

COLONIA ESCONDIDA
ASSOCIATION, INC.

AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

ARTICLES OF INCORPORATION

NEW MEXICO CERTIFICATE OF AUTHORITY

BY-LAWS

TABLE OF CONTENTS

PART I

AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

PREAMBLE.....	1-3
ARTICLE I DEFINITIONS.....	3
Section 1 "Association".....	3
2 "Owner".....	3
3 "Properties".....	4
4 "Common Area".....	4
5 "Lot".....	5
6 "Declarant".....	5
ARTICLE II PROPERTY RIGHTS.....	5
Section 1 Owner's Easement of Enjoyment.....	5
2 Delegation of Use.....	6
3 No Dedication.....	6
ARTICLE III MEMBERSHIP AND VOTING RIGHTS.....	7
ARTICLE IV COVENANTS FOR MAINTENANCE ASSESSMENTS.....	8
Section 1 Creation of the Lien and Personal Obligation of Assessments.....	8
2 Purpose of Assessments.....	9
3 Maximum Annual Assessments.....	10

	4	Special Assessments for Capital Improvements.....	11
	5	Notice and Quorum for Any Action Authorized Under Sections 3 and 4.....	11
	6	Uniform Rate Assessment.....	12
	7	Date of Commencement of Annual Assessments: Due Dates.....	12
	8	Effect of Nonpayment of Assessments; Remedies of the Association.....	13
	9	Subordination of the Lien to Mortgages.....	13
ARTICLE V		ARCHITECTURAL CONTROL.....	14
ARTICLE VI		USE OF THE PROPERTIES.....	16
Section	1	Common Area.....	16
	2	Lot Use.....	17
	3	Dwelling, Quality and Size.....	17
	4	Location of Improvements on Lot.....	18
	5	Easements.....	18
	6	Nuisances.....	19
	7	Other Structures and Storage.....	19
	8	Business Use.....	20
	9	Animals.....	20
	10	Signs.....	20
	11	Oil and Mining Operations.....	20
	12	Garbage and Refuse Disposal.....	21
	13	Site Distance at Intersections.....	21
	14	Additional Powers of the Association.....	22

15	Discrimination.....	23
ARTICLE VII GENERAL PROVISIONS..... 23		
Section 1	Enforcement.....	23
2	Severability.....	24
3	Term.....	24
4	Amendment or Termination.....	24
5	Annexation of Additional Property.....	25
6	Notices.....	26
7	Revocation.....	27

PART II

ARTICLES OF INCORPORATION

CERTIFICATE OF INCORPORATION, STATE OF TEXAS.....	fp
PREAMBLE.....	1
ARTICLE I NAME - NONPROFIT.....	1
ARTICLE II REGISTERED OFFICE.....	1
ARTICLE III REGISTERED AGENT.....	2
ARTICLE IV PURPOSE AND POWERS OF THE ASSOCIATION.....	2
ARTICLE V MEMBERSHIP.....	4
ARTICLE VI VOTING RIGHTS.....	4

ARTICLE VII BOARD OF DIRECTORS.....	6
ARTICLE VIII DISSOLUTION.....	7
ARTICLE IX DURATION.....	7
ARTICLE X AMENDMENTS.....	7
ARTICLE XI FHA/VA APPROVAL.....	8
ARTICLE XII INCORPORATORS.....	8

PART III

CERTIFICATE OF AUTHORITY, STATE OF NEW MEXICO

PART IV

BY-LAWS

ARTICLE I NAME AND LOCATION.....	1
ARTICLE II DECLARATION AND ARTICLES OF INCORPORATION.....	1
ARTICLE III MEETINGS OF MEMBERS.....	2
Section 1 Annual Meetings.....	2
2 Special Meetings.....	3
3 Notice of Meetings.....	3
4 Quorum.....	4
5 Proxies.....	4
6 Voting.....	4
ARTICLE IV BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE.....	6
Section 1 Number.....	6
2 Term of Office.....	6
3 Removal.....	6

	4	Compensation.....	7
	5	Action Taken Without A Meeting.....	7
ARTICLE V		NOMINATION AND ELECTION OF DIRECTORS.....	7
Section 1		Nomination.....	7
	2	Election.....	8
ARTICLE VI		MEETING OF DIRECTORS.....	8
Section 1		Regular Meetings.....	8
	2	Special Meetings.....	9
	3	Quorum.....	9
ARTICLE VII		POWERS AND DUTIES OF THE BOARD OF DIRECTORS.....	9
Section 1		Powers.....	9
	2	Duties.....	10
ARTICLE VIII		OFFICERS AND THEIR DUTIES.....	11
Section 1		Enumeration of Offices.....	11
	2	Election of Officers.....	12
	3	Term.....	12
	4	Special Appointments.....	12
	5	Resignation and Removal.....	12
	6	Vacancies.....	13
	7	Multiple Offices.....	13
	8	Duties:	13
		President.....	13
		Vice President.....	14
		Secretary.....	14
		Treasurer.....	14
ARTICLE IX		COMMITTEES.....	15
ARTICLE X		BOOKS AND RECORDS.....	15

ARTICLE XI ASSESSMENTS.....	16
ARTICLE XII CORPORATE SEAL.....	17
ARTICLE XIII AMENDMENTS.....	17
ARTICLE XIV MISCELLANEOUS,.....	17

PART I

AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

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AMENDED
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
COLONIA ESCONDIDA

THIS DECLARATION, made on the date hereinafter set forth by FRONTERA GARDENS, INC. (N.S.L.) a New Mexico corporation authorized to do business in the State of Texas, hereinafter referred to as "Declarant."

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in the City of El Paso, County of El Paso, State of Texas, which is more particularly described as:

COLONIA ESCONDIDA, an Addition to the City of El Paso, El Paso County, Texas, according to the Amended Map and Replat thereof recorded in Volume 42, Page 15 of the Plat Records of El Paso County, Texas.

The land which is being replatted as COLONIA ESCONDIDA is described on Exhibit "A", which is attached hereto and made a part hereof for all purposes.

