

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Development Services Department
AGENDA DATE: Regular Agenda: February 24, 2009
CONTACT PERSON/PHONE: Christina Ainsworth, 541-4930
DISTRICT(S) AFFECTED: West ETJ (Near District 1)

SUBJECT:

Discussion and action on a Resolution that the City Manager be authorized to sign an amendment to the May 6, 2008, Development Agreement by and between the City of El Paso, the El Paso Water Utilities-Public Service Board and Haciendas Del Rio Partners, LP to amend Exhibit B, Development Plan, to increase the residential lots from 118 to 188 and to modify the cross section to delete the sidewalks. The density will not exceed 2.5 dwelling units per acre as required by the development agreement. Subject Property: Strahan Southeast of Moore. Applicant: Haciendas del Rio Partners, LP. (West ETJ, Near District 1)

BACKGROUND / DISCUSSION:

A development agreement for the subject property was approved by the City Council on May 6, 2008. The property is not contiguous to the City limit and will not be annexed in the near future.

PRIOR COUNCIL ACTION:

Development Agreement approved: May 6, 2008

AMOUNT AND SOURCE OF FUNDING:

N/A

BOARD / COMMISSION ACTION:

DCC Approval Recommendation of the increase in Density, Denial Recommendation of the modification to delete the sidewalk
CPC Approval Recommendation of the application as submitted.

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____
Victor Q. Torres, Director

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

RESOLUTION

WHEREAS, on May 6, 2008 the El Paso City Council approved a Development Agreement by and between the CITY OF EL PASO, the EL PASO WATER UTILITIES-PUBLIC SERVICE BOARD and HACIENDAS DEL RIO PARTNERS, LP, to set forth the rights and responsibilities between the parties to allow for the development of the property located within the City's West Extraterritorial Jurisdiction; and,

WHEREAS, the applicant has requested that the City amend Exhibit B, Development Plan of the Development Agreement, to increase the residential lots from 118 to 188, an increase of 70 dwelling units and to modify the cross section to delete the sidewalks. The density will not exceed 2.5 dwelling units per acre as required by the development agreement.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign an amendment to the May 6, 2008, Development Agreement by and between the City of El Paso, the El Paso Water Utilities-Public Service Board and Haciendas Del Rio Partners, LP to amend Exhibit B, Development Plan, to increase the residential lots from 118 to 188 and to modify the cross section to delete the sidewalks. The density will not exceed 2.5 dwelling units per acre as required by the development agreement.

PASSED AND APPROVED this _____ day of _____, 2009.

THE CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Lupe Cuellar
Assistant City Attorney

APPROVED AS TO CONTENT:

Mathew S. McElroy
Deputy Director – Planning
Development Services Department



MEMORANDUM

DATE: February 13, 2009
TO: The Honorable Mayor and City Council
Joyce A. Wilson, City Manager
FROM: Christina Ainsworth, Lead Planner
SUBJECT: **Haceindas Del Rio Development Agreement Amendment**

The City Plan Commission (CPC), on December 29, 2008, voted **5-0** to recommend **APPROVAL** of amending the Haciendas del Rio Development Agreement to increase the density from 118 to 188 dwelling units and to modify the ROW cross section to delete the sidewalks. The recommendation to delete the sidewalks is contrary to the staff's recommendation.

There was **NO OPPOSITION** to this request.

Attachment: Staff report.

Mayor
John F. Cook

City Council

District 1
Ann Morgan Lilly

District 2
Susannah M. Byrd

District 3
Emma Acosta

District 4
Melina Castro

District 5
Rachel Quintana

District 6
Eddie Holguin Jr.

