

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
OASIS RANCH

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR OASIS RANCH**

THIS DECLARATION, made as of the date hereinafter set forth by Geo-Beazer, L.P., a Delaware limited partnership doing business as Premier Communities (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of the approximately 39.019 acre tract of land in the City of El Paso, Texas described on Exhibit "A" attached hereto which has been or will be platted as Oasis Ranch, a subdivision of land in El Paso County, Texas according to the map or plat thereof recorded in the Map Records of El Paso County, Texas; and

WHEREAS, it is the desire and intention of Declarant to provide a common plan as to the use, permissible construction, and common amenities of the property in such subdivision and, to this end to subject the Lots (hereinafter defined) within the tract of land described in Exhibit "A" hereto to the covenants, conditions and restrictions hereinafter set forth for the benefit of all present and future owners thereof;

NOW, THEREFORE, Declarant hereby declares that the Lots within the tract of land described in Exhibit "A" hereto shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with said Lots and shall be binding upon all parties having any right, title or interest in said Lots or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

**ARTICLE I
DEFINITIONS**

The following words, when used in this Declaration, shall have the following meanings:

SECTION 1. "Architectural Review Committees" shall mean and refer to the Oasis Ranch New Construction Committee and the Oasis Ranch Modifications Committee created in Article II hereof.

SECTION 2. "Association" shall mean and refer to Oasis Ranch Homeowners Association, Inc., a Texas non-profit corporation, its successors and assigns.

SECTION 3. "Builder" shall mean and refer to any person or entity undertaking the construction of a residence on a Lot for the purpose of selling same, including the Declarant.

SECTION 4. "Common Area" shall mean and refer to all properties, real or personal, owned, leased or used by the Association for the common use and enjoyment of the Members (hereinafter defined) of the Association.

SECTION 5. "Declarant" shall mean and refer to Geo-Beazer, L.P., a Delaware limited partnership doing business as Premier Communities, its successors or assigns, provided that an assign is designated in writing by the Declarant as an assign of all, or part, of the rights of the Declarant under this Declaration.

SECTION 6. "Lot" shall mean and refer to any of the numbered lots shown on the plat of the Properties or a portion of the Properties intended for the construction of a residence.

SECTION 7. "Member" shall refer to every person or entity which holds a membership in the Association.

SECTION 8. "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 any person or entity who holds an interest merely as security for the performance of an obligation or those owning an easement right, a mineral interest, or a royalty interest.

SECTION 9. "Properties" shall mean and refer to the real property within the jurisdiction of the Association including the property described in Exhibit "A" attached hereto and any additional property hereafter added to the jurisdiction of the Association as provided herein, if any.

SECTION 10. "Single Family" shall mean and refer to any number of persons related by blood, adoption or marriage living with not more than one (1) person who is not so related as a single household unit, or to no more than two (2) persons who are not so related living together as a single household unit and the children of either of such individuals.

SECTION 11. "Street" shall refer to any publicly dedicated street, drive, boulevard, road, alley, lane, avenue, or thoroughfare.

ARTICLE II
ARCHITECTURAL STANDARDS

SECTION 1. PURPOSE. In order to preserve the natural setting and beauty of the Properties, to establish and preserve a harmonious and aesthetically pleasing design for Oasis Ranch project and to protect and promote the value of the Properties, the Lots in the tract of land described in Exhibit "A" hereto shall be subject to the restrictions set forth in this Article II. Every grantee of any interest in a Lot within the tract of land described in Exhibit "A" hereto by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article.

SECTION 2. ARCHITECTURAL REVIEW COMMITTEES.

(a) New Construction Committee and Modifications Committee. There is hereby established the Oasis Ranch New Construction Committee (herein called the "New Construction Committee"), which shall have exclusive jurisdiction over all original construction on the Lots in the Properties. There is also hereby created the Oasis Ranch Modifications Committee (hereinafter called the "Modifications Committee") (the New Construction Committee and the Modifications Committee being herein collectively referred to as the "Architectural Review Committees") which shall have exclusive jurisdiction over modifications, additions, or alterations made on or to improvements on the Lots within the Properties. Each Architectural Review Committee may (i) adopt such standards and guidelines for the construction or alteration of improvements in the Properties and (ii) establish application procedures for its review of plans and specifications. The Architectural Review Committees shall make such guidelines available to Owners and Builders who seek to engage in construction or modification of improvements upon a Lot and who shall conduct their operations strictly in accordance therewith.

(b) Members of Architectural Review Committees. The New Construction Committee shall consist of three (3) members. Until the date on which it has sold all of its Lots within the Properties, the Declarant shall have the right to appoint all members of the New Construction Committee as well as the right to remove any member. There shall be no surrender of this right prior to that time, except by a written instrument executed by Declarant and recorded in the real property records of El Paso County, Texas. Upon the expiration of such right, the Board of Directors shall appoint the members of the New Construction Committee. The Modifications Committee shall also consist of three (3) members, all of whom shall be appointed by the Board of Directors and may be removed at any time by the Board.

The Architectural Review Committees are authorized, but not obligated, to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist them in performing their respective functions set forth herein.

SECTION 3. ARCHITECTURAL APPROVAL. To preserve the architectural and aesthetic appearance of the Oasis Ranch project, no construction of improvements, or modifications, additions, or alterations to existing improvements, shall be commenced or maintained by an Owner with respect to any of the Lots in the Properties, including, without limitation, the construction or installation of sidewalks, driveways, parking areas, mail boxes, decks, patios, courtyards, swimming pools, greenhouses, playhouses, awnings, walls, fences, exterior lights, garages, guest or servants' quarters, or other outbuildings, nor shall any exterior addition to or change or alteration be made to any improvements (including, without limitation, painting or staining of any exterior surface), unless and until plans and specifications and related data showing the nature, color, type, shape, height, materials, and location of the same shall have been submitted to and approved in writing by the applicable Architectural Review Committee as to the compliance of such plans and specifications with this Declaration and as to the harmony of external design, location, and appearance in relation to surrounding structures and topography. One copy of such plans, specifications, and related data so submitted shall be retained in the records of the applicable Architectural Review Committee, and the other copy shall be returned to the Owner marked "approved," "approved with conditions as noted," or "disapproved." The applicable Architectural Review Committee may establish a reasonable fee sufficient to cover the expense of reviewing plans and related data and to compensate any consulting architects, landscape architects, urban designers, inspectors, agents or attorneys retained in accordance with the terms hereof. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his improvements, or to paint the interior of the improvements on his property any color desired. The Architectural Review Committees shall have the sole discretion to determine whether plans and specifications submitted for approval are acceptable to the Association.