WHEREAS, Declarant is the owner of certain property adjacent to COLONIA ESCONDIDA, which property is located in Dona Ana County, New Mexico, and is more particularly described as:

A portion of Section 6, Township
29 South, Range 4 East, N.M.P.M.,
Dona Ana County, New Mexico, as more
fully described on Exhibit "B" which
is attached hereto and made a part here-
of for all purposes.

WHEREAS, it is the desire and intention of Declarant
to sell the residential lots in COLONIA ESCONDIDA, and to
impose on all of the above described property beneficial
restrictions under a general plan of improvement for the
benefit of all of the above described property and the future
owners of such property.

WHEREAS, the Declarant has heretofore filed a Declaration
of Covenants, Conditions and Restrictions for COLONIA ESCONDIDA
in Volume 439, Page 1156 and Volume 453, Page 1683 of the Deed
Records of El Paso County, Texas and in Volume 101, Page 29-57
and Volume 101, Page 717-721 of the Miscellaneous Records
of Dona Ana County, New Mexico. This amended Declaration of
Covenants, Conditions and Restrictions for COLONIA ESCONDIDA
completely supercedes and replaces said original Declaration.

NOW, THEREFORE, Declarant hereby declares that all of the
properties described above shall be held, conveyed, encumbered,
leased, rented, used, occupied and improved subject to the
following easements, limitations, restrictions, conditions
and covenants, all of which are declared to be in furtherance

of a plan for the subdivision, improvement and sale of the above described property, and are established for the purpose of enhancing and protecting the value, desirability and attractiveness of the above described property and every part thereof. All of the easements, limitations, restrictions, conditions and covenants shall run with the above described land and shall be binding on all parties having or declaring any right, title or interest in the above described property or any part thereof, their heirs, successors and assigns, and inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to COLONIA ESCONDIDA ASSOCIATION, INC., its successors and assigns. The Association is a nonprofit corporation organized under the laws of the State of Texas and authorized to operate in the State of New Mexico.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to all real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is the property located in Dona Ana County, New Mexico, described on Exhibit "B". No portion of the Common Area shall be used as a residence or dwelling. The Common Area shall be for the common use and enjoyment of the members of the Association subject to the rules and regulations of the Association. The Common Area shall also be used as a ponding area for COLONIA ESCONDIDA sufficient to satisfy the requirements of the City of El Paso for drainage from COLONIA ESCONDIDA. The Declarant intends to initially landscape the Common Area and to construct on the Common Area the following facilities which will be turned over to the Association: tennis courts, a swimming pool, a community building, ponding area, and a private road. No portion of the Common Area may be used for the dumping or burning of garbage or trash.

Section 5. "Lot" shall mean and refer to any lot shown on the aforesaid Replat of COLONIA ESCONDIDA.

Section 6. "Declarant" shall mean and refer to FRONTERA GARDENS, INC. (N.S.L.), its successors or assigns if such successors or assigns are merchant home builders who acquire more than one unimproved Lot from the Declarant for the purpose of constructing permanent improvements thereon.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area, including the Common Open Space, which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions.

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) The right of the Association to suspend the voting rights and right to use any recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) During the existence of these covenants, the Common Area shall be maintained by the Association

in an appropriate manner in accordance with the intent of these covenants.

← (d) Upon written consent of not less than two-thirds (2/3) of each class of members, the Association may dedicate said Common Area, or any part thereof, to any governmental unit, if the other governmental unit agrees to accept such dedication, for public use and maintenance.

(e) The use of the Common Area shall be limited to Owners who physically reside in the dwelling on the Lot owned by the Owner. Such use may be delegated by the Owner as hereinafter set out.

(f) The exercise by the Association of any and all of the rights granted to it by the laws of the State of Texas, the laws of the State of New Mexico, this Declaration, the Articles of Incorporation of the Association, and/or the By-Laws of the Association.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Association and the rules and regulations established by the Association, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers. Such persons must physically reside in the dwelling located on the Lot owned by such Owner. The Association may provide for visitors or guest privileges with such restrictions and regulations as the Association shall determine.

Section 3. No Dedication. The Common Area is not dedicated in any manner for use by the general public, but is limited and specifically restricted to the sole use and enjoyment of the Owners, and those to whom the use is properly delegated as herein provided.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

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

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

Class A. Class A members shall be all Owners, with the exception of the Declarant.

(a) Class A members shall be entitled to one (1) vote for each Lot owned.

(b) When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot.

(c) The vote cast by Absentee Owners on any one matter shall not exceed forty-nine percent (49%) of the total vote cast. Absentee Owners shall mean those Owners who do not physically reside in the dwelling on

the Lot which they own. If a Lot is owned by more than one (1) person, and at least one (1) of the Owners physically resides in the dwelling on the Lot in which he owns an interest, then the vote cast for that Lot shall not be considered as being cast by an Absentee Owner. These rules shall apply to all matters voted upon by the Association membership.

Class B. The Class B member shall be the Declarant 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:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

(b) On December 31, 1977.

Cumulative voting is not permitted.

ARTICLE IV

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the

Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. If there is more than one Owner, the personal obligation shall be joint and several. These provisions shall be binding upon all successors in title to the original Owner, regardless of the manner in which such successor acquires title.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and for the improvement and maintenance of the Common Area.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Hundred Eighty Dollars (\$180.00) per Lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by the Board of Directors each year not more than three percent (3%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above three percent (3%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(d) The assessment for each Lot owned by Class A members shall be the same.

(e) The assessment for each Lot owned by Class B members shall be set annually by the Board of Directors of the Association at an amount not less than twenty-five percent (25%) of the assessment for a Lot owned by Class A members, provided, however, if on January 1 of any year, a Lot owned by a Class B member is being physically occupied as a dwelling, then the assessment for such Lot shall be the same as the assessment for Lots owned by Class A members.

(f) When a Lot is transferred from a Class B to a Class A member, the assessment for such Lot shall be prorated so that the assessment from January 1 to the date of the conveyance shall be paid on the basis of a Class B assessment, and the assessment from the date of such conveyance to the end of that calendar year shall be on the basis of a Class A assessment.