District 7
Steve Ortega

District 8
Beto O'Rourke

City Manager
Joyce A. Wilson



City of El Paso – City Plan Commission Staff Report

Application Type Development Agreement Amendment– Haciendas del Rio Annexation
CPC Hearing Date December 18, 2008
Staff Planner Christina Ainsworth, 915-541-4930, vallesmc@elpasotexas.gov

Location Strahan Southeast of Moore
Legal Description Tracts 3B, 3C, 3D, 3D1, and a 30 foot County ROW, Block 16, and Tracts 1B and 1D, Block 13, Upper Valley Surveys, El Paso County, Texas.
Acreage 91.8278 Acres
Rep District West ETJ (Near District 1)
Existing Use Farmland
Existing Zoning West ETJ
Request To increase the residential lots from 118 to 188, no more than 2.5 dwelling units per acre

Property Owner Haciendas del Rio Partners, LP
Applicant Haciendas del Rio Partners, LP
Representative Conde, Inc.

Distance to Park: 300 feet (Rio Grande River Trail)
Distance to School: 3,208 feet (Canutillo Middle School)

SURROUNDING ZONING AND LAND USE

North: West ETJ / Farm

South: West ETJ/ Farm

East: West ETJ / Rio Grande River

West: West ETJ / Farm

THE PLAN FOR EL PASO DESIGNATION: Residential (West Planning Area)

NEIGHBORHOOD ASSOCIATIONS: N/A

NEIGHBORHOOD INPUT:

N/A

APPLICATION DESCRIPTION:

The applicant is requesting to amend the Development Plan that was approved as part of a Development Agreement approved on May 6, 2008 in order to allow 188 dwelling units, an increase of 70 dwelling units, and to modify the cross section to delete the sidewalks. The density will not exceed 2.5 dwelling units per acre as required by the development agreement.

CASE HISTORY:

On May 6, 2008 a Development Agreement was approved for the subject property.

The CPC considered the request to amend the agreement on December 18, 2008 and voted to recommend approval.

DEVELOPMENT COORDINATING COMMITTEE RECOMMENDATION:

The DCC recommends **APPROVAL** of amending the Development Plan to increase the density, subject to the terms of the approved Development Agreement. DCC recommends **DENIAL** of the modification of the cross section to delete the sidewalks in the interior streets. The DCC further recommends that sidewalks be included on the cross section of Strahan.

PLANNING DIVISION RECOMMENDATION:

The Planning Division recommends **APPROVAL** of amending the Development Plan to increase the density, subject to the terms of the approved Development Agreement. The proposed density is in conformance with the approved development agreement. The Planning Division recommends **DENIAL** of the modification of the cross section to delete the sidewalks in the interior streets. The Planning Division further recommends that sidewalks be included on the cross section of Strahan. The sidewalks are necessitated by the increased density of the proposed development.

The Plan for El Paso-City-Wide Land Use Goals:

The Development Plans shall demonstrate compliance with the following criteria:

- a. Goal: provide a wide range of housing types that respond to the needs of all economic segments of the community.
- b. Goal: preserve, protect, and enhance the integrity, economic vitality and livability of the city's neighborhoods.

Development Services Department - Building Permits and Inspections Division:

Zoning Review: No comments received.

Landscape Review: No comments received.

Engineering Department - Traffic Division:

- Applicant is proposing to dedicate and improve additional ROW to bring Strahan Rd. up to the standards of a residential subcollector, which meets the minimum code requirements for existing substandard arterial streets.
- Traffic calming measures on Rio Hacienda Drive are strongly recommended due to street length, for example bulbouts and/or chokers at Rio Estancias and Rio el Rancho.

Fire Department:

No comments received.

El Paso Water Utilities:

EPWU/PSB does not object to this request.

Parks:

No comments received.

Sun Metro:

No comments received.

School Districts:

No comments received.

CITY PLAN COMMISSION OPTIONS

The City Plan Commission may consider the following options and additional options that it identifies when reviewing the application for amendment to a development plan

1. Recommend approval of the application finding that the development plan is in conformance with the review criteria of The Plan for El Paso as reflected in CPC report or other criteria that the CPC identifies from the Plan.
2. Recommend approval of the application with modifications to bring the development plan into conformance with the review criteria in The Plan for El Paso as reflected in CPC report or other criteria from the Plan as identified by the CPC.
3. Deny the application finding that the development plan does not conform to the review criteria in The Plan for El Paso as reflected in CPC report or other criteria identified from the Plan by the CPC.

