



Newsletter of Horizon Communities Improvement Association, Horizon City, Texas

Fall 2001

update

NEWSLETTER

Taking the first step

This newsletter is largely devoted to the most important membership initiative HCIA has ever taken. The proposed amendments to covenants are seen as a necessary first step in maintaining the sales potential of our existing vacant subdivisions. If your lots are in one of our undeveloped areas, HCIA believes its package of initiatives is the best way of realizing something on your investment for the long term.



I strongly urge all our affected members to make every effort to understand the proposal and comply with the enclosed instructions. You owe it to yourself and your fellow members.

This newsletter is also being put out in time for our 2001 Annual Meeting, and includes our audited 2000 financial statement.

Most of our other news will keep. I can report though that building approvals for 2001 to date are well up on last year. Despite the downturn in the US economy, home construction is booming in Horizon. Our growth rate may well be accelerating. This is largely due to the fact that Horizon now has water, and east El Paso City has effectively run out.

Depending on the results of this newsletter our next edition will focus on the next step, which is lot assembly.

Vince Murphy
General Manager

Member participation is essential

Careful reading and following of instructions needed to move forward

For our members in our undeveloped subdivisions, this is probably *your most important newsletter ever*. If you own vacant, unimproved lots you need to read the whole document carefully and follow the appropriate instructions.

Who is affected? Members who own unserviced land in *Horizon View Estates* need to cut out the "tear off" page, fill it out, and have it notarized and returned to us as soon as possible. Members in *Horizon City Estates*, *Mountain Shadow Estates* and *Mountain Vista* should keep the "tear off" sheet in a safe and secure place and await instructions in subsequent newsletters. Members in Horizon Hills will receive separate documents in the mail. Our other members, mostly those who are already living on their land, are not affected.

The purpose of this exercise is to amend protective covenants to provide more flexibility in terms of usage. Put simply, the primary object is to increase the range of potential buyers. Secondary benefits will include the ability to reduce HCIA assessments for some members.

At present there is no demand to use the affected land for its original intended purpose, be it single family residential, multifamily residential or small-scale commercial. There are, however, other users who could be interested in the interim. Possibilities include tourist and recreational development, hotels, resorts, retirement communities, RV parks, sporting and entertainment complexes, educational and research facilities, museums and cultural centers, dry land farming, zoos and nature reserves.

Most such uses, of course, require large

acreages. That is why amending our covenants is seen as only the first step. If the present initiative is successful in Horizon View Estates, a lot assembly program will follow, and the two initiatives will be quickly extended to our other major subdivisions. Horizon View is going to be our trial run.

In our reading of the market, those subdivisions which implement the proposed changes will have a significant advantage over those which do not.

The proposal now being put forth is different, in some respects, to that outlined in our last newsletter. A single amendment is now proposed, not two. This keeps everything relatively simple. The proposed amendment will give HCIA the flexibility to make the second amendment itself. This will allow us to bring down the assessments currently paid by multifamily and commercial lot owners, provided those lot owners support the initial amendment. In the first instance, only Horizon View Estate will be voting on the amendment. We need to implement the amendments in stages for administrative reasons. The first stage also serves as a trial. If the initiative succeeds it can be quickly extended to other subdivisions. If it fails, it saves property owners in the other subdivisions a lot of time and effort, and allows us to rethink our strategy before proceeding further. The covenants in Horizon View Estates and in most of the other larger subdivisions will permit multifamily and commercial lot holders to decide their own future. They cannot be outvoted by other lot holders, as they can be in some other subdivisions.

INSTRUCTIONS FOR COMPLETING THE “TEAR OFF” FORM

The attached form, once executed, will become an important legal document. Please read the instructions carefully and satisfy yourself that you understand what is being proposed. If you have any questions, please do not hesitate to contact us. If you are unsure about anything you may also wish to obtain independent legal advice.

The proposal

All of the protective covenants affecting our members' land have a clause which permits the covenants to be amended from time to time by a majority vote of lot own-

ers in the same subdivision unit.

The proposal is to add to this clause a provision for amendments to be made in other ways, without the need to go back to a majority vote. This power is to be limited to amendments with respect to permissible land uses. The power is given to a local zoning authority, if there is one, and to HCIA. HCIA may only exercise its power in specified circumstances. There must be an application from one or more members and an expert report is required. Notification of any change by HCIA must be made to each owner in the subdivision. All members retain their right to overturn any such

amendment by a majority vote.

In signing the document, you agree to be bound by your signature for a period of 12 months. This will give us time to gather additional signatures where we are short of the necessary 50 percent.

