a Class A Member and thereafter until their successors are elected pursuant to provisions of the Bylaws of the Association. Such original Directors shall serve at the pleasure of Declarant until such time that Declarant becomes a Class A Member of the Association and may be removed from office at any time by Declarant and during such period Declarant shall have authority, in its sole discretion, to fill any vacancies created or existing on the Board of Directors. The number of the Board of Directors shall be increased to five (5) members at the first meeting of the Members after Declarant becomes a Class A Member.

5.6. Architectural Control Committee.

The Board of Directors shall have the authority to appoint the successors to the initial Architectural Control Committee named herein and to delegate to such committee such power and authority to control and supervise to the extent and in such manner as shall be specified in the Bylaws or this Declaration the activities of individual Owners with respect to their Lots herein declared to be subject to the approval or control and supervision of the Association. The number and tenure of the members of the Architectural Control Committee shall be determined by the Board of Directors. The Architectural Control Committee is authorized to employ professionals, inspectors and others to assist in its functions.

5.7. Rules and Regulations.

The Association shall have the authority, from time to time, to make reasonable rules and regulations regarding the use and enjoyment of the Common Areas which are not inconsistent with this Declaration or the Articles or Bylaws of the Association which rules and regulations shall be binding upon all Owners.

ARTICLE VI

Assessments

6.1. Establishment.

The Association shall have the responsibility and authority to assess each Lot for Common Expenses and, as applicable, Special Expenses, and the Owner of his or her Lot shall be personally liable for the payment of such assessments levied during the time any such Owner owns a Lot and the assessment applicable to each Lot shall be a charge and continuing lien upon each such Lot. If there is more than one Owner of a Lot, then each Owner is jointly and severally liable for all assessments provided herein.

6.2. Initial Assessments.

At the closing of a sale of Lots 2 through 28 to an Owner who will be the first user, each such Lot Owner shall at the time of Closing such Owner's Lot pay \$2,000.00 to the Association as an Initial Assessment. At the closing of a sale of Lots 29 through 38 to an Owner who will be the first user, each such Lot Owner shall at the time of Closing such Owner's Lot pay \$1,200 to the Association as an Initial Assessment. Each Initial Assessment shall be placed in a separate account of the Association and invested in Certificates of Deposit, Money Market Funds, U.S. Government securities or similar investments. The income earned on the corpus of the Initial Assessments shall be used to pay operating expenses for the Association as provided in these Declarations and to offset Annual Common Assessments as provided in Section 6.3 of these Declarations. The corpus of the Initial Assessments shall not be used without approval of two-thirds (2/3) of the Members.

6.3. Annual Common Assessment.

Not less than thirty (30) days after the beginning of each fiscal year (to be determined in accordance with the Bylaws) the Board of Directors shall, after taking into consideration all anticipated items of Common Expense, for such fiscal year, together with a reasonable reserve for contingencies, fix and establish the amount of the Annual Common Assessment (the "Annual Common Assessment"); each Owner being required to pay each Owner's proportionate part thereof based on the Lot owned and calculated as follows:

Lots 2 through 28

Number of Lots Owned by Owner (2 through 28)	x	Balance of Annual Common Assessment after allocation to Lots 2 through 28
Total number of Lots (2 through 28)		28

Lots 29 through 38

Number of Lots Owned
by Owner (29 through 38) x 66% of Annual Common Assessment
Total number of Lots
(29 through 38)

Following the establishment of the Annual Common Assessment, each Owner shall be given notice of the Annual Common Assessment and each Owner's proportionate part thereof, but the failure of an Owner to receive such notice shall not affect such Owner's liability for the payment of each Owner's proportionate part thereof. Each Owner's proportionate part of the Annual Common Assessment shall be due and payable by each Owner (excluding Declarant) in monthly or other periodic installments equivalent to each Owner's proportionate part of the Annual Common Assessment, in advance, on the first of each month or other period. Declarant shall not be obligated to pay Annual Common Assessments.

During the course of a fiscal year should the Board of Directors determine that the Annual Common Assessments theretofore assessed will be inadequate, the Board of Directors from time to time may increase the Annual Common Assessment for such fiscal year and each Owner's proportionate part thereof. Conversely, should the Board of Directors during the course of a fiscal year determine that the Annual Common Assessments theretofore assessed will create a surplus in excess of that necessary as a reserve for contingencies, the Board of Directors from time to time may decrease the Annual Common Assessment and each Owner's proportionate part thereof. In either such event, the Board of Directors shall notify each Owner of the adjustment and the revised amount of each monthly installment thereafter due by each such Owner.

If the Board of Directors shall fail to fix and establish the Annual Common Assessment and the proportionate part due by each Owner of a Lot as herein provided, the Annual Common Assessment and the proportionate part due by each Owner of a Lot for the previous fiscal year shall automatically continue until such time as the Board of Directors shall meet and establish a new Annual Common Assessment in accordance with the provisions of this Declaration.

Each Owner of a Lot purchased from Declarant, on the date of the purchase thereof, shall become liable to the Association for a pro rata part of the Annual Common Assessment attributable to such Lot then established by the Association; such pro rata part being a fraction, the numerator of which is the number of calendar days until the next ensuing January 1, and the denominator of which is 365. The prorated monthly payment for the month in which a Lot is purchased shall be due and payable by each such Lot Owner within ten (10) days after

receipt from the Association of a statement therefor. Thereafter, the monthly installment paying such Owner's proportionate part of the Annual Common Assessment shall be due and payable by the Owner of a Lot purchased from Declarant by the first of each month.

Declarant shall not be required to pay any assessments, including but not limited to initial, annual or special assessments. Declarant may, but without obligation during the Development Period, pay to the Association from time to time, as required, any amounts necessary (over and above payments to the Association by other Lot Owners) to satisfy the Association's current operating expenses on a cash basis. Declarant shall have no obligation to contribute any sums to the Association. This paragraph shall not be subject to amendment without the consent of Declarant.