Attachments:

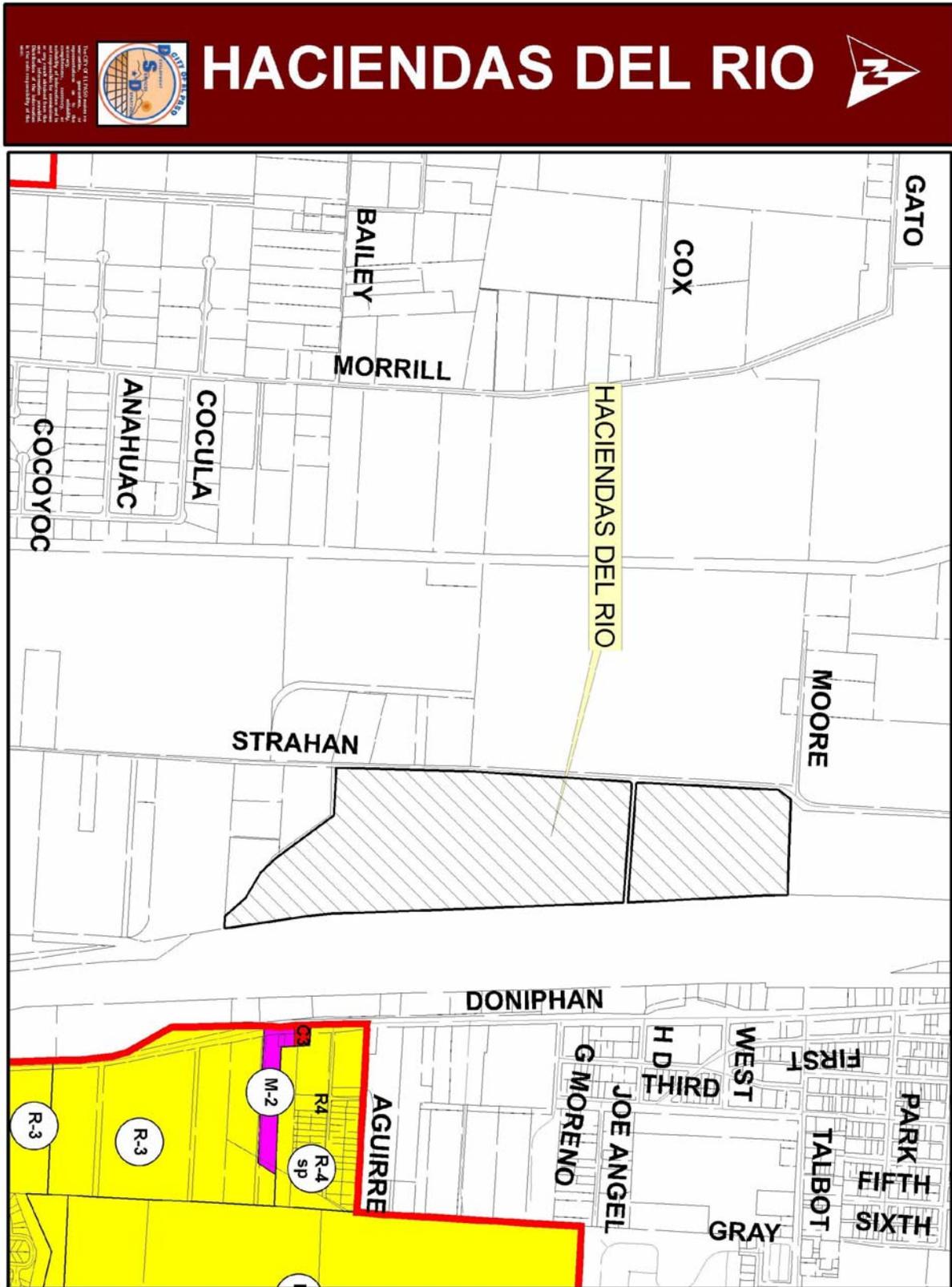
Attachment 1: Zoning Map

Attachment 2: Aerial Map

Attachment 3: Proposed Development Plan

Attachment 4: Approved Development Agreement

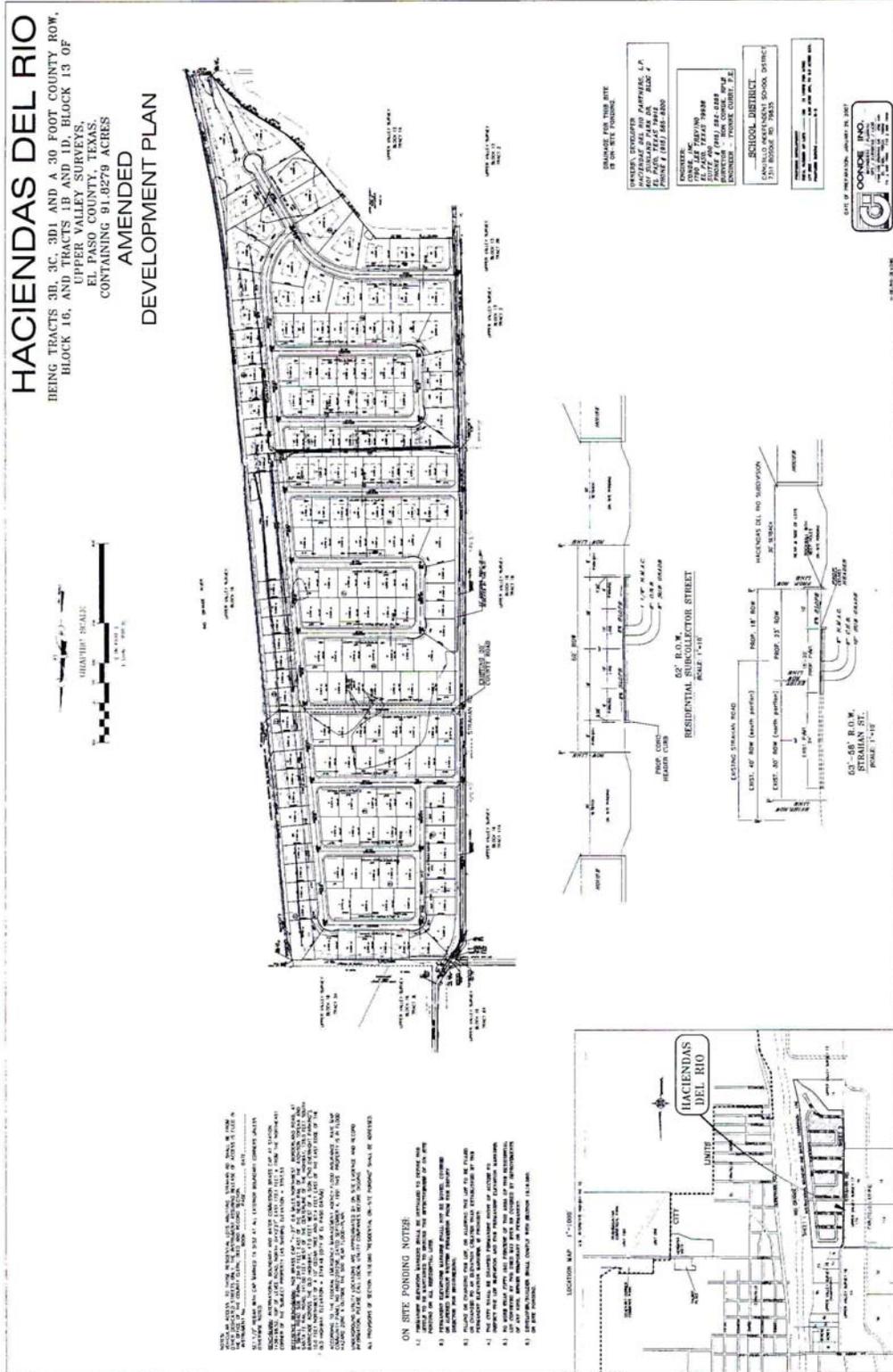
ATTACHMENT 1: ZONING MAP



ATTACHMENT 2: ARIAL MAP



ATTACHMENT 3: PROPOSED DEVELOPMENT PLAN



ATTACHEMENT 4: APPROVED DEVELOPMENT AGREEMENT

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RESOLUTION

WHEREAS, Hacienda Del Rio Partners, LP is the owner of record of the real property described in Exhibit "A", which is attached hereto and made a part hereof (which real property is hereinafter referred to as the "Property"), and which Property is not within the corporate limits of any municipality and is not yet contiguous to the corporate limits of the City; and,

WHEREAS, Owner desires that the Property be annexed to the City in order to provide adequate and efficient improvements and facilities; and,

WHEREAS, the Property is not contiguous to the City and cannot be annexed at this time.