(g) All assessments shall be levied on a calendar year basis, but the Board of Directors of the Association may provide for the assessments to be paid on a monthly or other installment basis.

Section 4. Special Assessments for Capital Improvements.

In addition to the annual assessments 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, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At a meeting called for such purpose, the presence of members and/or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and

the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots owned by Class A members; provided, however, where a Class A member owns two or more connected Lots and has erected only one residence thereon, the Board of Directors may reduce the assessment on the second and succeeding Lots to not less than fifty percent (50%) of the standard Lot assessment.

Section 7. Date of Commencement of Annual Assessments:
Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge,

furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

→ Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot. If it becomes necessary for the Association to place an assessment in the hands of an attorney for collection, or if any assessment is collected through bankruptcy, probate or other court proceedings, then the Owner against whom such assessment was levied, his successors or assigns, shall be obligated to pay reasonable attorney's fees in addition to such assessment and interest.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any purchase money first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a purchase money first mortgage foreclosure or any proceeding in lieu thereof, shall

extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V



ARCHITECTURAL CONTROL

No building shall be erected, placed, or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to the quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. No fence or wall shall be erected, placed or altered on any Lot nearer to any street than the minimum building setback line unless similarly approved.

The Architectural Control Committee is composed of GEORGE D. THOMAS, 933 Hawkins, El Paso, Texas 79915; A. H. LAFVING, 420 Texas Avenue, El Paso, Texas 79901; and JONATHAN W. ROGERS, 420 Texas Avenue, El Paso, Texas 79901. A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the

members of the committee, nor its designated representative, shall be entitled to any compensation for services performed pursuant to this covenant.

The membership of the committee may be changed and any of the powers and duties of the committee may be added to, withdrawn from the committee, or restored to the committee, upon the assent of two-thirds (2/3) of the votes of each class of members of the Association who are voting in person or by proxy at a meeting duly called for this purpose. Written notice and quorum requirements for such a meeting shall be the same as those set out in Section 5 of Article IV hereof.

The committee's approval or disapproval as required in these covenants shall be in writing. In the event the committee, or its designated representative, fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

ARTICLE VI
USE OF THE PROPERTIES

Section 1. Common Area. The Common Area shall be used to promote the recreation, health, safety and welfare of the residents of the Properties. The Common Area shall also be used as a ponding area for COLONIA ESCONDIDA. The Association shall maintain the Common Area in such a way that it will satisfy the requirements of the City of El Paso for drainage from COLONIA ESCONDIDA. The drainage area contributing to the ponding area, and the size, shape, or use of the ponding area shall not be changed after construction is approved by the City of El Paso, except with the written approval of the City of El Paso. The Association shall maintain the Common Area in a neat and clean condition, shall keep the grass and weeds mowed, and shall not permit the dumping or burning of garbage or trash on the Common Area. The Association shall make sure that the Common Area complies with all applicable laws, regulations and ordinances of all governmental units having jurisdiction over the Common Area. The Association shall not allow any nuisances on the Common Area and shall exercise appropriate mosquito control on the Common Area. It is the specific intent of these covenants that the Common Area be maintained in a park-like atmosphere.

Section 2. Lot Use. Each Lot shall be used for residential purposes only. No building shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family dwelling not to exceed two stories in height, and a private garage and/or carport for not more than two cars. The private garage and/or carport may be either attached or detached from the dwelling. Accessory buildings to be used for storage and other purposes incidental to the use of the main building as a single-family dwelling shall be permitted. The dwelling, accessory buildings, garage and/or carport, and all other improvements erected on the Lot shall be erected in conformity with the architectural control described in Article V hereof, and the other restrictions contained in this Declaration. No dwelling shall be occupied by more than one family. The dwelling shall be the only building on any Lot to be used as a temporary or permanent place of lodging for any person or persons and no dwelling shall be used as a temporary or permanent place of lodging by more than eight (8) persons.

Section 3. Dwelling, Quality and Size. The ground floor area of any dwelling (exclusive of one-story open porches, carports and garages shall not be less than 1,200 square feet for a one-story dwelling, nor less than 900 square feet for a one and one-half or two-story dwelling.

Section 4. Location of Improvements on Lot.

(a) The location of all buildings, fences, walls, carports, garages and other improvements on each Lot shall be specified by the architectural control committee as described in Article V hereof.

(b) No building shall be located on any Lot nearer than 25 feet to the front property line, nor nearer than 10 feet to any side street line.

(c) No building shall be located nearer than 5 feet to an interior Lot line, except that no side yards shall be required for a garage or other permitted accessory building located 60 feet or more from the front property line of the Lot. No dwelling shall be located nearer than 30 feet to the rear Lot line.

(d) In no event shall any building be located on any Lot nearer the front property line or the side street line than the building setback line as shown on the aforesaid replat of COLONIA ESCONDIDA.

(e) All permitted accessory buildings must be located in the rear yard.

(f) For the purpose of these covenants, eaves, steps, and open porches shall not be considered as part of a building, provided, however, that this shall not be construed to permit any portion of a building on any Lot to encroach upon another Lot.

(g) No dwelling shall be located on any Lot having an average lot width of less than 68 feet, nor shall any dwelling be located on any Lot having an area of less than 7,700 square feet.

Section 5. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved over the Properties shown on the aforesaid replat of COLONIA

ESCONDIDA. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction of flow of drainage channels or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it, shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

Section 6. Nuisances. No noxious, offensive, illegal or immoral activity shall be carried on upon any portion of the Properties, nor shall anything be done on any portion of the Properties which shall constitute or may become an annoyance to the neighborhood.

Section 7. Other Structures and Storage. No structure of a temporary character (other than those necessary during the construction or remodeling on any portion of the Properties), trailer, tent, shack, or barn shall be erected or used for any purpose whatsoever on any Lot. No trailer shall be used as a place of storage, residence or office anywhere within the Properties on either a temporary or permanent basis. No trailer, boat or vehicle shall be parked or stored, and no other personal property shall be left or stored except

within the dwelling, within the garage or carport, or in the rear yard of the dwelling.