6.4. No Exemptions.

No Owner shall be exempt from liability for assessments duly established by the Association. Further, no diminution or abatement of assessments shall be allowed or claimed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas or Lots or from any action taken to comply with any law, ordinance or order of a governmental authority.

6.5. Special Assessments.

Special Assessments may be fixed and established by the Association against certain Lots for the payment of Special Expenses. Such Special Assessment shall be due and payable by the Owners of the Lots relating to the Special Assessments to the Association upon demand. No Special Assessment shall be established against a Lot until the Owner thereof shall have been given the opportunity to present evidence on such Owner's behalf at a hearing, and no such hearing shall be held until such Owner shall have received at least ten (10) days' written notice specifying the reasons for the proposed Special Assessment and the exact time and place of the hearing. The decision of the Board of Directors shall be final and binding upon the parties.

6.6. Vendor's Lien.

In each deed of a Lot by Declarant to an Owner there shall be expressly reserved a vendor's lien (the "Vendor's Lien") to secure payment of all assessments due and to become due pursuant to this Declaration, which Vendor's Lien shall be transferred and assigned to the Association. By the acceptance of a deed from Declarant, each Owner (and such Owner's subsequent grantees) assumes and agrees to pay such assessments in accordance with the terms and provisions of this Declaration.

6.7. Subordination.

If any Lot subject to the Vendor's Lien reserved for the payment of the assessments due and to become due pursuant to the terms of this Declaration shall be subject to the lien of a Mortgage: (i) the foreclosure of the Vendor's Lien reserved herein shall not operate to affect or impair the lien of such Mortgage; and (ii) the foreclosure of the lien of the Mortgage or the acceptance of a deed in lieu of foreclosure thereof shall not operate to affect or impair the Vendor's Lien reserved herein. Any purchaser at such a foreclosure sale or recipient of a deed in lieu of foreclosure shall be deemed an Owner of the Lot acquired and shall be responsible for payment of all assessments accrued prior to and after the foreclosure sale or receipt of a deed in lieu of foreclosure.

6.8. Delinquent Assessments.

The payment of an assessment shall be considered delinquent if not paid upon the due date thereof and shall bear interest from such date at the rate of twelve percent (12%) per annum until 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. Each Owner (whether one or more) shall be and remain personally liable for the payment of all assessments which may be levied against such Owner's Lot by the Association in accordance with the terms and provisions of this Declaration until the same shall be paid in full, both principal and interest. In the event of sale or conveyance of a Lot the purchaser of same shall be required and entitled to cause such delinquent assessments to be paid out of the sales price and, failing this, such purchaser shall become personally liable for payment of such delinquent assessments by such purchaser's acceptance of a deed to such Lot from an Owner in default.

6.9. Collection of Assessments.

The Association may enforce collection of delinquent assessments by suit at law for a money judgment and may seek the appointment of a receiver and/or judicial foreclosure of the Vendor's Lien to be reserved and transferred to the Association. Failure to seek judicial foreclosure of such Vendor's Lien in any suit at law for a money judgment shall not operate to waive such Vendor's Lien, but the same shall remain in full force and effect to secure the payment of all assessments due or to become due by an Owner.

6.10. Commingling of Assessments.

Except as otherwise expressly provided herein, all assessments and funds collected by the Association may be commingled in a single fund, and without the necessity of a

specific accounting for each element of Common Expense or Special Expense for which such assessments or collection have been made.

6.11. Assessment Roll.

The assessments against all Owners shall be set forth upon a roll of the Lots which shall be available in the office of the Association for inspection at all reasonable times by Owners and Mortgagees or their duly authorized representatives. Such Assessment Roll shall indicate for each Lot the name and address of the Owner or Owners, the assessments for all purposes and the amounts of all assessments paid and unpaid. A certificate signed by an officer of the Association as to the status of an Owner's assessment account shall limit the liability of any person for whom made other than the Owner. The Association shall issue such certificates to such persons as an owner may request in writing and shall be entitled to charge a reasonable fee therefor in such amount as shall be determined by the Board of Directors from time to time.

6.12. Mortgagee. An Owner who shall give a mortgage upon such Owner's Lot shall notify the Association with the name and address of such Mortgagee. Each Owner authorizes the Association to disclose information concerning the Lot, assessments (and payments thereof), as well as all other matters regarding the Property, the development, operation and maintenance thereof, and the Association.

ARTICLE VII

Powers Reserved in Declarant

7.1. Changes.

Declarant reserves the right to make such changes in the boundaries and designations of Lots not sold to others and in the Common Areas, as Declarant deems advisable, provided that any such changes shall not have a material adverse effect upon the boundaries or the beneficial use and enjoyment of any Lot then owned by Owners other than Declarant, and provided that such changes shall have been approved by the governing regulatory agencies exercising jurisdiction thereof.

7.2. Annexation Pursuant to Approval.

Declarant reserves the right, upon the written consent of two-thirds (2/3) of the Class A Members, to annex any other real property to the Property.

ARTICLE VIII

Architectural Control

8.1. No Construction Without Approval.

Except for improvements or alterations undertaken by the Declarant, no Improvements, whether by original construction, remodeling or maintenance, shall be commenced, erected or maintained upon any Lot, NOR SHALL ANY EXTERIOR ADDITION TO OR CHANGE OR ALTERATION THERETO be made until detailed plans and specifications showing the nature, kind, shape, height, materials, plant materials, and location of the same shall have been submitted to and approved in writing as to compliance with the provisions and spirit of this Declaration and as to harmony of external design and location in relation to surrounding structures and topography, and quality of workmanship and materials, by the Architectural Control Committee (herein the "ACC").