Who is affected

These initiatives only affect members who own existing vacant and unserved lots. Existing occupied lots are not affected. In the first stage, only property owners in certain units in Horizon View Estates will be voting on the issue. Members in Horizon City Estates, Mountain

Horizon Communities Improvement Association Statements of Financial Position December 31, 2000 and 1999

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 219,868	\$ 550,993
Short-term investments	1,449,265	811,064
Certificates of deposit	54,428	51,910
Assessments receivable, net of allowance for uncollectible assessments	1,019,807	933,033
Prepaid expenses	2,019	1,238
Note receivable		9,273
TOTAL CURRENT ASSETS	<u>2,745,387</u>	<u>2,357,511</u>

PROPERTY AND EQUIPMENT

Land - community purposes	1	1
Land - investment	5,342,495	5,681,989
Furniture and fixtures	217,607	217,607
Office building and land	289,558	289,558
Vehicle	25,465	8,035
Less accumulated depreciation	(276,899)	(265,006)
TOTAL PROPERTY AND EQUIPMENT	<u>5,598,227</u>	<u>5,932,184</u>

OTHER ASSETS

Accounts receivable - settlement agreements, net	1,000	1,000
TOTAL OTHER ASSETS	<u>1,000</u>	<u>1,000</u>

TOTAL ASSETS	<u>\$ 8,344,614</u>	<u>\$ 8,290,695</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 14,465	\$ 11,326
Accrued property taxes	146,749	159,632
Deposits	1,202	1,202
Long-term debt (current portion - vehicle)	4,129	
TOTAL CURRENT LIABILITIES	<u>166,545</u>	<u>172,160</u>

LONG-TERM DEBT

less current portion	13,074	
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TOTAL LIABILITIES	<u>179,619</u>	<u>172,160</u>
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NET ASSETS (total assets less total liabilities)	<u>8,164,995</u>	<u>8,118,535</u>
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Shadow Estates and Mountain Vista, however, should retain the form and await instructions in subsequent newsletters.

Before you start

Before filling out the form you will need to know your lot numbers, which unit and block they are in, and the project code for your subdivision. You will find these on the retained portion of your annual assessment notice. If you do not have this information, or you are unsure, call us on our toll free 800 number and we will assist you over the phone.

1. The project code is in the first column of you assessment notice. There are three codes covering Horizon View:

- 352 (single family residential)
- 353 (multifamily residential)
- 354 (commercial)

Only lots with these codes are included in the first stage.

2. The second column in the assessment notice gives your unit number. The third column gives your block number. Please note that some units are not included in this exercise. These units are already wholly or partly developed.

If you own lots in more than one unit or block you will need to fill out a separate form for each. Please call HCIA for additional copies of the form. Alternatively, good quality photocopies of the form would be acceptable.

3. Your lot numbers are listed in column four of your assessment notice. If you own more than one lot they should all go on the same form, so long as they are in the same unit and block.

Filling out the form

There are nine numbered blanks you need to fill in. Step by step instructions are set out below. There is also a table to help you.

1. Enter your lot number(s) in the first blank space. Remember, if you own lots in more than one unit, do a separate form for each unit.
2. Enter the unit number for this lot, or lots, in the second blank space.
3. Enter the block number in the third blank space.
4. Enter the name of your subdivision, which is "Horizon View Estates," in the fourth blank.

For the remaining blanks you will need to use the table. This information provides the necessary references to the original cov-

enants recorded in the County property register. Find the row which applies to your unit and project code, and fill in the remaining spaces with the numbers in the last five columns of your row. The first two columns are there to help you find the row which applies to you. Don't copy this information. You will already have entered your lot and unit details in the first four blanks on the form.

5. Enter the book number that corre-

sponds to your project code and unit number in the fifth blank space. This number is in column three of the table.

6. Enter the first page number in the sixth blank space. This number is in column four of the table.

7. Enter the second page number in the seventh blank space. This number is in column five of the table.

8. Enter the date in column six of the table in the eighth blank space.

9. Enter the page number in column seven of the table in the ninth blank space.

The project number and unit numbers below will tell you which row applies to you for filling in blanks 5-9		Enter this number in blank space 5	Enter this number in blank space 6	Enter this number in blank space 7	Enter this number in blank space 8	Enter this number in blank space 9
Project code	Unit numbers	Book number	First page number	Second page number	Date	Last page number
352	1-16	439	1873	1880	March 13, 1973	1873
352	18, 19, 23, 24 and 25	637	1526	1531	October 31, 1975	1526
353	1, 3, 4, 6, 11, 12 and 14	433	1776	1779	December 22, 1972	1776
353	18 and 24	637	1532	1537	October 31, 1975	1532
354	1, 3, 4, 6, 11, 12 and 15	433	1771	1774	December 22, 1972	1771
354	18 and 24	637	1538	1542	October 31, 1975	1538

Signing the document

Once you have completed the document have it formally executed. If you are a resident of the United States you will sign the document in the presence of a Notary Public. The Notary will need to complete your name and the other details in the blanks provided at the end of the form.