Section 8. Business Use. No portion of the Properties, nor any portion of buildings erected thereon, shall be used for any trade, business, profession or occupation of any nature whatsoever.

→ Section 9. Animals. No animals, livestock, poultry or fowl of any kind may be raised, bred or kept on any of the Lots, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial or breeding purpose. No more than two dogs and no more than two cats shall be kept on any Lot.

Section 10. Signs. No sign of any kind shall be displayed to the public view on any Lot, except one sign of not more than 5 square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sale period.

Section 11. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any of the Properties, nor shall oil wells, tanks, tunnels, mineral

excavations or shafts be permitted upon or in any of the Properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any of the Properties.

Section 12. Garbage and Refuse Disposal. No portion of the properties shall be used or maintained as a dumping ground for garbage, trash, rubbish, grass or yard clippings. Trash, garbage or other waste shall not be kept except in sanitary containers.

Section 13. Site Distance at Intersections. No fence, wall, hedge, shrub, tree or other planting which obstructs site lines at elevations between one and twelve feet above the roadways shall be maintained or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same site-line limitation shall apply on any Lot within 10 feet from the intersection of a street property line with the edge of a 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 site-lines.

Section 14. Additional Powers of the Association. In addition to all other powers granted to the Association herein, or granted to the Association by the Charter or By-Laws of the Association, or the laws of the State of Texas, or the laws of the State of New Mexico, the Association, acting through its Board of Directors, shall have the right to:

(a) Regulate the use of the Common Area and the facilities erected thereon, charge fees for the use of such facilities, and make regulations concerning the conduct of persons within the Common Area.

(b) Prohibit or restrict solicitations within the Common Area.

(c) Prohibit or restrict political activities and political signs within the Common Area.

(d) Provide for visitors or guest privileges with such restrictions, regulations and fees as the Board shall determine.

(e) Borrow money and execute mortgages as provided in the Articles of Incorporation of the Association.

(f) Grant easements over the Common Area and construct roads, sidewalks, trails, or other improvements over the Common Area.

(g) Provide guard service.

(h) Exempt from the assessments herein described, and the liens in connection therewith, any Lot owned by the Association and used for the benefit of the Association (other than as a rental unit).

(i) Exempt from the assessments herein described, and the liens in connection therewith, any Lot used as a place of residence by a resident manager.

(j) Make all such other rules or regulations as the Board of Directors shall deem necessary or desirable to maintain the Common Area, to promote the recreation, health, safety and welfare of the Owners, and to provide for the protection of persons and property.

(k) Grant exceptions or variances to any of its rules and regulations.

Section 15. Discrimination. Nothing herein shall allow the Association, or its Board of Directors, to discriminate in favor of or against any political party or any political candidate, nor to discriminate in favor of or against any person because of his or her sex, race, creed, color, national origin or religion. The Board of Directors shall have the right, however, to prohibit the holding of religious services within the Common Area.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, rules, regulations and charges now or hereafter imposed by or under the authority of the provisions of this Declaration, the Articles of Incorporation or By-Laws of the Association, the laws of the State of Texas, or the laws of the State of New Mexico. In addition, the Association shall have the right to suspend the voting rights and right to use of the recreational facilities by an Owner and the members of his family for a period not to exceed sixty (60) days for any infraction of any of such items. Failure by the Association

or by any Owner to enforce any of such items shall in no event be deemed a waiver of the right to do so thereafter.

If any suit for injunction is brought for the enforcement (whether to prevent a violation or threatened violation) of any of such items, no bond or other security shall be required of the party bringing such action in order to secure the issuance of a temporary restraining order, temporary injunction or final injunction. If the application for injunction is contested and the party bringing the action for injunction prevails, the party against whom such injunction is sought shall pay all costs of court and reasonable attorney's fees to the attorney for the prevailing party as determined by the court.

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

Section 3. Term. These covenants shall run with the land and shall be binding upon all parties or persons claiming any interest in the Properties until this Declaration is amended or terminated as hereinafter set out.

Section 4. Amendment or Termination. This Declaration may be revoked, amended or terminated upon the arrival of the Owners, the City Plan Commission of the City of El Paso Texas, and the Dona Ana County Commissioners in the following manner:

(a) A written instrument setting forth the amendments, changes or termination signed and acknowledged by the Owners of not less than seventy-five percent (75%) of the Lots.

(b) Approval by the City Plan Commission of the City of El Paso, Texas, of the amendments, changes or termination approved by the Owners. The City of El Paso's interest in these covenants may be released at any time without the consent of any third person benefited thereby. The release shall be made by the City Plan Commission, and shall be evidenced by the recording of an instrument to that effect in the Deed Records of El Paso County, Texas. Thereafter, this Declaration may be amended, changed or terminated at any time without the consent of the City Plan Commission of the City of El Paso, Texas.

(c) Approval by the Dona Ana County Commissioners of Dona Ana County, New Mexico, of the amendments, changes or termination approved by the Owners. Dona Ana County's interest in these covenants may be released at any time without the consent of any third person benefited thereby. The release shall be made by the Dona Ana County Commissioners and shall be evidenced by the recording of an instrument to that effect in the Deed Records of Dona Ana County, New Mexico. Thereafter, this Declaration may be amended, changed or terminated at any time without the consent of the Dona Ana County Commissioners.

No amendments, changes or termination of this Declaration shall be effective until all of the approvals described above have been secured. Instruments evidencing such approval shall be recorded in the Deed Records of El Paso County, Texas and Dona Ana County, New Mexico.

Section 5. Annexation of Additional Property.

(a) Permitted Area. Additional residential property and/or Common Area within the area described in Volume 217, Pages 126 and 127, and Volume 217,

Pages 535 and 536 of the Deed Records of Dona Ana County, New Mexico, may be annexed to the Properties by the Declarant without the consent of the Owners within five (5) years from the date of this instrument, provided that the Federal Housing Administration or the Veterans Administration determine that the annexation is in accordance with the general plan heretofore approved by them.