8.2. Powers of Architectural Control Committee.

The ACC shall have the exclusive right, exercisable in its sole discretion, to promulgate written rules, regulations and restrictions on construction and landscaping; to amend such rules, regulations and restrictions from time to time; and to follow, waive or modify any such rules, regulations or restrictions or to waive or modify any restrictions set forth in this Declaration, provided that in no event shall any waiver be effective unless in writing and signed on behalf of the ACC by a person duly authorized to sign such waiver, and further provided that no such waiver shall be deemed a waiver of the right to enforce such rules, regulations or restrictions in the future as to others.

The ACC shall have the right, but not the obligation, to obtain injunctive relief to halt construction and/or to remove nonconforming structures if it is determined that any construction is not substantially in accordance with the approved plans and specifications or if no plans have been submitted for approval prior to beginning construction. The ACC shall also have the right to enforce the requirements and provisions of this Declaration.

8.3. Plan Approval.

Prior to making any Improvements, whether such Improvements be initial improvements or subsequent alterations, modifications or other changes, an Owner shall be required to obtain the written approval of the ACC. Each Owner shall submit to the ACC two complete sets of plans for proposed Improvements, specifications (including exterior color schemes) and plot plans all of which shall be to scale and shall include

the location of all structures, including the Single Family Dwelling, and the proposed Building Site. At the time the plans are submitted to the ACC for approval, an Owner shall pay a fee of \$50.00. Such fee may be adjusted upward (not downward) from item to item in accordance with percentage increases (not decreasing) in the Consumer Price Index using the year 1991 as the base year. For Improvements other than the initial Improvements, such as the adding of a swimming pool or wall, the ACC shall establish a schedule of lesser fees relative to the cost and complexity of the Improvements. Approval, of plans shall be in the ACC's sole discretion. The sequence for plan approval shall be as follows:

(a) Initial Approval - Site plans, elevation plans and building plans shall be submitted to the ACC for initial approval prior to submittal to the City of El Paso.

(b) Final Approval - After approval by the City of El Paso authorizing construction, the plans approved by the City of El Paso shall be submitted to the ACC for final approval.

Approval of the plans and specifications shall be evidenced by the written endorsement of the ACC made on the plans and specifications. The ACC shall respond to the Owner within fifteen (15) calendar days after receipt of the plans, fee and all other requested information. A copy of the endorsed plans shall be delivered to the Owner (or the Owner's contractor or agent) of the Lot to be improved prior to the beginning of any construction, including dirt work. Failure by the ACC to deliver approval of any submitted plans shall not be construed as approval of the plans. The Owner is obligated to obtain the approval/endorsement of the ACC on any final plans prior to beginning the construction of any Improvement.

In the event, the ACC fails or refuses to act within a reasonable time not to exceed 30 days, the Owner may petition the Board of Directors to review the appropriately submitted Plans to obtain an approval endorsement and the authority to proceed with the construction of any Improvements. One set of plans and specifications shall be retained by the ACC. No changes or deviations in or from the approved plans and specifications insofar as relating to the exterior of the proposed Improvements shall be made without the written approval of the ACC.

Under no circumstances shall the slab for the Improvements be poured before the ACC has received a certificate from a Registered and Licensed Civil Engineer or Surveyor licensed by the State of Texas certifying that the Improvements are within the setback requirements required for the Lot and as represented on the site plan as approved.

The Owner of the Lot shall give notice to the ACC after framing is completed and prior to sheet rocking so the ACC may inspect and approve the structure, including the height restrictions. The Owner of the Lot shall also provide notice to the ACC at the time of the structural inspection by the City of El Paso. The Owner must obtain the approval of ACC prior to continuing with any construction. The ACC shall inspect the premises within three (3) working days of receiving a request for inspection from the Owner or his agent. In the event the ACC fails to inspect the premises within three working days after receipt of a request for inspection, the Owner may continue with construction of any Improvements provided that such Improvements comply with the restrictive covenants of this Declaration. The failure of the ACC to act shall not be construed as a waiver of any of the restrictions of this Declaration and the ACC may take any action necessary to enforce same. The ACC shall also be entitled to inspect the site from time to time to ensure compliance with the plans and specifications, including height restrictions, etc.

Landscape plans shall also be submitted in sufficient detail to show the exact location of watering systems and plants. Planting must be selected from an approved list of plant materials promulgated by the ACC. Such plant list may be amended from time to time as deemed necessary by the ACC. All watering systems must conform to design requirements of the ACC.

8.4. Membership.

The ACC shall consist of not less than two (2) nor more than five (5) members. The initial members shall be John E. Liddicoat and Thomas A. Prendergast, all of El Paso, Texas. In the event of the death or resignation of any initial member of the committee, the remaining member or members of the committee shall have full authority to designate a successor. If all of the initial members of the committee and their successors, resign or cease to be members, the Board of Directors of the Association shall appoint successors in accordance with the provisions of this Declaration.

8.5. Plan Approval Compensation and Liability.

No member of the ACC shall be entitled to any compensation for services performed as a member pursuant to this Declaration; provided, however, the ACC be entitled to employ supervisors (which may include one or more of its members from time to time) and other professionals to assist them in carrying out their functions under this Declaration. Architectural control of construction, as provided in this Declaration and other duties of the ACC being largely subjective in nature, the action or non-action by the ACC shall not subject any of its members or any agents or representatives of the ACC, or the Association, or any of its Board of Directors, agents or employees, to any liability whatsoever nor

shall the members of the ACC be required to enforce the provisions herein. The members of the ACC shall not be proper parties to any litigation or action involving the enforcement or nonenforcement of any provisions.

8.6. Minimum Criteria.

In addition to complying with all provisions of this Declaration, all plans and Improvements must meet the following minimum criteria and such further criteria as the ACC promulgates:

(a) Be in accordance with the provisions of this Declaration and in sufficient detail to permit the ACC to make its determination.