WHEREAS, Owner, after full consideration, accepts the terms and conditions cited in this Agreement due to the advantages and benefits resulting from the Agreement; and,

WHEREAS, the City, after due and careful consideration, has concluded that the terms and conditions hereinafter set forth is in the best interest of the City to protect and provide for the public health, safety, morals and general welfare; and,

WHEREAS, the PSB, after due and careful consideration, has concluded that the supply of water and wastewater to the Property on the terms and conditions hereinafter set forth is in the best interest of the PSB; and the PSB's role is further set forth in this Agreement, and includes the provision, regulation, and connection of the water and wastewater system and rates inside and outside of the City, to protect and provide for the public health, safety, morals and general welfare; and,

WHEREAS, the parties desire to utilize the provisions of Subchapter G, Chapter 212, Local Government Code to agree on such matters as the method and timing of annexation, the regulations that are to be applicable to the Property before and after annexation, the provision of services to the Property, and related matters.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Development Agreement by and between the City, PSB, and Hacienda Del Rio Partners, LP to set forth the rights and responsibilities between the parties to allow for the development of the property located within the City's West Extraterritorial Jurisdiction and containing 80.65 acres; in accordance with Subchapter G, Chapter 212 of the Texas Local Government Code, and subject to the affirmative approval and execution of same agreement by the El Paso Water Utilities-Public Service Board.

SIGNATURES ON FOLLOWING PAGE

PASSED AND APPROVED this 6th day of May 2008.

THE CITY OF EL PASO

John F. Cook
John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Lupe Cuellar
Lupe Cuellar
Assistant City Attorney

APPROVED AS TO CONTENT:

Patricia D. Adauto
Patricia D. Adauto, Deputy City Manager
Development & Infrastructure Services

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THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

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DEVELOPMENT AGREEMENT

THIS AGREEMENT made and entered into this 6th day of May, 2008 (the "Effective Date") by and between the **CITY OF EL PASO, TEXAS**, a municipal corporation, of the County of El Paso in the State of Texas (hereinafter referred to as "City"), acting through the City Council of the City, and the **EL PASO WATER UTILITIES PUBLIC SERVICE BOARD** (hereinafter referred to as the "PSB"), and **HACIENDA DEL RIO PARTNERS, LP**(hereinafter referred to as "owner");

WHEREAS, Hacienda Del Rio Partners, LP is the owner of record of the real property described in Exhibit "A", which is attached hereto and made a part hereof (which real property is hereinafter referred to as the "Property"), and which Property is not within the corporate limits of any municipality and is not yet contiguous to the corporate limits of the City; and,

WHEREAS, Owner desires that the Property be annexed to the City in order to provide adequate and efficient improvements and facilities; and,

WHEREAS, the Property is not contiguous to the City and cannot be annexed at this time.

WHEREAS, Owner, after full consideration, accepts the terms and conditions cited in this Agreement due to the advantages and benefits resulting from the Agreement; and,

WHEREAS, the City, after due and careful consideration, has concluded that the terms and conditions hereinafter set forth is in the best interest of the City to protect and provide for the public health, safety, morals and general welfare; and,

WHEREAS, the PSB, after due and careful consideration, has concluded that the supply of water and wastewater to the Property on the terms and conditions hereinafter set forth is in the best interest of the PSB; and the PSB's role is further set forth in this Agreement, and includes the provision, regulation, and connection of the water and wastewater system and rates inside and outside of the City, to protect and provide for the public health, safety, morals and general welfare; and,

WHEREAS, the parties desire to utilize the provisions of Subchapter G, Chapter 212, Local Government Code to agree on such matters as the method and timing of annexation, the regulations that are to be applicable to the Property before and after annexation, the provision of services to the Property, and related matters.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties agree as follows:

ONE: Unless the context requires otherwise, the following terms and phrases used in this Agreement shall have the meanings set out below:

"Agreement" means this Development Agreement by and between the City, the PSB, and the Owner.