Upon approval of plans and specifications by the applicable Architectural Review Committee, no further approval under this Article II shall be required with respect thereto, unless construction has not commenced within six (6) months of the approval of such plans and specifications or unless such plans and specifications are altered or changed. Disapproval of plans and specifications may be based by the applicable Architectural Review Committee upon any ground which is consistent with the objects and purposes of this Declaration as determined by the applicable Architectural Review Committee from time to time, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

SECTION 4. LANDSCAPING APPROVAL. To preserve the aesthetic appearance of the Oasis Ranch project, no landscaping, grading, excavation, or filling of any nature whatsoever shall be implemented and installed on a Lot within the tract of land described in Exhibit "A" hereto unless and until the plans for such work have been submitted to and approved in writing by the Modifications Committee.

SECTION 5. APPROVAL NOT A GUARANTEE OR VARIANCE. The review and approval of plans and specifications pursuant to this Article is made on the basis of aesthetic considerations only and no approval of plans and specifications shall be construed as representing or implying that such plans or specifications will, if followed, result in properly designed improvements. Such approval shall in no event be construed as representing or guaranteeing that any improvements built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, the Association, the Architectural Review Committees, nor any of their respective officers, partners, directors or members, shall be responsible or liable in damages or otherwise to any Owner who submits plans for approval by reason of mistake of judgment or negligence arising out of the approval or disapproval of any plans or specifications, any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances and regulations, nor any defects in construction undertaken pursuant to such plans and specifications. The purpose of such reviews primarily seeks to conform the aesthetic appearances of development within the Properties.

The Owner of each Lot shall be responsible for complying with the specific restrictions of this Declaration and the approval of plans and specifications pursuant to this Article shall not be deemed to be a variance from the specific restrictions of this Declaration or from the standards and guidelines adopted by the Architectural Review Committees. All variances must be issued in accordance with the provisions of Section 8 of this Article.

SECTION 6. RIGHT TO INSPECT. Any member of the Board of Directors or an Architectural Review Committee and their representatives shall have the right, but not the obligation during reasonable hours to enter upon and inspect any Lot with respect to which construction is underway to determine whether or not the plans and specifications therefor have been approved and are being complied with. Such person or persons shall not be deemed guilty of trespass by reason of such entry. In the event the applicable Architectural Review Committee shall determine that such plans and specifications have not been approved or are not being complied with, such Architectural Review Committee shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. In addition to any other remedies available to the Association, the Board may record in the appropriate land records a notice of violation naming the violating Owner.

SECTION 7. NO WAIVER OF FUTURE APPROVALS. The approval by an Architectural Review Committee of any plans and specifications for any work done or proposed, or in connection with any other matter requiring the approval and consent of such committees, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

SECTION 8. VARIANCES. The Architectural Review Committees may grant variances from compliance with the restrictions of this Declaration and from their respective standards and guidelines when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall be effective unless in writing or estop the applicable Architectural Review Committee from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing, shall not be considered a hardship warranting a variance.

SECTION 9. MEETINGS OF THE ARCHITECTURAL REVIEW COMMITTEES. The Architectural Review Committees shall meet from time to time as necessary to perform their respective duties, and may from time to time, by resolution unanimously adopted in writing, designate a representative to take an action or perform any duties for and on behalf of the Architectural Review Committee. In the absence of such designation of a representative, the vote of the majority of the members of the Architectural Review Committee, or the written consent of the majority of the members of the Architectural Review Committee taken without a meeting, shall constitute and act of the Architectural Review Committee.

ARTICLE III
OASIS RANCH HOMEOWNERS ASSOCIATION, INC.

SECTION 1. ORGANIZATION. Declarant has caused the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the collection, expenditure, and management of the maintenance funds, enforcement of the restrictive covenants contained herein, and architectural control of the Lots.

SECTION 2. BOARD OF DIRECTORS. The Association shall act through a Board of Directors (the "Board") having a minimum of three (3) and a maximum of five (5) members. The Board shall manage the affairs of the Association as specified in this Declaration and the By-Laws of the Association.

SECTION 3. MEMBERSHIP. Every Owner of a Lot 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 by the Association.

SECTION 4. VOTING RIGHTS. The Association shall initially have two (2) classes of membership as follows:

Class A. Class A Members shall be all persons or entities who own a Lot with the exception of the Declarant. After the Conversion Date (as hereinafter defined), the Declarant shall become a Class A Member.

Class B. The Class B Member shall be the Declarant. The Class B membership shall cease and become converted to Class A membership on the Conversion Date.

Class A Members shall be entitled to one (1) vote for each Lot owned within the Properties and the Class B Member shall be entitled to three (3) votes for each Lot owned within the Properties. When two or more persons or entities hold undivided interests in any Lot, all such persons or entities shall be Members, and the vote for the Lot owned by such Members shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to each Lot in which such Members own undivided interests.

SECTION 5. CONVERSION DATE. The Class B Membership in the Association shall terminate and convert to a Class A Membership on the date (the "Conversion Date") which is the earlier of:

- (i) The date the total number of votes of the Class A Members equals the number of votes of the Class B Member; or
- (ii) Such earlier date as may be established by Declarant in a written instrument recorded by Declarant in the Official Public Records of Real Property of El Paso County, Texas.

SECTION 6. TERMINATION OF MEMBERSHIP. The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or this Declaration during the period of ownership, nor impair any rights or remedies which the Association or any other Owner has with regard to such former Owner.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. The Declarant, for each Lot within the tract of land described in Exhibit "A" hereto, hereby covenants and each Owner of any such Lot, by acceptance of a deed therefor, whether or not it shall be expressed in the deed or other evidence

of the conveyance, is deemed to covenant and agree to pay the Association the following:

- (i) annual assessments or charges; and
- (ii) special assessments for capital improvements,

such assessments or charges to be fixed, established and collected as hereinafter provided. These assessments and charges, together with interest thereon as hereinafter provided, costs of collection, and reasonable attorney's fees, shall be a charge on the land and shall be secured by a continuing lien upon the Lot against which such assessments or charges are made. Each such assessment or charge, together with such interest, late charges, costs of collection, and reasonable attorney's fees shall also be and remain the personal obligation of the Owner of the particular Lot at the time the assessment or charge fell due notwithstanding any subsequent transfer of title of such property. The personal obligation for delinquent assessments and charges shall not pass to successors in title unless expressly assumed by them. However, successors in title shall nonetheless acquire title to the land subject to the lien securing the assessments and charges.