(b) The location, style of architecture, exterior color schemes, height and location of exterior lighting, of all Improvements shall be in harmony with the general surroundings of the building or structure or proposed buildings or structures on any Lot subject to the covenants and restrictions in this Declaration.

(c) The location of the Single Family Dwelling and other Improvements shall be located within a Building Site approved by the ACC.

(d) Plans for any construction of Improvements must include the following:

(i) All floorplans;

(ii) Exterior elevations (all sides) clearly showing proposed style and design and all proposed exterior materials including roofing;

(iii) Sight plan clearly showing the location of the Single Family Dwelling and all Improvements including walkways, fences and drainage control;

(iv) Landscape plans including all proposed plants and trees and their location, ground cover and sprinkler system on all sides of proposed Improvements up to the property lines;

(v) Color and material samples selected for all exterior surfaces of the Improvements, including the roof;

(vi) Construction specifications; and

(vii) Any other information requested by the ACC.

8.7. No Responsibility.

Neither the Association nor the ACC, nor any of their respective agents, representatives, directors or employees, shall be responsible for any structural defects shown in any plans or specifications or in any building or structure erected. Neither the Association nor the ACC, nor any of their respective agents, representatives, directors or employees, shall be liable for damages to anyone submitting plans for approval or to any Owner of a Lot subject to this Declaration by reason of a mistake in judgment, negligence, nonfeasance or otherwise. Each Owner, by taking title to a Lot, waives any claims for such damages. By reviewing and approving plans and specifications for compliance with the provisions of this Declaration, neither the Association nor the ACC nor any of their respective agents, representatives, employees or directors warrant or represent that any submitted plans are structurally sound, comply with any government codes or restrictions, or are without defects. The ACC and Association disclaim any implied warranties, including but not limited to, workmanship, merchantability, habitability or any other warranty of any plans reviewed or approved. Furthermore, the inspection of the Improvements from time to time by the Association or the ACC, or their respective agents, representatives, employees or directors shall not be construed as approval by the ACC that the Improvements are being constructed in accordance with the plans and specifications. The review and approval by the Association or ACC is solely for the basis that the Improvements comply with this Declaration. The function of the ACC is specifically limited to the review of submitted plans for compliance with the terms of this Declaration.

ARTICLE IX

Construction Restrictions

9.1. Construction Restrictions.

The Property, every portion thereof, and every structure thereon or Improvement thereto shall be subject to the restrictions in this Declaration, including those in this Article IX.

9.2. Construction.

All Single Family Dwellings and other Improvements shall be built and maintained as follows:

(a) No structures shall be erected, altered, placed or permitted to remain on any Lot other than one Single Family Dwelling for private use, together with other customary Improvements.

(b) The Single Family Dwelling and Improvements shall be of a size in square footage so as to be in harmony with

the general surroundings, the size of the Lot, the location of the Building Site with the Lot, other structures or Improvements on the Lot, and the size of other Single Family Dwellings and Improvements on other Lots on the Property. Notwithstanding the foregoing, the Single Family Dwelling on Lots 29 through 38 must have at least 2,000 square feet of living area and on Lots 2 through 28 must have at least 2,700 square feet of living area, exclusive of porches (open or closed), garages, or unfinished space.

(c) The Improvements to each Lot must include at least a two car enclosed garage. Car ports shall not be allowed.

(d) All private driveways shall be surfaced with concrete for a distance of at least six (6) feet from the point at which the driveway joins the concrete header curb of the street. The remaining length of the driveway may be surfaced with the same material or other material such as brick, bominite, or asphalt, subject to the approval of the ACC.

(e) All exterior lights shall be located and maintained so as not to be directed toward or interfere with surrounding properties or the Common Area, including streets. All exterior lighting shall be of a subdued, soft type of lighting. No flood lights or high intensity lights shall be permitted.

(f) All aerial masts, satellite receiving stations, radio and television antennae are prohibited.

(g) All mechanical equipment including evaporative coolers, air conditioning equipment, heating equipment, ducts, collectors or solar panels, wherever placed, shall not be allowed on roofs of structures or Improvements and shall be concealed from view from streets, other Lots and the Common Areas.

(h) Special care shall be taken in the design of corner Lots so that structures shall present an attractive and substantial exterior to all visible sights. The ACC may require suitable fences or walls to be erected and maintained wherever necessary to accomplish such purposes and to prevent the appearance of unsightly conditions.

(i) No construction or remodeling shall be permitted between the hours of 7:00 p.m. and 6:00 a.m. Monday through Saturday and all day Sunday unless such work is minor maintenance.

(j) Any changes to the existing grade must be approved by the ACC.

(A)

9.3. Roofs.

All roofs shall be subject to the following:

(a) All roofs with a pitch of 1 1/2 : 12 or less over any part of the Single Family Dwelling, garage or porch shall be constructed with parapets around their perimeter such that the approximately flat roof is not visible from any point of view around the structure. The parapet surfaces facing the roof shall be architecturally finished down to the roof surface. Only a color acceptable to the Architecture Control Committee and/or the Declarant shall be used for the roof. Porch roofs without parapets may be acceptable, but only if approved by the Architecture Control Committee.

(b) The roof shall be of the material or the style compatible with the surroundings and as approved by the ACC.

9.4. Setbacks.

The minimum setback requirements for any structure from the Lot lines on all sides of the Lot shall be as follows:

(a) Front Yard (street side)

The face of any front entrance garage must be twenty (20) feet back from the Lot line (street). Otherwise a fifteen (15) foot setback requirement will apply.

(b) Rear Yard 15 feet from construction line identified in Map

(c) Side Yard 5 feet (including overhang)

(d) Side Yard next 5 feet
to Side Street

(e) No structure will be constructed closer than ten (10) feet from the top edge of a slope at a rear yard.