"Connection Fee" means the fee described in Section Nine of this Agreement previously adopted by the Board of the PSB.

"City" means the City of El Paso, Texas, a home rule municipality situated in El Paso County, Texas.

"City Council" means the City Council of the City or any successor governing body.

"City Regulations" shall mean all duly enacted ordinances, rules, and regulations of the City, including the Code, the Subdivision Regulations, and the PSB Regulations.

"Code" shall mean the El Paso Municipal Code.

"Development Plan" shall mean the plan for development of the Property attached to this Agreement as Exhibit "B".

"District" shall have the meaning set forth in Section Sixteen.

"Effective Date" means the date set forth in the first paragraph of this Agreement.

"New Regulations" shall mean City Regulations, or amendments to City Regulations, enacted after the Effective Date.

"Nominate" shall refer to the action of the Owner in submitting to the City a nomination.

"Nomination" means a written notice and application requesting annexation of the portion of the Property described in the notice.

"Owner" means Hacienda Del Rio Partners, LP being the owner of the real property described by metes and bounds on Exhibit "A".

"Party" or "Parties" means a party or the parties to this Agreement, being the City, the PSB, and the Owner.

"Property" shall mean the 80.65-acre tract of land described by metes and bounds in Exhibit "A".

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"PSB Facilities" shall mean water and wastewater facilities to be constructed by and at the expense of the PSB, or constructed by the Owner under developer participation contracts executed in accordance with Chapter 212 of the Texas Local Government Code pursuant to which the PSB would reimburse the Owner for the costs in accordance with PSB Regulations in effect as of the Effective Date of this Agreement.

"PSB" or "Public Service Board" shall mean the El Paso Water Utilities Public Service Board, the trustee and governing board of the El Paso Water Utilities.

"PSB Regulations" shall mean the duly adopted rules and regulations of the PSB.

"Subdivision Coordinator" shall mean the subdivision coordinator referenced in the Subdivision Regulations.

"Subdivision Regulations" shall mean the regulations in Title 19 of the El Paso Municipal Code.

"Vesting Statute" shall mean Chapter 245, Texas Local Government Code.

TWO: The Property shall be developed in an orderly manner from adjacent existing development. In accordance with Texas Local Government Code Section 212.172(g), the Parties agree this Agreement constitutes a permit under Chapter 245 of the Texas Local Government Code. Owner expressly waives any and all vested rights accrued under this Agreement and agrees to the provisions related to vested rights as provided herein. Owner may file an application for the City's approval of a subdivision plat for any portion of the Property thirty (30) days after the Effective Date. The scheduling of water and wastewater services to the Property shall be in accordance with the provisions of Section Nine.

THREE: The City agrees to annex the Property in accordance with the terms and conditions of this Agreement, provided that the terms and conditions of this Agreement are met by the Owner. The Owner, or heirs and assigns, shall submit and initiate an application for annexation by filing a Nomination with the City at the time that the Property becomes contiguous to the City Limit or in conjunction with an application for annexation for property that is both contiguous to the City Limit and to the Property.

FOUR: Owner hereby agrees that the development of the Property shall be in accordance with the City Regulations, including the PSB Regulations, and subject to the application and payment of all necessary application and permit fees except as otherwise provided in this Agreement. Pursuant to Subchapter G, Chapter 212, Local Government Code, the City and Owner agree that, except as otherwise provided herein, the City Regulations shall be applicable to the Property on the Effective Date. Notwithstanding the Vesting Statute, the City may apply New City Regulations to any portion of the Property that is not the subject of a subdivision plat filed for approval with the City, provided the New City Regulations are otherwise valid and are applied equally to other similarly situated areas of the City. However, the Vesting Statute shall apply to a portion

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of the Property on and after the date a subdivision plat application is filed for approval with the City relating to such portion of the Property.