SECTION 2. PURPOSE OF ANNUALASSESSMENTS. The annual assessments levied by the Association shall be used for carrying out the purposes of the Association as stated in its Articles of Incorporation and this Declaration. The judgment of the Board of Directors of the Association in determining the functions to be performed by the Association, in determining the amount of annual assessments, and in the expenditure of funds shall be final and conclusive so long as its judgment is exercised in good faith. Such funds may be used to finance all or any of the following:

- (i) Operation, maintenance, repair, and improvement of the Common Area and other facilities of the Association, including funding of appropriate reserves for future repair, replacement and improvement of same;
- (ii) Payment of taxes and premiums for insurance coverage in connection with the Common Area and for directors and officers liability insurance;
- (iii) Paying the cost of labor, equipment (including expense of leasing any equipment), material, and any associated management or supervisory services and fees required for management and supervision of the Common Area;
- (iv) Paying the cost and fees of a manager or firm retained to carry out the duties of the Association or to manage the affairs and property of the Association;

- (v) Maintaining or replacing landscaping in the Common Area and in other areas within or in the vicinity of the Properties;
- (vi) Designing, purchasing and installing any improvements to the Common Area;
- (vii) Contracting for services beneficial to the Properties including, without limitation, street lights, electric service, gas service, telecommunication service, cable television service, garbage removal and insect and pest control services;
- (viii) Payment of legal fees and expenses incurred to collect assessments and enforce this Declaration;
- (ix) Employing watchmen and/or a security service;
- (x) If hereafter determined to be beneficial to the Members by the Board, maintenance of the front yards of the Lots and/or the exterior portions of residences;
- (xi) Carrying out the duties of the Board of Directors of the Association; and
- (xii) Carrying out such purposes of the Association as generally benefit the Members of the Association.

As stated hereinabove, the Association shall not be obligated to perform all of the foregoing functions or any particular function listed. The judgment of the Board of Directors of the Association in establishing annual assessments and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

SECTION 3. MAXIMUM LEVEL OF ANNUAL ASSESSMENTS. The initial annual assessment shall be \$240 per Lot or such lesser amount as the Board shall determine. The annual assessment may be increased in any year by the Board of Directors of the Association at its sole discretion, by an amount equal to a fifteen percent (15%) increase over the annual assessment for the previous year without a vote of the eligible Members of the Association. The annual assessment may be increased above fifteen percent (15%) with approval by a two-thirds (2/3rds) vote of each class of the Members who are voting in person or by proxy, at a meeting duly called for this purpose. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at any amount not in excess of the maximum.

SECTION 4. SPECIAL ASSESSMENT FOR CAPITAL IMPROVEMENTS. In addition to the annual assessment authorized above, the Association may levy, in any 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, or repair or replacement of a capital improvement located upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of a two-thirds (2/3rds) vote of each class of the eligible Members who are voting in person or by proxy at a meeting duly called for this purpose. Special assessments may be collected on a monthly basis at the Board's election.

SECTION 5. NOTICE AND QUORUM. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 above shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast twenty percent (20%) of each class of the eligible votes of the Association's membership shall constitute a quorum. If the required quorum is not present or represented, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meetings. No subsequent meeting shall be held more than 60 days following the preceding meeting.

SECTION 6. CAPITALIZATION OF ASSOCIATION. Upon acquisition of record title to a Lot by the first Owner thereof other than a Builder, a contribution shall be made by or on behalf of the purchaser to the Association in an amount equal to fifty percent (50%) of the annual assessment on such Lot for that year. This amount shall be in addition to, not in lieu of, the annual assessment and shall not be considered an advance payment of annual assessments. Amounts paid to the Association pursuant to this Section shall be deposited into a separate account maintained by the Association and shall be expended solely for the replacement or reconstruction of facilities of the Association of a capital nature and not used for general maintenance purposes.

SECTION 7. RATES OF ASSESSMENT. Both annual and special assessments on all Lots shall be fixed at uniform rates; provided, however, the rate applicable to Lots owned by the Declarant shall be equal to one-half (1/2) of the full assessment amount. The rate of assessment for a Lot shall change upon its conveyance by the Declarant, with an appropriate proration of the annual assessment for the year of the ownership change. Notwithstanding the foregoing to the contrary, prior to the Conversion Date, the Declarant may election an annual basis to make subsidy payments to the Association in lieu of assessments equal to the difference between the amount of assessments collected on all Lots subject to assessment other than those owned by the Declarant and the amount of the actual expenditures incurred to operate the Association during the fiscal year. The Board is specifically authorized to

enter into subsidy agreements with the Declarant. Under no circumstances shall the Declarant be obligated to pay a subsidy in any year unless it elects to do so.

SECTION 8. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL ASSESSMENT. The initial annual assessment shall commence as to all Lots on such date as may be determined by the Board of Directors of the Association (the "Board"), shall be prorated according to the number of days remaining in the calendar year, and shall be due and payable thirty (30) days after notice of the assessment is sent to every Owner whose Lot is subject to assessment. Thereafter, on or before the 30th day of November in each year, the Board of Directors of the Association shall fix the amount of the annual assessment to be levied against each Lot in the next calendar year. Written notice of the rate at which the Board of Directors of the Association has set the annual assessment shall be sent to every Owner whose Lot is subject to the payment thereof. Annual assessments shall be due and payable in advance on the first day of January of each calendar year or, at the discretion of the Board, in monthly or quarterly installments. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer or authorized representative of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a particular Lot is binding upon the Association as of the date of its issuance.

SECTION 9. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Any assessments which are not paid in full by the date specified by the Board shall be delinquent. Any delinquent assessment shall commence to bear interest on the due date (or such later date as the Board may determine) at the rate of 18% per annum or such other interest rate as the Board may from time to time determine not in excess of the maximum lawful rate of interest. If the assessment is not paid when due, the lien herein retained and created against the affected Lot shall secure the assessment due, interest thereon as specified above, all costs of collection, including court costs and attorney's fees, and any other amount provided or permitted by law. In the event that the assessment remains unpaid after ninety (90) days, the Association may, as the Board shall determine, institute suit for collection against the Owner personally obligated to pay the assessment or foreclose the lien created and reserved hereby against the Lot of such Owner.