(f) For purposes of this Paragraph, eaves, steps, open porches or stoops, and roof overhangs shall be considered part of the structure for the setback requirements. The set back requirement shall be further measured from the Lot line area which is the portion of the Lot prepared for construction as identified on the Map.

9.5. Maximum Structure Height.

The maximum height of the roof and any roof projections, excluding any chimneys of any structure, including without limitation, the Single Family Dwelling, constructed on the Lot shall not exceed the following height from the lowest existing finished grade on the Lot upon which an Improvement may be placed:

<u>Lot</u>	<u>Height</u>
2, 3, and 4	16 feet
5, 6 and 8	20 feet
7, 9, 10, 11, 12, 13, 14 and 15	24 feet
16 through 38	25 feet

Without limiting the foregoing height restrictions, the ACC is authorized to adopt and file as an amendment to this Declaration specified height limitations for each particular Lot, provided such limitations may not be less restrictive than those in this Declaration.

9.6. Street Frontage.

Should the ACC require, the Owner of a Lot shall be responsible for constructing and maintaining a retaining wall on the property line abutting a street. The retaining wall shall be constructed of pre-determined stone or brick and shall be in uniformity with retaining walls on adjacent Lots with regard to height, width, structure and design, or as deemed acceptable by the ACC. Each Owner shall be responsible for providing ground cover, riprapp or other material or landscaping acceptable to the ACC in the area between the front Lot line or side Lot line abutting a street and the concrete header curb of the street. The Lot Owner shall be responsible for constructing and maintaining where designated all sidewalks. Such construction shall be in accordance with all governmental codes.

9.7. Fences.

All yard walls or fences, and additions thereto, shall be masonry walls constructed of stone, rock, brick, slump block or stuccoed concrete block, except for those parts of the walls which consist of wrought iron fencing. No unfinished or painted concrete block, chicken wire, barbed wire or chain link fence or gates shall be permitted at any location on any Lot. Without limiting the generality hereof:

(a) The cost of all masonry walls on common property lines shall be shared equally by adjacent Lot Owners and Declarant shall not be obligated to share in such cost. All masonry walls on common property lines shall be

constructed centered on the common property line. If the grade elevation difference between Lots at lot lines is less than six (6.0) feet, a structural retaining wall shall be constructed to the full height of the difference. If the grade elevation difference between Lots at lot lines is more than six (6.0) feet, walls as described in paragraph (c) below shall be constructed.

(b) Maximum height of rear yard masonry side walls shall not exceed five (5.0) feet above the finish ground surface. At common property lines the five (5.0) feet maximum shall be measured from the finish ground surface of the highest adjacent Lot.

(c) Rear yard masonry rear walls not more than two and one half (2.5) feet high from the finished ground surface and not more than two and one half (2.5) feet clear of the top or bottom edge of the major slopes shall be constructed by all Lot Owners at the rear or side of their Lot next to and parallel to the edge of the major slopes. The upper part of these walls shall consist of wrought iron with an average maximum total height of five (5) feet.

(d) Masonry walls, except for rear yard masonry wall, between Lots on the common side property line shall be constructed beginning at the nearest approximately perpendicular front wall of the rear yard and extending to ten (10) feet away from the front property line. This masonry wall shall be not more than eight (8) inches above the finish ground surface of the highest adjacent Lot. If the grade elevation difference between adjacent Lots at the common side property line is eighteen (18) inches or less, no masonry wall is required.

(e) Front masonry walls of rear yards between and approximately perpendicular to the structure side wall and to the side lot line must be erected and shall be constructed closer than ten (10.0) feet from the front building line of a structure.

(f) Exceptions to these masonry yard wall requirements as to location and size may be permitted only by the ACC and/or the Declarant upon written request by the Owner.

9.8. Landscaping.

The front and side of all Lots shall be provided with landscaping, which shall be the sole responsibility of the Owner of the Lot.

(a) Landscaping in areas open to view from a private street or adjoining Lot shall be in harmony with the general surroundings including native plant growth and landscaping improvements in the Common Areas and subject to these covenants.

(i) Side slopes of corner Lots next to an adjacent street shall be landscaped to the adjacent sidewalk or curb. No masonry wall along the top of the side slope shall be permitted except for that required for private rear yard walls. Side slopes must be maintained by the Owner of such Lot.

(ii) All front, side or rear yards of each Lot shall be maintained by the Owner of such Lot in clean and trim manner free of any unsightly thing or condition. All vegetation at such locations shall be properly watered as required to be maintained in a live, verdant condition.

(iii) The Association at its option may correct any unsightly condition and the Owner of such Lot will be obligated to pay for such work, and shall be subject to a Restoration Assessment.

9.9. Harmony of Exterior.

The Owner of each Lot shall keep all exterior walls and roofs of the Single Family Dwelling, all other structures, walls, fences, walkways, driveways and landscaping on the Lot in good and safe condition at the Owner's expense. Any changes to the exterior color or appearance of any Single Family Dwelling on any Lot (including any additions thereto) shall be made so as to harmonize with the design, location and color of other Single Family Dwellings located in the subdivision and in conformity with the architectural control provisions herein contained. Any change in use or any additional construction between the front of the Single Family Dwellings and the street in the front of the Single Family Dwellings (including, but not limited to, the installation, removal or change in walls, fences, walkways and driveways) shall be made so as to harmonize the design, location, color and use of other structures located in the subdivision and in conformity with the architectural control provisions contained herein.

9.10. Drainage.

All surface drainage from Lots must be in a directed and controlled manner approved by a Registered and Licensed Civil Engineer. Except as provided below, all Lots must slope the rear, side and front yards to drain toward the street in front of the Lot provided such surface drainage must be in a

controlled manner. Lots 22 through 28 may slope to the rear or front of the Lot provided such drainage must be in a controlled manner approved by a Registered and Licensed Civil Engineer.