(b) Additional Property. Other additional residential property and/or Common Area may be annexed to the Properties upon the securing of all of the following approvals:

(1) The assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting of the Association duly called for this purpose.

(2) The determination by the Federal Housing Administration or the Veterans Administration that the annexation is in accord with the general plan heretofore approved by them.

(3) The approval by the City Plan Commission of the City of El Paso, Texas, if such additional property is within the jurisdiction of said City.

(4) Approval by the County Commissioners of Dona Ana County, New Mexico, if such additional property is within the jurisdiction of said Commissioners.

Section 6. Notices. Any notices required or desired to be sent to the Owners shall be in writing and sent to each Owner at the address of the Lot which he owns by first class United States mail with postage prepaid. Such notices shall be effective upon posting, even though delivery is not made or is delayed. Notices to Class B members shall be sent in like manner to 420 Texas Avenue, El Paso, Texas 79901, or

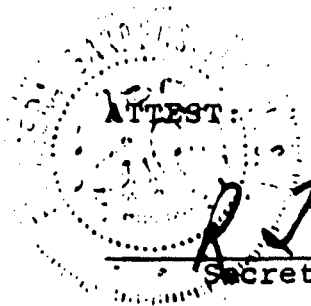
to such other address as the Class B member shall furnish to the Association.

Section 7. Revocation. Anything in this Declaration to the contrary notwithstanding, if no Lot within the Properties is conveyed to an Owner within four (4) years from the date of the filing of this Declaration for recording in the Office of the County Clerk of El Paso County, Texas, then the Declarant may, at any time after the expiration of said four (4) year period (but before the conveyance of any Lot to any Owner), at its option, terminate this Declaration and all of the restrictions, covenants and obligations contained herein, by filing an instrument to that effect in the Deed Records of El Paso County, Texas, and Dona Ana County, New Mexico.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has set its hand and seal this 17th day of October, 1973.

FRONTERA GARDENS, INC. (N.S.L.)

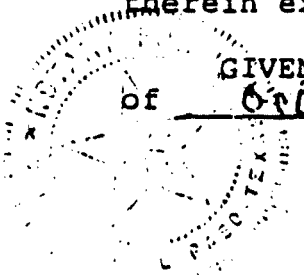
By: 
GEORGE D. THOMAS
Vice President



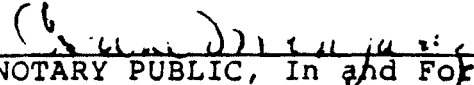
THE STATE OF TEXAS §
 §
COUNTY OF EL PASO §

BEFORE ME, the undersigned authority, on this day personally appeared GEORGE D. THOMAS, Vice President of FRONTERA GARDENS, INC. (N.S.L.), a corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed and delivered the foregoing instrument for the purposes and consideration therein expressed, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17th day of October, 1973.



My Commission expires:
June 1, 1975


NOTARY PUBLIC, In and For
El Paso County, Texas

WILLIAMS ENGINEERING COMPANY
CIVIL ENGINEERS • SURVEYORS

Telephone (AC 915) 1
104 North Kansas St.
EL PASO, TEXAS 79901

November 29, 1971

PROPERTY DESCRIPTION

Being the description of 46.589 acres of ground known as Tracts 23, 24 and 25, Block 2, Upper Valley Surveys, El Paso County, Texas and being more particularly described by metes and bounds as follows:

Beginning at the intersection of the Texas and New Mexico boundary line and the Northerly line of Frontera Road;

THENCE along the Texas and New Mexico boundary line North $87^{\circ}37'30''$ West a distance of 120.87 feet to Boundary Monument Number 91;

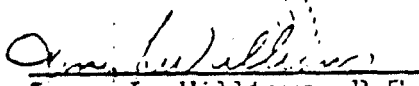
THENCE along the Texas and New Mexico boundary line North $46^{\circ}00'10''$ West a distance of 1816.27 feet to Boundary Monument Number 90;

THENCE along the Texas and New Mexico boundary line North $19^{\circ}09'44''$ West a distance of 276.54 feet to a point;

THENCE North $56^{\circ}04'00''$ East a distance of 1119.97 feet along the boundary line between Tracts 22 and 23 of said Block 2 to a point;

THENCE along the Westerly line of Lateral C-1 South $31^{\circ}06'$ East a distance of 2116.08 feet;

THENCE along the Northerly line of Frontera Road South $55^{\circ}55'00''$ West a distance of 608.70 feet to the point of beginning.


Jerry L. Williams, P.E.

WILLIAMS ENGINEERING COMPANY

CIVIL ENGINEERS • SURVEYORS

Telephone (AC 915) 532 844

104 North Kansas Street

EL PASO, TEXAS 79901

May 23, 1972

PROPERTY DESCRIPTION

Being the description of 1.774 acres of ground out of Tract 7 and Tract 8, Section 6, Township 24 North, Range 12 East, N. M. P. M., Dona Ana County, New Mexico and being more particularly described by metes and bounds as follows:

Beginning at Boundary Monument Number 90 on the boundary line between the states of Texas and New Mexico;

THENCE South $46^{\circ}00'10''$ East a distance of 255.60 feet along the boundary line between the states of Texas and New Mexico to a point;

THENCE South $56^{\circ}04'00''$ West a distance of 171.42 feet to a point on the Easterly line of Girl Scout Road;

THENCE North $33^{\circ}59'00''$ West a distance of 517.40 feet along the Easterly line of Girl Scout Road to a point;

THENCE North $56^{\circ}04'00''$ East a distance of 188.91 feet to a point on the boundary line between the states of Texas and New Mexico;

THENCE South $19^{\circ}09'44''$ East a distance of 276.54 feet along the boundary line between the states of Texas and New Mexico to the point of beginning.



Jerry L. Williams, P. E.