The Association's lien is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien shall be or is required. By acquiring his Lot, the Owner grants to the Association a power of sale in connection with the Association's lien. By written resolution, the Board of Directors of the Association may appoint, from time to time, an officer, agent, trustee, or attorney of the Association to exercise the power of sale on behalf of the Association. The Association shall exercise its power of sale pursuant to Section 51.002 of the Texas Property Code, and any applicable revision(s), amendment(s), or recodifications thereof in effect at the time of the

exercise of such power of sale. The Association has the right to foreclose its lien judicially or by nonjudicial foreclosure pursuant to the power of sale created hereby. Costs of foreclosure may be added to the amount owed by the Owner to the Association. An Owner may not petition a court to set aside a sale solely because the purchase price at the foreclosure sale was insufficient to fully satisfy the Owner's debt. The Association may bid for and purchase the Lot at the foreclosure sale utilizing funds of the Association. The Association may own, lease, encumber, exchange, sell, or convey a Lot and the improvements thereupon. The purchaser at any such foreclosure sale shall be entitled to sue for recovery of possession of the Lot by an action of forcible detainer without the necessity of giving any notice to the former owner or owners of the Lot sold at foreclosure. The Owner shall have no right of redemption after or resulting from a foreclosure sale of the Association's lien. Nothing herein shall prohibit the Association from taking a deed in lieu of foreclosure or from filing suit to recover a money judgment for sums that may be secured by the lien. At any time before a nonjudicial foreclosure sale, an Owner of a Lot may avoid foreclosure by paying all amounts due the Association. Foreclosure of a tax lien attaching against a Lot shall not discharge the Association's lien under this paragraph for amounts becoming due to the Association after the date of foreclosure of the tax lien.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein by non-use of Common Area or abandonment of the property owned by such Owner. No diminution or abatement of assessment shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay assessments being a separate and independent covenant on the part of each Owner.

All payments shall be applied first to costs and attorney's fees, then to interest, and then to delinquent assessments.

SECTION 10. SUBORDINATION OF THE LIEN TO MORTGAGES. As herein above provided, the title to each Lot shall be subject to a lien securing the payment of all assessments and charges due the Association, but the lien shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the lien in favor of the Association provided, however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien securing such assessment or charge as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or the Owner thereof from liability for any charges or assessments thereafter becoming due or from the lien

thereof. In addition to the automatic subordination provided for hereinabove, the Association, in the sole discretion of its Board of Directors, may subordinate the lien securing any assessment provided for herein to any other mortgage lien or encumbrance, subject to such limitations, if any, as the Board of Directors may determine.

ARTICLE V
RIGHTS IN THE COMMON AREA

SECTION 1. OWNER'S RIGHTS OF ENJOYMENT. Subject to the further provisions hereof, every Member shall have a right of enjoyment in the Common Area, and such right shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights of the Association:

- (a) The Association shall have the right to charge reasonable admission and other fees for the use of any facility situated upon the Common Area.
- (b) The Association shall have the right, with the approval by two-thirds (2/3rds) vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, to borrow money and to mortgage, pledge, deed in trust, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred.
- (c) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Area against foreclosure of any such mortgage.
- (d) The Association shall have the right to suspend the voting rights and enjoyment rights of any Member for any period during which any assessment or other amount owed by such Member to the Association remains unpaid in excess of thirty (30) days.
- (e) The Association shall have the right to establish reasonable rules and regulations governing the use and enjoyment of the Common Area, and to suspend the usage rights of any Member for a period not to exceed sixty (60) days for any infraction of such rules and regulations.
- (f) The Association shall have the right, with the approval by two-thirds (2/3rds) vote of each class of Members who are voting in person or by proxy at a meeting duly called for such purpose, to sell or convey all or any part of the Common Area and the right,

without the approval of the Members, to grant or dedicate easements in portions of the Common Area to public or private utility companies.

- (g) The Association shall have the right to enter into agreements pursuant to which individuals who are not Members of the Association are granted the right to use the Common Area and the facilities located thereupon.

SECTION 2. DELEGATION OF USE. Each Member shall have the right to extend his right of enjoyment to the Common Area to the members of his family and to such other persons as may be permitted by the Association. An Owner shall be deemed to have made a delegation of all such rights to the tenant of any leased residence and such Owner shall not have the right to use the Common Area during such tenancy.

ARTICLE VI USE RESTRICTIONS

SECTION 1. RESIDENTIAL USE. Each and every Lot within the tract of land described on Exhibit "A" hereto is hereby restricted to one (1) single family residence and, unless otherwise approved by the Board of Directors, no single family residence may be occupied by more than a Single Family. It is not the intent of the Declarant to exclude from a single family residence any individual who is authorized to so remain by any state or federal law. If it is found that this provision is in violation of any law, then this Section shall be interpreted as to be restrictive as possible to preserve as much of the original section as allowed by law. No business, professional, commercial or manufacturing use shall be made of any Lot. No structure other than one (1) single family residence shall be constructed, placed on, or permitted to remain on any Lot within the tract of land described on Exhibit "A" hereto.

Notwithstanding the foregoing, a residence on a Lot may be used for a Home Occupation (as hereinafter defined) provided that:

- (i) no person other than a full time occupant of the residence shall be engaged or employed in the Home Occupation at the site;
- (ii) there shall be no visible storage or display of occupational materials or products;
- (iii) there shall be no exterior evidence of the conduct of a Home Occupation and no Home Occupation shall be conducted on the Lot outside of the residence; and

- (iv) no additional parking shall be provided or required for the Home Occupation.

As used herein, the term "Home Occupation" shall mean a business activity conducted in a single family residence which is incidental to the principal residential use.

SECTION 2. ANIMALS AND LIVESTOCK. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot. Consistent with its use as a residence, dogs, cats, or other household pets not to exceed two (2) in number may be kept on a Lot, provided that they are not kept, bred, or maintained for any business purposes.

SECTION 3. NUISANCES. No noxious or offensive trade or activity shall be carried on upon any Lot nor shall anything be done thereon which in the opinion of the Board may be or become an annoyance or nuisance to residents of the Properties.

SECTION 4. PERMITTED HOURS FOR CONSTRUCTION ACTIVITY. Except in an emergency or when other unusual circumstances exist, as determined by the Board of Directors of the Association, after the initial construction of residences by the Declarant and the Builders, outside construction work or noisy interior construction work shall be permitted only between the hours of 7:00 A.M. and 7:00 P.M.

SECTION 5. DISPOSAL OF TRASH. No trash, rubbish, garbage, manure, debris, or offensive material of any kind shall be kept or allowed to remain on any Lot, nor shall any Lot be used or maintained as a dumping ground for such materials. All such matter shall be placed in sanitary refuse containers constructed of metal, plastic or masonry materials with tightfitting sanitary covers or lids and placed in an area adequately screened by planting or fencing. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all current laws and regulations and those which may be promulgated in the future by any federal, state, county, municipal or other governmental body with regard to environmental quality and waste disposal. The Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his expense. In a manner consistent with good housekeeping and the requirements of the City of El Paso.

SECTION 6. DISPOSAL OF HAZARDOUS SUBSTANCES. Gasoline, motor oil, paint, paint thinner, pesticides, and other product considered to be a contaminant or a hazardous substance under applicable federal or state laws and regulations shall not be disposed of on any Lot nor shall any such material be deposited into a storm sewer, sanitary sewer manhole, drainage channel or other drainage facility within the Properties, but rather all such materials shall be handled and disposed of in compliance with all applicable laws and regulations and the recommendations of the manufacturer of the applicable product or a governmental entity with jurisdiction.