9.11. Utilities.

(a) The Improvements shall include enclosures in which all exterior heating and cooling apparatus, meters, mechanical equipment, tanks and space for trash or rubbish containers shall be located out-of-sight from private streets and/or adjoining Lots.

(b) All electrical service and telephone service and telephone lines from the utility company lines shall be placed underground and no outside electrical and telephone lines shall be placed overhead. Service to the individual Building Site of such lines shall be taken from the point assigned by the ACC.

9.12. Timeliness.

Construction of Single Family Dwellings and Improvements shall be prosecuted diligently from the commencement thereof until completion. The Single Family Dwelling and related improvements on any Lot, once commenced, shall be completed in accordance with the approved plans and specifications in not more than twelve months from the date of commencement including landscaping.

In the event of reconstruction or restoration necessitated by damage to or destruction of any Improvements and/or landscaping, the Owner shall commence restoring such destroyed or destructed Improvements and/or Landscaping which must be restored to the original plans and specifications or such other plans and specifications approved by the ACC in accordance with the terms of this Declaration, as soon as practicable but the construction must commence within one (1) year from the date of damage and the Owner must diligently pursue such construction until completion. All exceptions or deviations from the original Plans must be approved by the ACC.

ARTICLE X

Use Restrictions

10.1. Use Restrictions.

The Property and every portion thereof shall be subject to the Use Restrictions contained in this Declaration, including this Article X.

10.2. Maintenance.

(a) All Improvements shall be maintained in accordance with the plans and specifications submitted and approved by the ACC. All landscaping on a Lot shall be

kept trimmed so as to be attractive in appearance and not to obstruct the view from other Lots or Common Areas.

(b) The Owner of each Lot shall keep all Improvements in the surrounding grounds in good condition and repair, free of debris, including, but not limited to, seeding, watering, mowing the lawns, pruning and cutting of trees and shrubs, the painting and other external care of all Improvements, all in a manner and with such frequency as is consistent with good property management. As to any slope located within a Lot, the Owner of such Lot shall maintain such slope, keep the slope clear and free of debris, weeds, or other unsightly conditions, and prevent erosion. No trash, leaves, grass, plants, settings, or branches shall be dumped or placed behind yard walls on to any level areas, slopes or undeveloped property.

10.3. Garages.

No garage of any Single Family Dwelling or other structure shall be closed for living purposes or converted to any use other than as a garage for the storage of motor vehicles, without approval of the ACC. The garage doors shall always remain in place and operable. Garage doors shall remain closed except for ingress and egress.

10.4. Clotheslines.

Clotheslines or other exterior clothes drying apparatus are prohibited.

10.5. Trash Containers.

All Owners shall keep all trash containers concealed from view at all times, provided, however, if the trash service requires that the trash containers be located close to the street on the pick up days, then the trash may be placed next to the street, in plastic bags or trash containers. All storage areas for trash containers shall be standard and in accordance with the design approved by the ACC.

10.6. Guest Parking.

Parking spaces around the cul-de-sac areas are provided for guest parking only. No motor vehicles of any kind shall be stored in such parking areas or parked in such areas.

10.7. Nuisance.

No Owner shall permit the development of any unclean, unhealthy, unsightly or unkept condition of such Owner's Lot and/or the Improvements thereon. No Lot and/or the Improvements thereon shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot and/or Improvements thereon to be in an unclean or untidy condition or that will be obnoxious to the reasonable person;

nor shall any substance, thing or material be kept upon any Lot and/or the Improvements located thereon which will omit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of surrounding Lot Owners. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any Lot Owner adjacent thereto.

10.8. Signs.

No signs of any type shall be permitted other than the name of the Owner and address. In the event a Lot is offered for sale, a temporary sign not larger than four (4) square feet may be placed on the Lot.

10.9. Lighting.

Exterior lighting visible from any street shall not be permitted, except for (i) porch lights and outdoor lighting which complies with the standards as described at Section 9.2(e) herein; (ii) seasonal temporary decorative lights; or (iii) front house illumination of a model home, if any, constructed by Declarant or any builder.

10.10. Pets.

Subject to limitations and regulations as may from time to time be set by the Association, generally recognized house or yard pets, in reasonable numbers, may be kept and maintained on a Lot, provided such pets are not kept or maintained for commercial purposes. All pets must be kept under the control of the Owner when they are outside of the Lot and must not become a nuisance to other residents. No livestock or poultry of any kind shall be raised, kept or bred on any Lot.

10.11. Mineral Exploration.

No minerals of any kind including sand, gravel, oil, natural gas, metals or otherwise may be removed from any Lot or Common Areas for commercial purposes or for resale nor may they be removed in substantial quantities for any reason, except when necessary for construction of improvements.

10.12. Tanks.

No tanks of any kind shall be permitted upon any part of the Lot.

10.13. Temporary Occupancy.

No temporary houses, dwelling, garage, out building, house trailer, tent or other structure shall be placed permanently or temporarily on any Lot. No structure shall be occupied during

construction except remodeling of a previously occupied dwelling. Any structure damaged by fire or other cause shall be repaired, replaced or removed as soon as possible.

10.14. Dumping of Trash on Site.

There shall be no dumping of trash, grass or plant cuttings behind the rear or side walls of the rear yard on to the ground bench or on to the earth slope behind these walls by either upper or lower Lot Owners. The burning of trash, leaves and other similar material is prohibited.

10.15. Commercial Usage.

No commercial use of any kind shall be permitted.

10.16. Vehicle Parking.

Inoperable vehicles, dune buggies, boats, camping trailers, recreational vehicles, or motor homes shall not be parked or placed in the street, in the driveway or in the front yard of any Lot or Single Family Dwelling. Temporary parking for a period not to exceed four (4) days for preparation for the use of or for cleaning after use of a recreation vehicle is permitted. No vehicle shall be left parked in disrepair or for the purpose of repair for any period. All vehicles must be registered.