W-2556

EXHIBIT "B"
(Part 1 of 2 Parts)
to the
DECLARATION OF COVENANTS, CONDITIONS

ARQ- 470

WILLIAMS ENGINEERING COMPANY

CIVIL ENGINEERS • SURVEYORS

Telephone (AC 915) 532 8447

104 North Kansas Street

EL PASO, TEXAS 79901

December 9, 1971

PROPERTY DESCRIPTION

Being the description of 3.866 acres of ground out of Tract 8, Section 6, Township 29 South, Range 4 East, N.M.P.M., Dona Ana County, New Mexico and being more particularly described by metes and bounds as follows:

Beginning at a point on the boundary line between the States of Texas and New Mexico which bears South $46^{\circ}00'10''$ East a distance of 616.27 feet from Boundary Monument Number 90;

THENCE South $46^{\circ}00'10''$ East a distance of 812.50 feet along the boundary line between the States of Texas and New Mexico to a point;

THENCE South $43^{\circ}59'51''$ West a distance of 10.0 feet to a point;

THENCE North $46^{\circ}00'10''$ West a distance of 342.50 feet to a point;

THENCE South $43^{\circ}59'51''$ West a distance of 384.68 feet to a point on the Easterly right-of-way line of Girl Scout Road;

THENCE North $33^{\circ}59'00''$ West a distance of 511.55 feet along the Easterly right-of-way line of Girl Scout Road to a point on the Southerly right-of-way line of 60.0 feet private road;

THENCE 290.28 feet along a curve to the left which has a central angle of $12^{\circ}01'10''$, a radius of 1383.73 feet, and a long chord which bears North $50^{\circ}00'26''$ East a distance of 289.75 feet to the point of beginning.


Jerry L. Williams, P.E.

EXHIBIT "B"
(Part 2 of 2 Parts)

to the

DESCRIPTION OF COVENANTS, CONDITIONS

489- 477

KEY PUNCHED

63763

4

STATE OF TEXAS COUNTY OF EL PASO
I hereby certify that this instrument was filed on the
date and time entered herein by me and was duly re-
corded in the public records of the County of El Paso
of El Paso County, Texas, as shown by the record of 1973

NOV 20 1973



J. Escobedo

COUNTY CLERK, EL PASO COUNTY, TEXAS

COUNTY CLERK
EL PASO, TEXAS

Alma Escobedo

fee

Colonia Escobedo

Ret:

Sub-land Inc.

4141 Pinnacle, Suite 208

489. 47

PART II

ARTICLES OF INCORPORATION



OFFICE OF THE SECRETARY OF STATE

**CERTIFICATE OF INCORPORATION
OF**

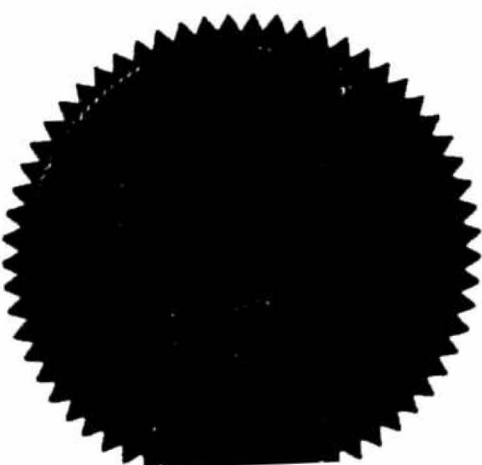
COLONIA ESCONDIDA ASSOCIATION, INC.
CHARTER NO. 322885

The undersigned, as Secretary of State of the State of Texas, hereby certifies that duplicate originals of Articles of Incorporation for the above corporation duly signed and verified pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation and attaches hereto a duplicate original of the Articles of Incorporation.

Dated April 11, 1973

.....
Secretary of State



FILED
In the Office of the
Secretary of State of Texas

1973

Bill Zimmerman

Deputy Director, Corporations Division

ARTICLES OF INCORPORATION
OF
COLONIA ESCONDIDA ASSOCIATION, INC.

In compliance with the requirements of the Texas Non-Profit Corporation Act, the undersigned, all of whom are residents of El Paso County, Texas, and all of whom are more than 21 years of age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do hereby certify:

ARTICLE I

NAME - NONPROFIT

The name of the corporation is COLONIA ESCONDIDA ASSOCIATION, INC., hereinafter called the "Association." This corporation shall be a nonprofit corporation under the laws of the State of Texas.

ARTICLE II

REGISTERED OFFICE

The registered office of the Association is c/o C T Corporation System, Republic National Bank Building Dallas, Texas 75201.

ARTICLE III
REGISTERED AGENT

C T CORPORATION SYSTEM, whose address is Republic National Bank Building, Dallas, Texas 75201, is hereby appointed the initial registered agent of this Association.

ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described as:

CONLONIA ESCONDIDA, an Addition to the City
of El Paso, El Paso County, Texas,

A portion of Section 6, Township 29 South,
Range 4 East, N.M.P.M., Dona Ana County,
New Mexico

and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereinafter be brought within the jurisdiction of this Association for this purpose to:

(a) Exercise all of the powers and privileges, duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Office of the County Clerk of El Paso County, Texas, the Office of the County Clerk of Dona Ana County, New Mexico, as the same may be amended from time to time as therein provided;

(b) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) Borrow money, and with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) Dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) Grant, by action of the Board of Directors, easements and licenses over the Common Area.

(g) Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area.

(h) Have and to exercise any and all powers, rights and privileges which a corporation organized under the Texas Non-Profit Corporation Act by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant.

(a) Class A members shall be entitled to one (1) vote for each Lot owned.

(b) When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot.

(c) The vote cast by Absentee Owners on any one matter shall not exceed forty-nine percent (49%) of the total vote cast. Absentee Owners shall mean those Owners who do not physically reside in the dwelling on the Lot which they own. If a Lot is owned by more than one (1) person, and at least one (1) of the Owners physically resides in the dwelling on the Lot in which he owns an interest, then the vote cast for that Lot shall not be considered as being cast by an Absentee Owner. The Declarant, its successors or assigns, shall not be considered an Absentee Owner. These rules shall apply to all matters voted upon by the Association membership.

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

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

(b) On December 31, 1977.

Cumulative voting is not permitted.