FIVE: The Development Plan attached hereto has been prepared in accordance with the requirements of the current Subdivision Regulations in effect at the time of the effective date. In the event that the Subdivision Regulations are hereafter amended, Owner shall revise the Development Plan to conform to the revised Subdivision Regulations with respect to those portions of the Property for which an application for a subdivision plat has not been filed.

SIX: Owner shall apply for and secure approval of a subdivision plat in accordance with the procedures of the Subdivision Regulations.

SEVEN: On and after the Effective Date, the Property may be developed in a manner consistent with the approved Development Plan for single-family residential uses with a density not to exceed 2.5 residential units per gross acre classifications as shown in the Development Plan. Upon the annexation of a portion of the Property, such portion shall be automatically classified as R-F (Ranch Farm) for zoning purposes, but such classifications shall not affect (i) any structure on which construction commenced prior to the annexation or (ii) any development allowed under a subdivision plat, which was approved prior to annexation.

EIGHT: Owner agrees to create a public, 1.32 acre park within the subject property and provide the following improvements to the park at no cost to the City: grading, leveling, sidewalks on all sides fronting a street, turf and irrigation and playground equipment, a swing set and canopy for the playground equipment. Upon the completion of the park by Owner, maintenance of the park shall be the responsibility of the City of El Paso.

NINE: In addition to any other fees required by PSB Regulations, Owner agrees to pay a Connection Fee to the El Paso Water Utilities for each three-quarter inch (3/4") equivalent water meter that is connected to the public water system (regardless of the timing of the annexation of the Property by phases) as follows:

<u>Meter Size</u>	<u>WEST ETJ Water (\$)</u>	<u>WEST ETJ Wastewater (\$)</u>
Less than 1"	1,135	0
1"	2,800	0
1 1/2"	5,675	0
2"	9,080	0
3"	18,160	0
4"	28,375	0
6"	56,750	0
8"	105,933	0
10"	151,333	0

Based on gallons per minute water flow; EPWU-PSB Rules & Regulations No. 1,

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Sec. 7 (J)

The Connection Fee shall be increased by three (3) percent on December 1, 2008 and each year thereafter, compounded annually. Payment of the Connection Fee shall be due at the time of application for connection of an individual meter to the water system.

Immediately after the Effective Date, the PSB shall commence the engineering and construction activities necessary to provide retail water and wastewater services to the Owner's Property in order to ensure that the development of the Property in accordance with the Phasing Plan is not delayed. Within ninety (90) days following the Effective Date, water services shall be made available to the Property. Wastewater service will be made available in November of 2008. The water and wastewater facilities to be constructed by the Owner, and the PSB Facilities, to be constructed by the PSB, are addressed in Section Fourteen.

Without limiting the foregoing, the provision of retail water and wastewater services shall not be delayed on the grounds that the Property has not been annexed in whole or in part. If the Property is subsequently annexed, inside City rates for the incorporated boundaries in accordance with PSB regulations in effect at the time of annexation shall apply. The City's obligation to provide water and wastewater services to the Property shall survive the expiration of the term of the Agreement. The obligation for the Owner to pay Connection Fees as each water meter application is made survives the expiration of the Term of this Agreement.

Water Rights: In addition, the PSB and Owner shall enter into a water rights assignment agreement wherein the PSB shall acquire from the owner all surface water rights on the property of two (2) acres or less in size for a term of seventy-five (75) years at a price of Four Thousand Five Hundred and no/100 Dollars (\$4,500.00) per acre.

TEN: Owner shall provide the City with one (1) mylar and three (3) paper prints of a current aerial map of the Property depicting the condition of the Property. Such aerial, and any other evidence necessary to demonstrate the existence of any non-conforming lot, use or structure on the Property, shall be provided by the Owner within thirty (30) days after the date the City adopts this Agreement. The aerial and other evidence shall be submitted to the Zoning Administrator in the Development Services Department of the City for validation of such non-conforming lot, use or structure within the Property.