SECTION 7. BUILDING MATERIALS. Unless otherwise approved by the Modifications Committee, no Lot shall be used for the storage of any materials whatsoever, except that material used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced. During initial construction of residences by Builders, building materials may be placed or stored outside the property lines. Building materials may remain on Lots for a reasonable time, so long as the construction progresses without undue delay after which time these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. Under no circumstances shall building materials be placed or stored on the Streets.

SECTION 8. MINERAL PRODUCTION. No oil drilling, oil development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Lot.

SECTION 9. RIGHTS OF DECLARANT DURING SALE PERIOD. Notwithstanding any provisions contained in this Declaration to the contrary, until the Builder(s) have sold all of the residences and Lots within the Properties, it shall be expressly permissible for Declarant and any other Builders approved by Declarant to maintain and carry on, upon such portion of the Properties as Declarant may deem necessary, such facilities and activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such Builder's development, construction, and sales activities related to their properties, including, but without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Properties; the right to carry on sales and promotional activities in the Properties; the right to place signs in the Common Area and in road rights-of-way within the Properties; and the right to construct and operate business offices, construction trailers, model residences and sales offices.

ARTICLE VII ARCHITECTURAL RESTRICTIONS

Each and every Lot within the tract of land described in Exhibit "A" hereto shall be subject to the following specific restrictions:

SECTION 1. SINGLE FAMILY RESIDENCES. Only one single family residence shall be built or permitted on each Lot. All structures shall be of new construction and no structure shall be moved from another location onto any Lot.

SECTION 2. LIVING AREA REQUIREMENTS. The total living area of each single family dwelling, exclusive of porches and garages, shall be not less than six hundred (600) square feet.

SECTION 3. LOCATION OF RESIDENCE ON LOT. The location of each residence on a Lot will be approved by the New Construction Committee with its approval of the plans and specifications for such residence. No building shall be located on any Lot nearer to a Street than the minimum building setback lines shown on the plat, if any, or established by the New Construction Committee and no building shall be located on any utility easement.

SECTION 4. TYPE OF CONSTRUCTION. The exterior wall area of all residences, exclusive of doors and windows, shall be of colored, split-face concrete block masonry or such other material as may be approved by the New Construction Committee.

SECTION 5. TEMPORARY BUILDINGS. Unless otherwise approved by the New Construction Committee, temporary buildings or structures such as storage sheds shall not be permitted on any Lot. Declarant may permit temporary toilet facilities, sales and construction offices and storage areas to be used by Builders in connection with the construction and sale of residences.

SECTION 6. DRIVEWAYS. On each Lot the Builder shall construct and the Owner shall maintain at his expense a driveway to the Street at the front of the Lot, including the portion of the driveway in the Street easement, and the Builder shall repair at his expense any damage to the Street occasioned by connecting the driveway thereto.

SECTION 7. FENCES. No fence or wall shall be erected on any Lot except in accordance with the requirements of the City of El Paso.. The erection of chain link fences on any Lot is prohibited.

SECTION 8. SIGNS. Except for one (1) sign of not more than five (5) feet square advertising a residence on a Lot for sale or rent, no signs, billboards, posters, or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the Modifications Committee. The right is reserved by Declarant to construct and maintain, or to allow Builders to construct and maintain, signs, billboards and advertising devices as is customary in connection with the sale of newly constructed residential dwellings. In addition, the Declarant and the Association shall have the right to erect identifying signs at entrances to the Oasis Ranch project.

SECTION 9. TRAFFIC SIGHT AREAS. No fence, wall, or planting which obstructs sight lines at elevations between two and six feet above the Street shall be permitted to remain on any corner Lot within twenty (20) feet of the point formed by the intersection of the building set back lines of such Lot.

SECTION 10. EXTERIOR ANTENNAE. No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or

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transmission of radio or television broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by the regulations promulgated under the Telecommunications Act of 1996, as amended from time to time. The Board is empowered to adopt rules governing the types of antennae that are permissible in the Properties and to establish reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. To the extent that receipt of an acceptable signal would not be impaired, an antenna permissible pursuant to the rules of the Board may only be installed in a side or rear yard location, not visible from the Street, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations.

SECTION 11. AIR CONDITIONERS. No window or wall type air conditioners shall be permitted in any residence, but the Modifications Committee, at its discretion, may permit window or wall type air conditioners to be installed if such unit or units will not be visible from a Street or adjacent Lot.

SECTION 12. PRIVATE UTILITY LINES. All electrical, telephone, and other utility lines and facilities which are located on a Lot and are not owned by a governmental entity or a public utility company shall be installed in underground conduits or other underground facilities unless otherwise approved in writing by the New Construction Committee.

SECTION 13. CLOTHES LINES. No exterior clothes lines shall be placed on any Lot.

SECTION 14. VEHICLES AND PARKING. The term "vehicles", as used herein, shall refer to all motorized vehicles including, without limitation, automobiles, trucks, motor homes, boats, trailers, motorcycles, minibikes, scooters, go-carts, campers, buses, and vans. No vehicle may be parked or left upon any Lot in the Properties, except in the driveway, parking area constructed on the Lot or other areas in the Properties designated by the Board for parking. Any vehicle parked or left not in accordance with this section shall be considered a nuisance and may be removed by the Board at the owner's expense. No motorized vehicles shall be permitted on pathways or unpaved Common Area except for public safety vehicles and vehicles authorized by the Board. All vehicles within the Properties must be in a condition which meet the requirements of all state and local governmental authorities as to licensing, safety and equipment standards. The parking of vehicles on Streets, within Street right-of-ways where there is less than eighteen (18) feet of distance between adjacent driveways, on sidewalks, or on the areas between sidewalks and the curb of the adjacent Street at any time is prohibited. The foregoing provision is for the benefit of the City of El Paso and may be enforced by such City as well as by the Association.

SECTION 22. EXTERIOR LIGHTING. Additional exterior lighting shall not be of a wattage or lumen count which will affect neighboring homes. Exterior decorative lights, security lights or floodlights must be aimed so as not to shine onto a neighboring Lot. Security, mercury vapor, or fluorescent lights must be attached to the back or side of the residence. Gas or electric post lights may be in front or back of the residence. Such lights must be no taller than eight feet (8') in height and the illumination must be a low wattage. The color of the post shall be selected to complement or harmonize with the colors of the residence. This means that the color should generally stay within the earth tone color family (i.e. black, brown, tan, beige or gray).