No motor vehicles of any kind shall be kept or operated on any part of the Property if the use of that vehicle or the operation of the vehicle is unreasonably disturbing to the Owner or Owners of any neighboring Lot or is damaging to the Common Areas (i.e., cycling upon the Common Areas not improved as streets is prohibited). The Association shall have the right to order the removal or cessation of use of such vehicle which is objectionable or causes damage. Vehicles which are unreasonably loud or emit unreasonably noxious odors shall be deemed objectionable. All vehicles shall be currently licensed.

10.17 Temporary Structure.

No structure of a temporary character, such as a trailer, tent, shack, garage, barn or other temporary building shall be used on any Lot at any time as a residence, either temporarily or permanently. During the period of construction within the subdivision and until all Single Family Dwellings constructed thereon have sold, the use of temporary construction trailers, the use of completed homes or model homes as sales offices and construction and/or administrative offices for the builders is permitted.

10.18. Limit on Construction.

No structures or improvements whatsoever, except public utility facilities and common facilities built by Declarant, shall be erected, placed or permitted to remain on any portion of the Property which does not constitute a lot. Nothing contained herein shall be construed to prevent Declarant from erecting, placing or maintaining signs, structures, and offices as may be deemed necessary for the operation, development or sale of the Property or Lots described herein.

10.19. Value.

The Owner shall not do or permit to be done any act which would tend to depreciate the value of such Owner's Residential Dwelling Unit or Improvements, or to any other Improvements in the Property.

10.20. Leasing.

No Residential Dwelling Unit or Improvements shall be rendered for transient or hotel purposes, nor shall any Residential Dwelling Unit or Improvement be leased during the first six (6) months after the Certificate of Occupancy is issued. No Residential Dwelling Unit or Improvement shall be divided into more than one living area for purposes of leasing to multiple persons or families.

10.21. Sight Distance at Intersections.

No structure, wall, hedge, shrub or other planting or landscaping 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 or property within the triangular area formed by the street right-of-way line and a line connecting them at points twenty (20) feet from the intersection of the street right-of-way lines, or in the case of rounded property corner, from the intersection of the street right-of-way lines extended. The same sight-line limitations shall apply to any Lot or Property within ten (10) feet from the Intersection of this street right-of-way line with the edge of driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

10.22. Environmental Matters.

Each Lot Owner shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Lot and Improvements. Each Lot Owner shall not do, nor

allow anyone else to do, anything affecting the Lot and Improvements that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Lot of small quantities of Hazardous Substances that are generally recognized to be appropriate for normal residential uses and to maintenance of the Lot and Improvements.

Each Lot Owner shall promptly give Association written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Lot or Improvements and any Hazardous Substance or Environmental Law of which Lot Owner has actual knowledge. If a Lot Owner learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Lot or Improvements is necessary, the Lot Owner shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this Section 10.22, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Section 10.22, "Environmental Law" means federal laws and laws of the jurisdiction where the Lot is located that relate to health, safety or environmental protection.

10.23. Access Prohibited from Stanton.

Access to lots 1, 2, 3 and 38 shall be prohibited from Stanton Street. All driveways shall provide ingress and egress to said lots only from Ventana del Sol Drive.

ARTICLE XI

Easements

11.1. Utility Easements.

There is hereby created an easement for all utilities as reflected on and in accordance with the Map (including, but not limited to gas, electricity, water, cable, sewer, and other utility services commonly used by Lot Owners from time to time). Such easement shall also include mail and delivery services and the installation, repair and maintenance of receptacles for such services. All easements shall include the construction, repair and maintenance of such utilities.

11.2. Drainage Easement.

There is hereby created an easement in favor of the Association for drainage on the Property as identified and reflected on and in accordance with the Map or any amendments thereto including:

- (a) The private streets and roads;
- (b) The drainage grates on Los Miradores Drive and Ventana del Sol Drive;
- (c) The drainage channels along Los Miradores Drive and Ventana del Sol Drive;
- (d) The drainage pipeline, under Lot 34, Block 1;
- (e) The drainage right of way granted to the City of El Paso; and
- (f) Such other drainage easements established from time to time on the Property as provided by this Declaration.

Such easement shall include the right to install, repair, maintain and clean all drainage areas.

11.3. Maintenance of Drainage Easement.

There is hereby created an easement in favor of the Association for the maintenance, repair and the performance of such other actions as deemed necessary or advisable by the Association of the drainage easements identified in Section 11.2 of this Declaration, which easements are more particularly reflected on and in accordance with the Map or any amendments thereto.

11.4. Declarant's Easement to Correct Drainage.

For a period of two (2) years from the date of conveyance of each Lot, Declarant and the Association shall have an easement and right on, over, and under the ground within the Property to maintain and correct drainage of surface water in order to maintain reasonable standards of health, safety and appearance for the subdivision. Such right expressly includes the right to cut trees, bushes or shrubbery, make any grading of the soil or to take other similar action reasonably necessary, the following which the Declarant shall restore the affected Property to its original condition as near as practicable. The Declarant shall give timely notice of intent to take such action to all affected owners, unless, in the opinion of the Declarant, an emergency exists which prevents such notice.

11.5. Easement to Inspect and Correct Violations.

There hereby is created an easement in favor of the Association for ingress and egress to any Lot during reasonable hours:

(a) To inspect such property for alleged violations of and/or compliance with architectural standards and/or approved plans for authorization and Improvements, provided the Owner of such Lot is given written notice of the purpose and time of such inspection at least three (3) days in advance thereof; and

(b) Performing such correction of violations or such maintenance on the Lot as is required by the Declaration.

11.6. Easements for Governmental Personnel.

A route of entry on any Lot or Common Area is hereby granted to law enforcement officers, fire and rescue and local animal control personnel and mail and delivery personal as needed to carry out their duties, including enforcement cleared emergency vehicle access zones.