"Declarant" shall mean and refer to the original developer of COLONIA ESCONDIDA, FRONTERA GARDENS, INC. (N.S.L.), its successors or assigns, if such successors or assigns are merchant home builders who acquire more than one unimproved Lot from the Declarant for the purpose of constructing permanent improvements thereon.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of nine (9) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association, but in no event shall the number of directors be less than three. The names and addresses of the persons who are the initial directors of the corporation and who shall act until the selection of their successors are:

George D. Thomas	2212 E. Yandell, El Paso, Texas 79903
John C. Akard	1300 El Paso National Bank Bldg., El Paso, Texas 79901
J. P. Sorenson, Jr.	7014 Alameda, El Paso, Texas 79915
J. W. Rogers	420 Texas Avenue, El Paso, Texas 79901
A. H. Lafving	420 Texas Avenue, El Paso, Texas 79901
D. B. McKinney	420 Texas Avenue, El Paso, Texas 79901
Ray T. Taylor	420 Texas Avenue, El Paso, Texas 79901
C. P. Williams	420 Texas Avenue, El Paso, Texas 79901
W. H. Russell	2212 E. Yandell, El Paso, Texas 79903

At the first annual meeting the members shall elect three (3) directors for a term of one (1) year, three (3) directors for a term of two (2) years and three (3) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect three (3) directors for a term of three (3) years.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent of seventy-five percent (75%) of each class of members.

ARTICLE XI
FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of the Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XII
INCORPORATORS

The names and addresses of the incorporators are as follows:

George D. Thomas	2212 E. Yandell, El Paso, Texas 79901
Jonathan W. Rogers	420 Texas Avenue, El Paso, Texas 79901
John C. Akard	1300 El Paso National Bank Bldg. El Paso, Texas 79901

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Texas, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation on this 5th day of March, 1973.

PART III

CERTIFICATE OF AUTHORITY, STATE OF NEW MEXICO

STATE OF NEW MEXICO



OFFICE OF
THE STATE CORPORATION COMMISSION

Certificate

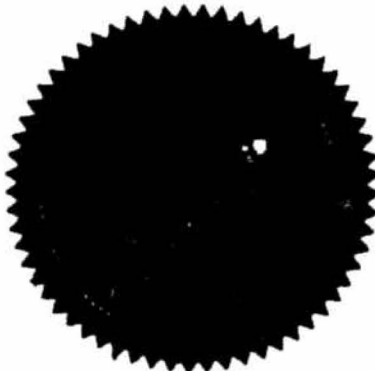
United States of America }
State of New Mexico } ss.

CERTIFICATE OF AUTHORITY

IT IS HEREBY CERTIFIED that there was filed for record in the office of the State Corporation Commission of the State of New Mexico on the Eleventh day of June, 1973, by COLONIA ESCONDIDA ASSOCIATION, INC., a corporation duly organized and existing under and by virtue of the laws of the State of Texas, a certified copy of its Articles of Incorporation and Application designating registered office in this State, agent, etc. as provided by Section 51-14-20 N.M.S.A., 1953 Compilation.

NOW THEREFORE, the corporation is hereby authorized by the State Corporation Commission to transact business in the State of New Mexico, and the business is such as may be lawfully transacted by corporations organized under the laws of this State.

In Testimony Whereof, the State Corporation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to be affixed at the City of Santa Fe on this _____ 11th _____ day of _____ JUNE, 1973 _____



Attest:

Albert P. Benavides
ALBERT P. BENAVIDES, Director

John Abraham
JOHN ABRAHAM, Chairman

PART IV

BY-LAWS

BY-LAWS
OF
COLONIA ESCONDIDA ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of this Corporation is COLONIA ESCONDIDA ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall initially be located at 2212 East Yandell, El Paso, Texas, but the location of the principal office may be moved to such other location within El Paso County, Texas, or Dona Ana County, New Mexico, as the Board of Directors may determine. Meetings of members and directors may be held at such places within El Paso County, Texas, or Dona Ana County, New Mexico, as may from time to time be designated by the Board of Directors.

ARTICLE II
DECLARATION AND ARTICLES OF INCORPORATION

Reference is hereby made to the Declaration of Covenants, Conditions and Restrictions for COLONIA ESCONDIDA, which is

filed in the Deed Records of El Paso County, Texas, and Dona Ana County, New Mexico, hereinafter referred to as the "Declaration." In the event of any conflict between the Declaration and these By-Laws, the Declaration will control. The definitions contained in ARTICLE I of the Declaration shall apply to these By-Laws.

Reference is hereby made to the Articles of Incorporation of the Association for the purpose of calling attention to the powers, duties and restrictions contained therein. In the event of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of members shall be held on the 20th day of February in each year, commencing with the year 1974. The meeting shall commence at 7:00 p.m. unless a different time is specified by the Board of Directors in the notice of the meeting. If the day fixed for the annual meeting of members is a Sunday or legal holiday in the State of Texas, the meeting will be held at the same hour on the first day following, which is not a Sunday or legal holiday.

Unless otherwise specified by the Board of Directors, the meetings will be held at the principal office of the Association.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice by first class United States mail with postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat. Notices to Class A members shall be sent to the Owner at the address of the Lot which he owns. Notices to Class B members shall be sent to 2212 East Yandell, El Paso, Texas 79903, or to such other address as the Class B member shall furnish to the Association. Such notices shall be effective upon posting, even though delivery is not made or is delayed. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence, in person or by proxy, of members entitled to cast one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 6. Voting. The Association has two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant. (The terms Owner and Declarant are defined in the Declaration.)

(a) Class A members shall be entitled to one (1) vote for each lot owned.

(b) When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine. In no event shall more than one (1) vote be cast with respect to any Lot.

(c) The vote cast by Absentee Owners on any one matter shall not exceed forty-nine percent (49%) of the total vote cast. Absentee Owners shall mean those Owners who do not physically reside in the dwelling on the Lot which they own. If a Lot is owned by more than one (1) person, and at least one (1) of the Owners physically resides in the dwelling on the Lot in which he owns an interest, then the vote cast for that Lot shall not be considered as being cast by an Absentee Owner. The Declarant, its successors or assigns, shall not be considered an Absentee Owner. These rules shall apply to all matters voted upon by the Association membership.