SECTION 23. ENFORCEMENT OF LOT MAINTENANCE. In the event of the violation of any covenant herein by any Owner or occupant of any Lot and the continuance of such violation after ten (10) days written notice thereof, or in the event the Owner or occupant has not proceeded with due diligence to complete appropriate repairs and maintenance after such notice, the Association shall have the right (but not the obligation), through its agents or employees, to enter upon such Lot and to secure compliance with these restrictions and restore such Lot to a neat, attractive, healthful and sanitary condition. The Association may render a statement of charge to the Owner or occupant of such Lot for the cost of such work. The Owner or occupant agrees by the purchase or occupation of the Lot to pay such statement immediately upon receipt. In the event of the failure to pay for such work, the amount of such statement may be added to the annual maintenance charge provided for herein and shall be secured by a lien on the Lot in the same manner as such annual charge. The Association, or their agents and employees shall not be liable, and are hereby expressly relieved from any liability, for trespass or other tort in connection with the performance of the maintenance and other work authorized herein.

ARTICLE VIII EASEMENTS

SECTION 1. GENERAL. Easements for the installation and maintenance of utilities are reserved as shown and provided for on the plats of the Properties and/or as dedicated by separate instruments. Neither Declarant nor any utility company or authorized political subdivision using the easements referred to herein shall be liable for any damages done by them or their assigns, agents, employees or servants, to fences, shrubbery, trees, flowers, improvements or other property of the Owner situated on the land covered by such easements as a result of construction, maintenance or repair work conducted by such parties or their assigns, agents, employees or servants.

SECTION 2. EASEMENTS FOR UTILITIES AND PUBLIC SERVICES.

(a) Declarant hereby reserves for itself and grants to the Association, to the City of El Paso, to El Paso County, and to any other public authority or agency, utility district, or public or private utility company, a perpetual easement upon, over, under, and across (i) the Common Area, and (ii) those portions of all Lots as are reasonably necessary, for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers, electrical, gas, telephone, water, and sewer lines, street lights, street signs and traffic signs; provided, however, that such easements shall not unreasonably affect the developability, marketability or value of any Lot. To the extent possible, utility lines and facilities serving the Properties and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Properties encumbered, (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities, (ii) to cut and remove any trees, bushes, or shrubbery, (iii) to excavate or fill, or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.

(b) There is also hereby granted to the City of El Paso and or such other governmental authority or agency as shall from time to time have jurisdiction over the Properties (or any portion thereof) with respect to law enforcement and fire protection, the perpetual, non-exclusive right and easement upon, over and across all of the Properties for purposes of performing such duties and activities related to law enforcement and fire protection in the Properties as shall be required or appropriate from time to time by such governmental authorities under applicable law.

SECTION 3. EASEMENTS FOR ASSOCIATION. There is hereby granted a general right and easement to the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon any Lot or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner or tenant of the residence directly affected thereby.

SECTION 4. EASEMENTS FOR ENCROACHMENT AND OVERHANG. In the event that any portion of any walkway, parking area, driveway, water line, sewer line, utility line, sprinkler system, building or any other structure or improvement, including without limitation any building steps, fences, paving, decking, footings, piers, piles, grade beams or similar improvements, or any overhang of walls or roofs of any such building or structure as originally constructed encroaches on any Lot due to the

unintentional placement or settling or shifting of any of the foregoing to a distance of not more than twelve inches (12"), as measured from any point on the common boundary between each Lot or as between adjacent Lots, as the case may be, along a line perpendicular to such boundary at such point, it shall be deemed that the Owner of such Lot has granted a perpetual easement to the Owner of the adjoining Lot for continuing maintenance and use of such encroaching structure or improvement. The foregoing shall also apply to any necessary maintenance, repair or replacement of any of the foregoing if performed in substantial compliance with the original construction. So long as necessary, the foregoing easements shall be perpetual in duration, and once established shall not be subject to amendments or terminate otherwise applicable to this Declaration.

SECTION 5. PARTY WALLS. Each wall which is built as a part of the original construction of a residence and placed on the common line between adjoining residences shall constitute a party wall and the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. If a wall which is intended as a party wall is situated entirely on one Lot instead of on the common line between Lots due to error in construction, such wall shall nevertheless be deemed to be on the common line and shall constitute a party wall. The Owner of each Lot is hereby declared to have an easement over the Lot or Lots adjacent to his property for the maintenance, repair and reconstruction of party walls. The cost of repairing and maintaining each party wall shall be shared equally by the Owners of the applicable residences; provided, however, an Owner who by his negligent or willful act or omission destroys or causes damage to a party wall, shall bear the whole cost of reconstruction or necessary repairs. If a party wall is destroyed or damaged by fire or other casualty, either Owner who has used it may reconstruct or restore it and, the other Owner shall contribute to the cost of such reconstruction or restoration in accordance with the foregoing provisions. The right of an Owner to receive contribution from another Owner toward the cost of reconstructing or repairing a party wall shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE IX INSURANCE OBLIGATIONS OF OWNERS

SECTION 1. OBLIGATION TO REPAIR AND RESTORE. Each Owner shall maintain, at his expenses, casualty insurance on his residence in an amount not less than the replacement cost. In the event a residence shall be partially or entirely destroyed by fire or other casualty, such residence shall either be repaired and restored within a reasonable period of time or demolished and the Lot landscaped so that no damaged portion of the former structure remains visible from any other Lot or Common Area. Subject only to the rights of an institutional holder of a first mortgage lien on a damaged or destroyed residence, the insurance proceeds from any insurance policy covering a damaged or destroyed residence shall be first applied to such repair, restoration or replacement of such residence, or to the demolition of such residence

and landscaping of such Lot. Each Owner shall be responsible for the repair, restoration, replacement or demolition of the residence owned by such Owner pursuant to the terms of this Declaration. Any such repair, restoration or replacement shall (subject to advances and changes in construction techniques and materials generally used in such construction and then current generally accepted design criteria) be generally harmonious with the other residences in the Properties and reconstruction must be consistent with plans and specifications approved by the New Construction Committee.

SECTION 2. INSURANCE PROCEEDS. If the proceeds of the insurance available to the Owner of a damaged residence are insufficient to pay for the cost of repair, restoration or replacement following a casualty (or demolition and landscaping if the residence is to be demolished), the Owner of such residence shall be responsible for the payment of any such deficiency necessary to complete the repair, restoration, replacement or demolition.

ARTICLE X
DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

SECTION 1. CONSENSUS FOR ASSOCIATION LITIGATION.

Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without the approval by two-thirds (2/3rds) vote of each class of the Members who are present in person or by proxy at a meeting called for such purpose. This Section shall not apply, however, to (a) actions brought by the Association to enforce this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it.