If you live outside the United States you need to find a notary public or some other official authorized to administer oaths in the jurisdiction where you will be signing. That person should cross out anything on the form which does not apply, and enter the capacity in which he or she acknowledges your signature.

All registered lot owners must sign the form for it to be valid. If an origi-

nal partner has died, been divorced or is no longer a partner for whatever reason, **you need to contact us to first register the change in ownership details.**

Once executed, the form should be returned to HCIA without delay. Make a copy for your own records. HCIA will keep a tally of forms as they are received. As the necessary 50% is achieved in each unit, the forms will be lodged with the County and placed on the public record as an official amendment to the covenant.

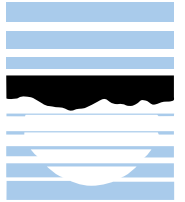
We ask that you give this your immediate attention. If we do not get a reasonable response within the first two months we will need to rethink our whole strategy. Any delay could be to the detriment of all your fellow lot owners.

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HCIA Update, Fall 2001

Web Site: horizoncommunities.com



Board backs Bustillos for position

There is one Board position to be filled in this year's ballot. The Board's nominee is Chris Bustillos. Chris joined our Board last year to fill a casual vacancy. He is a resident of Horizon Heights and our youngest Board member. He moved here with his family in 1998 and wants to see our local quality of life maintained. Chris graduated from the University of Phoenix with a degree in Business Administration and brings management and financial expertise to the Board.

Annual meeting

This year's annual meeting is set for 7.30 p.m. on Thursday, October 4, 2001 at the Oz Glaze Senior Citizens' Center, here in Horizon.

To get there take the Horizon exit at Interstate-10. (If you come via Eastlake Drive turn at Darrington and follow Darrington to the lights at Horizon Boulevard.) When you get to the lights at the

intersection of Horizon and Darrington proceed east on Horizon and take the first left. This is Rodman Street, which is an unpaved road. Turn right onto Veny Webb Drive when you get to the park, and the Senior Citizens Center is at the next left.

If you miss Rodman, take the next left. Turn left again onto Lago Este when you come to the "T," then right onto Lago Seco. That will take you to the center, which is at the corner of Veny Webb.

Bond issue good for land owners

On October 6, 2001, registered voters in the Clint Independent School District (ISD) are being asked to vote on a new bond issue. HCIA supports the bond issue. We believe it will allow the Clint ISD to maintain its current high standards in the face of its rapidly growing school population. The alternatives, we believe, would be more costly in the long run, even if there is no more than a reduction in quality. For the first time ever, both Clint and Socorro ISD's achieved "recognized" status from the Texas Education Agency in 2001.

To find out more...

Space constraints limit the amount of information we can include in our newsletters. For those who have access to the Internet we strongly recommend regular visits to our website, the members' pages in particular. We now have an extensive amount of up-to-date news and information posted, and we will continue to add to this. This includes more detail on our lot as-

sembly and covenants initiatives and how they are intended to work.

If you don't have a personal computer and a modem, try and find someone who does. They should be able to print out the members' pages for you. The web address is:

www.horizoncommunities.com

Alternatively, you can always call or write to us for more information.

AMENDMENT OF PROTECTIVE COVENANTS

The undersigned is/are the owner(s) of record of

Lot(s) _____ in

Unit _____, Block _____ of the _____ Subdivision.

Said lot owner(s) of record is/are covered by the protective covenants filed in Book _____, pages _____

through _____, El Paso County Clerk's Office, El Paso, Texas, dated _____. Said lot

owner(s) wish(es) to amend said covenants as provided in the first paragraph on page _____, by adding the following wording to the said same paragraph:

Further those covenants and restrictions regulating land use may be amended by any zoning or rezoning of the land adopted by a public authority having the power to regulate land use. Alternatively, on the application of one or more lot owners and following the consideration of a report from a person qualified in matters of land use planning, the Board of Directors of the Horizon Community Improvement Association Inc. or its successors may, at its absolute discretion, further amend these covenants with respect to usage (i.e. whether single-dwelling residential, multifamily residential, commercial or otherwise). Any such amendment made by the Board of the Horizon Community Improvement Association shall be notified to all lot owners of record in the said unit(s) and placed on record as an amendment to these covenants with the El Paso County Clerk's Office, El Paso, Texas.

All other provisions of the original covenants shall remain unchanged.

This document may be registered with the El Paso County Clerk's Office, El Paso, Texas for the purpose of amending the named covenant at any time within one year of the date of signing.

(Owner)

(Owner)

Before me on this _____ day of _____ 20_____,

personally appeared _____,
known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same for the purpose and consideration expressed therein.

Given under my hand and seal of office on this _____ day of _____ 20_____:

(Notary Public)

My commission expires on _____

(Seal)