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

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

(b) On DECEMBER 31, 1977.

Cumulative voting is not allowed.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three (3) directors for a term of one (1) year, three (3) directors for a term of two (2) years and three (3) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect three (3) directors for a term of three (3) years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the

close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or nonmembers.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' verbal or written notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied

by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, the Declaration or the laws of the State of Texas;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) Employ and prescribe the duties for a manager, an independent contractor, or such other employees as the Board shall deem necessary.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one fourth (1/4) of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who

shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation

shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages,

deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE PRESIDENT

The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors;

shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX
COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times during reasonable business hours be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office

of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII
CORPORATE SEAL

The Board of Directors shall prescribe a suitable seal for the Association.

ARTICLE XIII
AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

ARTICLE XIV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

CERTIFICATION

I, the undersigned, do hereby certify that I am the secretary of COLONIA ESCONDIDA ASSOCIATION, INC., a Texas corporation, and that the foregoing By-Laws constitute the original By-Laws of said Association as duly adopted at a meeting of the Board of Directors thereof, held on the 30th day of April, 1973.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 30th day of April, 1973.

John C. Atard
Secretary

INDEX

NOTE: The Roman numerals in the index pertain to the Part Number of the Association directive; the Arabic Numbers refer to the page number within a given Part. For example, to look up the regulation on the storage of recreational vehicles in Colonia Escondida, under "Recreational Vehicles", the reference to "I-19, 20" means to look on pages 19 and 20 within Part I. For those who do not have an updated printing of the directive, "Part" designations are as follows:

- Part I AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
- Part II ARTICLES OF INCORPORATION
- Part III CERTIFICATE OF AUTHORITY, STATE OF NEW MEXICO
- Part IV BY-LAWS

Accounting	IV-15,16,17
Amendments, procedure for	
Declaration	I-24,25
Articles of Incorporation	II-7
By-Laws	IV-17
Annexation	I-25,26;II-3
Animals/Pets	I-20
Assessments, Regular	
Certificate as to specific lot paid	I-12,13;IV-11
Creation of Lien and Personal Obligation	I-8
Exemptions	I-22
Foreclosure, procedure for Association	I-13;IV-11
How calculated	I-10,12;IV-11
Interest, costs and attorney's fees, responsibility for	I-9,13;II-3;IV-16
Nonpayment, Remedies for Association	
General	I-13
Liens, use of	I-9,13,14;IV-11
Payment Mode	I-11
Purpose of	I-9
Title Succession Binder	I-9
Assessments, Special	
How levied	I-11
Audit requirement	IV-15
Board of Directors	
Action Taken Without Meeting	IV-7
Committees	IV-15
Compensation prohibited	IV-7
Discretions of the Board	
Borrow money	I-22
Execute mortgages	I-22
Guard service, provide for	I-22
Grant exceptions or variances	I-23

Meetings	IV-8
Regular	IV-9
Special	IV-7,8
Nomination and Election of Members	II-6; IV-6
Number of Members	
Officers	
Duties	
President	IV-13
Vice President	IV-14
Secretary	IV-14
Treasurer	IV-14,15
Election	IV-12
Multiple offices	IV-13
Resignation and Removal	IV-12
Special Appointments	IV-12
Term	IV-12
Vacancies, how filled	IV-13
Powers and Duties of Board	IV-9,10,11
Removal	IV-6,10
Term of Office	IV-6
Bonding Requirement	IV-11
Business Activities, Prohibition of in Colonia	I-20
Certificate of Authority (New Mexico)	III
Certificate of Incorporation (Texas)	II-fp
Colonia Escondida Association	
Books and Records	IV-15,16
Corporate Seal	IV-17
Definition	I-3
Fiscal Year	IV-17
Merging	II-3
Name	II-2; IV-1
Purpose and Powers	II-2,3
Common Area	
Deeding to a governmental unit, procedure for	I-6; II-3
Definition	I-4
Easements	I-18,19,22; II-3
Maintenance of	I-5,6,16; IV-11
Mosquito Control	I-16
Nuisances, control of	I-16,19
Residences prohibited	I-4,21
Suspension of use	I-5,23
Trash, no burning or dumping of	I-4
User Fees	I-5,22
Compensation/Salaries	IV-7
Discrimination	I-23
Dissolution of Association	II-7
Dwelling	
Maximum occupancy	I-17
Quality	I-17
Remodeling	I-14,17,18,19
Size	I-17
Enforcement Procedures	I-23
Easements	I-18,19,22; II-3

Guard Service	I-22
Guests and Visitors	I-6,22
Injunction	
Procedure	I-24
Recovery of costs and attorney's fees	I-24
Legal Description	I-1,2,Exhibits A & B;II-2
Meetings of Members	
Annual	IV-2
Special	IV-3
Membership in Association	I-7;II-7
Mosquito Control	I-16
Notification Procedures	I-26;IV-3
Nuisances	I-16,19
Owner	
Definition	I-3
Delegation of rights	I-6
Pets/Animals	I-20
Political Activities, Control of	I-22
Ponding Areas	
Description	I-4
Requirements of City of El Paso	I-4,16
Precedence of Articles of Incorporation	IV-2
Proxies	IV-4
Quorum	
Annexation procedures	I-26
Articles of Incorporation changes	II-7
Board of Directors Meetings	IV-9
Declaration changes	I-25
General Membership Meetings	IV-4
Loan procedures	II-3
Recreational Vehicles	I-19,20
Remodeling	I-14,17,18,19
Religious Services, Control of	I-23
Salaries/Compensation	IV-7
Signs	I-20
Site Distances	I-21
Solicitation, Control of	I-22
Suspension of Privileges	I-5,23
Trash Disposal	I-21
Voting Rights	
Absentee Owners	I-7;II-5;IV-5
Cumulative Voting, Prohibition of	I-8;II-5;IV-5
Eligibility	I-7;II-4;IV-5
Suspension of	I-5,23