Prior to the Association or any Member commencing any judicial or administrative proceeding to which Declarant is a party and which arises out of an alleged defect within the Properties or any improvement constructed within the Properties, Declarant shall have the right to be heard by the Members, or by the particular Member, and to access, inspect, or correct the condition of any improvement as to which a defect is alleged. In addition, the Association or the Member shall notify the Builder who constructed the subject improvement prior to retaining any other expert as an expert witness or for other litigation purposes.

SECTION 2. ALTERNATIVE METHOD FOR RESOLVING DISPUTES. Declarant, the Association, its officers, directors, and committee members, and all Owners subject to this Declaration (each such person or entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes involving this Declaration and the Properties without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims,

(i) the nature of the Claim, including the persons involved and Respondent's role in the Claim;

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

(iii) the proposed remedy; and

(iv) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(b) Negotiation and Mediation.

(i) The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(ii) If the Parties do not resolve the Claim within 30 days after the date of the Notice (or within such other period as may be agreed upon by the Parties)("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation under the auspices of an independent mediation service designated by the Board or, if the Association is a party to the Claim, by an independent agency providing dispute resolution services in the area.

(iii) If Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any person other than the Claimant.

(iv) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within 30 days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that mediation was terminated.

Upon Termination of Mediation, Claimant shall thereafter be entitled to sue in any court of competent jurisdiction or to initiate proceedings before any appropriate administrative tribunal on the Claim. Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. If the parties agree to a resolution of any Claim through negotiation or mediation in accordance with this Section and any Party thereafter fails

to abide by the terms of such agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth herein. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

ARTICLE XI GENERAL PROVISIONS

SECTION 1. TERM. The provisions of this Declaration, as they may be amended in accordance with the provisions hereof, shall run with the land and shall be binding upon all parties and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said provisions shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the Owners of a majority of the Lots covered by this Declaration has been recorded, agreeing to terminate this Declaration.

SECTION 2. ENFORCEMENT. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, the covenants, conditions, restrictions, and liens contained herein. Failure of the Association or any Owner to enforce any of the provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition to the rights the City of El Paso has to enforce its laws and ordinances within the Properties, such City shall also have the right to enforce the provisions of Section 14 of Article VII of this Declaration concerning the parking of vehicles within Street right-of-ways.

SECTION 3. AMENDMENT.

A. By Declarant. This Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property subject to this Declaration; (c) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the property subject to this Declaration; or (d) for any other purpose, provided that the amendment has no material adverse effect upon the title to any Owner's property or upon any right of such Owner or the Owner so affected has consented thereto.

B. By Owners. This Declaration may be amended at any time by an instrument executed or approved by the Owners of two-thirds (2/3rds) of the Lots encumbered by this Declaration; provided, however Declarant must consent to any amendment which is to be effective prior to the date on which Declarant has sold all of its Lots within the Properties. Any such amendment shall become effective when it is filed for record in the Official Public Records of Real Property of El Paso County, Texas.

SECTION 4. SEVERABILITY. Invalidation of any one of these covenants by judgment or other court order shall not affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

SECTION 5. GENDER AND GRAMMAR. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

SECTION 6. TITLES. The titles of this Declaration of Articles and Sections contained herein are included for convenience only and shall not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.

SECTION 7. REPLATTING. Declarant shall have the right to replat any Lots as well as the right to subdivide any reserve tracts contained within the Properties into single family residential lots, by recorded plat or in any lawful manner. Lots created by the subdivision of a reserve tract shall be subject to these restrictions as if such Lots were originally platted as lots. The replatting of any portion of the Properties by an Owner other than the Declarant prior to the Conversion Date shall require the written consent of the Declarant.

SECTION 8. ANNEXATION.

A. By Declarant. The Declarant shall have the unilateral right, privilege, and option at any time to annex additional property to the jurisdiction of the Association by filing for record a declaration of annexation in respect to the property being annexed. Any such annexation by the Declarant shall not require approval by the Association or the Members and shall be effective upon the filing for record of such declaration. The rights reserved by Declarant herein to annex additional land shall not and shall not be implied or construed so as to impose any obligation upon Declarant to annex additional land it owns.

B. By Other Owners. Upon request by an owner of land other than the Declarant, the Association may annex real property to its jurisdiction. Any such annexation shall require the approval by majority vote of the Class "A" Members who are present in person or by proxy at a meeting duly called for such purpose and, as

long as the Declarant owns any portion of the Properties, the written consent of the Declarant. Annexation of land not owned by the Declarant shall be accomplished by filing of record in the public records of El Paso County, Texas, an annexation agreement describing the property being annexed. Such annexation agreement shall be signed by the President and the Secretary of the Association, by the owner of the property being annexed, and, as long as the Declarant owns any portion of the Properties, by the Declarant. The relevant provisions of the By-Laws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 7(b) and to ascertain the presence of a quorum at such meeting.

C. Effect of Annexation. The Owners of Lots in property annexed into the jurisdiction of the Association shall be entitled to the use and benefit of all Common Area of the Association, provided that the annexed property shall be impressed with and subject to an annual maintenance assessment imposed by the Association on a uniform, per Lot basis with the annual assessment on all other property within the jurisdiction of the Association.

SECTION 9. MERGER; DISSOLUTION. The Association may be merged with another non-profit corporation or dissolved only with (i) the assent of not less than two-thirds (2/3's) of the Class "A" Members voting in person or by proxy at a meeting duly called for such purpose, and (ii) the Declarant, as long as the Declarant owns any Lots within the Properties. In the event of a merger of the Association with another non-profit corporation organized for the same purposes, the Association's properties, rights, and obligations may be transferred to the surviving association, or alternatively, the properties, rights and obligations of the other association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving association shall administer the covenants, conditions and restrictions established by this Declaration, together with the covenants, conditions and restrictions applicable to the properties of the other association as one scheme. In the event of the dissolution of the Association, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

SECTION 10. HUD APPROVAL. As long as there is a Class "B" Membership in the Association, the approval of the U.S. Department of Housing and Urban Development shall be required for the following actions: the amendment of this Declaration, the annexation of property to the jurisdiction of the Association, and the dedication of Common Area.