ARTICLE XII

Timely Development/Right of First Refusal

12.1. Covenant of Construction.

Each Owner of a Lot, by the acceptance of a Deed and recordation thereof in the Real Property Records of El Paso County, Texas, covenants to substantially and in good faith commence construction of a Single Family Dwelling upon the Lot so conveyed in accordance with plans and specifications approved by the ACC within two (2) years after the date the Deed to such Owner is recorded. Should any Owner fail to commence construction as aforesaid within the time allowed, Declarant, or the Association if Declarant at that time shall have become a Class A Member, shall have the right and option for a period of one (1) year after the expiration of such two-year period to purchase the Lot upon which construction shall have not been commenced for a purchase price equal to the amount paid by the then Owner. Should Declarant, or the Association, whichever is applicable, elect to purchase the Lot, written notice thereof shall be given to the Owner and the Owner shall convey the Lot to the purchaser within thirty (30) days after the date of such notice free and clear of all liens and, simultaneously therewith, the purchase price shall be paid in cash. This provision shall not require Declarant or the Association to purchase any Lot nor shall the exercise by Declarant or the Association to purchase any Lot require the purchase of any other Lots pursuant to this provision.

12.2. Deeds.

The rights herein reserved to Declarant and/or the Association shall be contained in each Warranty Deed from Declarant to a Lot Owner.

ARTICLE XIII

Default and Enforcement

13.1. Default and Remedies.

Failure to comply with any of the terms of this Declaration, the Articles, the Bylaws or the Rules and Regulations referenced herein, shall constitute an event of default and shall be grounds for relief, which may include without limitation an action by the Association or any aggrieved Owner to recover sums due for damages and injunctive relief, or any combination thereof.

13.2. Costs.

In any proceeding arising because of any alleged default by an Owner, the Association or any aggrieved Owner, if successful, shall be entitled to recover the costs of the proceedings and reasonable attorneys' fees from such Owner which shall be considered Special Expenses.

13.3. No Waiver.

The failure of the Association or any Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration, the Articles, the Bylaws or the Rules and Regulations, shall not constitute a waiver of the right of the Association or of any such Owner to enforce such right, provision, covenant or condition in the future.

13.4. Rights Cumulative.

All rights, remedies and privileges granted to the Association or any Owner pursuant to the provisions of this Declaration, the Articles, the Bylaws or the Rules and Regulations referenced herein, shall be deemed to be cumulative and the exercise of any one or more of such rights, remedies and privileges shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges, as may be available to such party at law or in equity.

13.5. Enforcement.

The Association, any Owner, the Association, the Declarant, or any Mortgagee, as their interest may appear, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and

charges now and hereinafter imposed by the provisions of this Declaration. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XIV

Special Restrictions

14.1. Special Restrictions.

In accordance with the provisions of the Warranty Deed dated April 1, 1988 of record in Volume 1920, Page 2137, Real Property Records of El Paso County, Texas, the following restrictions to the Property shall apply:

(a) No more than fifty (50) Single Family Dwelling Units shall be constructed on the Property.

(b) All electrical, utility and telephone service lines from the utility company lines shall be placed underground and that no outside electrical and telephone lines shall be placed overhead, with the exception of the certain overhead easement rights of El Paso Electric Company under that certain Easement Agreement dated April 2, 1986 of record in Book 1663, Page 0468, County Clerk's Records, El Paso County, Texas.

(c) No structure shall exceed twenty-five (25) feet in height from the finished concrete slab for such structure.

The restrictions of this Article XIV may not be amended without consent of the successor-in-interest to Schaefer Development Company, Ltd., the party which conveyed the Property to Coronado Hills, Inc.

ARTICLE XV

General Provisions

15.1. Acceptance of Governing Rules.

The Association, all present or future Owners, tenants or future tenants, or any other persons using the Property are subject to and shall comply with this Declaration, the Articles, the Bylaws and the Rules and Regulations referenced herein, and the acquisition, occupancy or rental of a Lot shall signify that all such documents are accepted and ratified. In the event of a conflict in any of the provisions of any such documents, the documents shall govern or control in the following order or preference: (i) this Declaration; (ii) the Articles; (iii) the Bylaws; and (iv) the Rules and Regulations referenced herein.

15.2. Amendments.

During the Development Period, Declarant shall have the right to amend this Declaration and thereafter, except for Article XI, this Declaration may be amended from time to time by a written instrument executed and acknowledged by Owners of Lots having not less than the seventy percent (70%) of the total votes held by Owners of Lots with the Property.

15.3. Delivery of Notices.

All notices or other documents required herein to be delivered by the Association to Owners may be delivered either personally or by mail. If delivered personally, the same shall be deemed to have been delivered when actually received by the Owner or when left at the front door of such Owner's Single Family Dwelling. If mailed, the same shall be deemed delivered when deposited in the United States Mail addressed to the Owner at such Owner's address as it appears on the records of the Association, with postage thereon prepaid.

All notices or other documents required herein to be delivered to the Association by Owners may be delivered personally or by mail to the appropriate address as designated by the Association from time to time.

15.4. Severability.


If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

15.5. Paragraph Titles.

Paragraph titles used in this Declaration are for convenience of reference and are not intended to limit, enlarge or change the meaning of the contents of the various paragraphs.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 31st day of Oct., 1991.

Colinas Coronado, Inc., a
Texas Corporation

By: 
JOHN E. Liddicoat, M.D.,
President

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

BEFORE ME, the undersigned authority, a Notary Public in and for El Paso County, Texas, on this day personally appeared John E. Liddicoat, M.D., President of Colinas Coronado, Inc., a Texas corporation, 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 said corporation 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 31st day of October, 1991.

Angelina Quiroz
Notary Public in and for the
State of Texas

4-7-92

My Commission Expires:

2789P(2)