EXHIBIT "A"

Description of property

11/15/2011 10:00 AM

1998 3436 0903

LEGAL DESCRIPTION
December 19, 19

LEGAL DESCRIPTION OF A TRACTS 36 1B1 AND 36 1C, SECTION 36, AND 37-2 AND 37-3, SECTION 37, BLOCK 80, TOWNSHIP 2, OF THE TEXAS AND PACIFIC R. R. SURVEYS, CITY OF EL PASO, EL PASO COUNTY, TEXAS, CONTAINING 30.4080 ACRES OF LAND, MORE OR LESS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A FOUND 5/8" IRON PIN LOCATED IN THE INTERSECTION OF THE COMMON LINE OF SECTIONS 35 AND 36 OF SAID BLOCK 80 AND THE SOUTHERN RIGHT-OF-WAY LINE OF MONTANA AVENUE (US HIGHWAY 62-180); THENCE, ALONG SAID SOUTHERN RIGHT-OF-WAY LINE NORTH 81 DEGREES 12 MINUTES 00 SECONDS EAST, A DISTANCE OF 246.37 FEET TO THE NORTH-WESTERN CORNER OF TRACT 36 1B1, AND TRUE POINT OF BEGINNING;

THENCE, ALONG SAID RIGHT-OF-WAY LINE, NORTH 81 DEGREES 12 MINUTES 00 SECONDS EAST, A DISTANCE OF 50.52 FEET TO A POINT FOR CORNER IN THE COMMON LINE OF SAID TRACT 36 1B1 AND TRACT 36 1B;

THENCE, ALONG SAID COMMON LINE, SOUTH 00 DEGREES 38 MINUTES 00 SECONDS EAST, A DISTANCE OF 534.63 FEET TO A POINT FOR CORNER IN THE COMMON LINE OF SAID TRACT 36-1B AND TRACT 37-3;

THENCE, ALONG SAID COMMON LINE, NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 192.47 FEET TO A POINT FOR CORNER IN THE LINE COMMON TO SECTIONS 36 AND 37;

THENCE, ALONG THE LINE COMMON TO TRACT 36-1B AND TRACT 36-1C, NORTH 00 DEGREES 38 MINUTES 00 SECONDS WEST, A DISTANCE OF 564.38 FEET TO A POINT FOR CORNER IN THE SOUTHERN RIGHT-OF-WAY LINE OF MONTANA AVENUE (US HIGHWAY 62/180);

THENCE, SAID RIGHT-OF-WAY LINE, NORTH 81 DEGREES 12 MINUTES 00 SECONDS EAST, A DISTANCE OF 143.79 FEET TO A POINT FOR CORNER IN THE COMMON LINE OF TRACT 36-1C AND TRACT 36-1C1;

THENCE, ALONG SAID COMMON LINE, SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 100.00 FEET TO A POINT FOR CORNER;

THENCE, NORTH 81 DEGREES 12 MINUTES 00 SECONDS EAST, A DISTANCE OF 100.00 FEET TO A POINT FOR CORNER IN THE COMMON LINE OF TRACT 36-2 AND TRACT 36-1C;

THENCE, ALONG SAID COMMON LINE, SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 501.64 FEET TO A POINT FOR CORNER IN THE LINE COMMON TO SECTION 36 AND SECTION 37;

EXHIBIT

"A"

1998 3436 0904

(LEGAL DESCRIPTION CONTINUED-DECEMBER , 1997)

THENCE, ALONG SAID COMMON LINE, NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 512.22 FEET TO A POINT FOR CORNER IN THE EASTERN LINE OF TRACT 37-3;

THENCE, ALONG SAID EASTERN LINE, SOUTH 00 DEGREES 33 MINUTES 12 SECONDS EAST, A DISTANCE OF 1233.42 FEET TO POINT FOR CORNER IN THE COMMON LINE OF TRACT 37-2 AND THE NORTHERN BOUNDARY OF PEBBLE HILLS SUBDIVISION UNIT 8;

THENCE, ALONG SAID COMMON LINE, NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 933.40 FEET TO A POINT FOR CORNER IN THE LINE COMMON TO SAID TRACT 37-2 AND THE EASTERN BOUNDARY LINE OF PEBBLE HILLS SUBDIVISION UNIT 16;

THENCE, ALONG SAID COMMON LINE, NORTH 00 DEGREES 33 MINUTES 12 SECONDS WEST, A DISTANCE OF 933.40 FEET TO A POINT FOR CORNER IN THE COMMON LINE OF TRACT 37-3 AND SAID TRACT 37-2;

THENCE, ALONG SAID COMMON LINE, NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 60.00 FEET TO A POINT FOR CORNER IN THE LINE COMMON TO TRACT 37-3 AND THE EASTERN BOUNDARY LINE OF PEBBLE HILLS SUBDIVISION UNIT 16;

THENCE, ALONG SAID COMMON LINE, NORTH 00 DEGREES 33 MINUTES 12 SECONDS WEST, A DISTANCE OF 300.02 FEET TO A POINT FOR CORNER IN THE LINE COMMON TO SECTION 36 AND SECTION 37;

THENCE, ALONG SAID COMMON LINE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 4.02 FEET TO A POINT FOR CORNER IN THE LINE COMMON TO TRACT 36-1A AND TRACT 36-1B1;

THENCE, ALONG SAID COMMON LINE, NORTH 00 DEGREES 38 MINUTES 00 SECONDS WEST, A DISTANCE OF 526.90 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 30.4080 ACRES OF LAND, MORE OR LESS.


S. I. AGUILAR, BPLS NO. 3067

1998 3459 1323

EXHIBIT A

GENERAL WARRANTY DEED

Legal Description of the Property

PROPERTY DESCRIPTION

BEING ALL OF TRACT 2, SECTION 36, BLOCK 60, TOWNSHIP 2, TEXAS AND PACIFIC RAILROAD SURVEYS IN THE CITY OF EL PASO, EL PASO COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT AN EXISTING BOLT LOCATED IN THE INTERSECTION OF THE MONUMENT LINE OF HIGHWAY 62/180 WITH THE EAST SECTION LINE OF SECTION 36, BLOCK 60, TOWNSHIP 2 OF SAID SURVEY; THENCE SOUTH 81°12'00" WEST A DISTANCE OF 4025.82 FEET; THENCE, LEAVING SAID MONUMENT LINE SOUTH 08°48'00" EAST A DISTANCE OF 150.00 FEET TO A 5/8 INCH REBAR FOUND ON THE SOUTH RIGHT-OF-WAY OF HIGHWAY 62/180 AND THE POINT OF BEGINNING;

THENCE, LEAVING SAID RIGHT-OF-WAY SOUTH 00°00'00" EAST A DISTANCE OF 691.70 FEET TO A MARK SET IN A ROCK WALL;

THENCE, NORTH 90°00'00" WEST A DISTANCE OF 582.50 FEET TO A 5/8 INCH REBAR SET;

THENCE, NORTH 00°00'00" EAST A DISTANCE OF 601.53 FEET TO A 5/8 INCH REBAR FOUND ON THE SOUTH RIGHT-OF-WAY OF HIGHWAY 62/180;

THENCE, WITH SAID RIGHT-OF-WAY NORTH 81°12'00" EAST A DISTANCE OF 589.44 FEET TO THE POINT OF BEGINNING CONTAINING 8.647 ACRES, OR 376,652 SQUARE FEET.

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