ELEVEN: Owner shall ensure that facilities and services of sufficient capacity, whether public or private, shall be provided as attributable to any development within the Property.

TWELVE: Any formal notices or other communications required to be given by one Party to the other under this Agreement shall be given in writing, addressed to the Party to be notified at the address set forth below, by (i) delivering the same in person (ii) depositing the same in the United States Mail, certified or registered, return receipt requested postage prepaid (iii) depositing the same with Federal Express or with another

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nationally recognized courier service guaranteeing "next day delivery" or (iv) sending the same by telefax with confirming copy sent by certified or registered mail. Notice shall be effective only if and when received by the Party to be notified. For the purposes of notice, the addresses of the Parties, until changed as provided below, shall be as follows:

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(1)

City:

City of El Paso
Attn: City Manager

Mailing Address:
2 Civic Center Plaza
El Paso, Texas 79901

Physical Address:
Same as above

(2)

El Paso Water Utilities Public Service Board:

El Paso Water Utilities Department
Attn: President/CEO

Mailing Address:
1154 Hawkins Boulevard
El Paso, Texas 79925

Physical Address:
Same as above

(3)

Owner:

Haciendas del Rio Partners, LP
c/o Mark Salloum, Esq.

Mailing Address:
4141 Pinnacle, Suite 215
El Paso, Texas, 79902

Physical Property Address:
4141 Pinnacle, Suite 215
El Paso, Texas, 79902

The Parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by giving at least five days written notice to the other Party. If any date or any period provided in this Agreement ends on a Saturday, Sunday,

or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following such Saturday, Sunday, or legal holiday

THIRTEEN: This Agreement shall have a term of fifteen (15) years. The Parties may, by mutual agreement, as evidenced by a writing executed by the City Manager of the City, the President/CEO of the El Paso Water Utilities Department, and a representative of the Owner, extend and/or renew the term, but only to the extent permitted by Subchapter G, Chapter 212, Local Government Code; provided, however, nothing contained in this section shall affect the Owner's obligation to submit nominations for annexation of all phases of the Property on or before the fourth (4th) anniversary of the Effective Date.

FOURTEEN: Except for the PSB Facilities, the Owner agrees to construct at its expense the mains and pipes located inside the Property that are necessary to provide retail water and wastewater utility services to the Property. The mains and pipes shall be designed and constructed in accordance with PSB Regulations. The Owner further agrees to install water and wastewater facilities as described below.

Wastewater: In addition, the Owner shall be responsible for the installation of a Strahan sewer interceptor extension (15-inch to 27-inch diameter) from a location of a 27-inch sewer interceptor that is being constructed across the Rio Grande River by the PSB and terminates on Strahan Road (approximately 1,500 feet north of Borderland Road) to the northern limits of the Haciendas Del Rio subdivision as shown on Exhibit D-1. Service will be provided upon completion of the Easy Way II Lift Station, expected by November 2008.

On-site wastewater lines and service laterals to each lot will be required ahead of paving of streets within the entire subdivision. These lines will remain dry and inactive until the Strahan sewer system is activated (November 2008).

Installation of a limited number of private septic sewage systems will be allowed on a temporary basis. The owner shall incorporate proper language in the Deed Restrictions, Home Owners Association Regulations, Development Agreement and annotation on the Plat that temporary septic tanks usage will be discontinued and connection to the Sanitary Sewer Lines will be mandatory at the time of sewer availability.

Water: The Owner shall extend a 16-inch diameter water main on Strahan Road from La Union Road through the boundary limits of the subdivision as shown on Exhibit D-2.

On-site water lines and service meters will be required ahead of paving of streets within the entire subdivision.

Notwithstanding the foregoing, the Owner shall not be obligated to construct or otherwise bear the costs of PSB Facilities, including water supply, water treatment facilities, wells, water storage tanks, desalinization facilities, or wastewater treatment facilities, in excess of the Connection Fee provided for herein.

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FIFTEEN: To the extent (if any) that this Agreement would obligate the City to make a payment or make an expenditure, the obligation shall be payable solely from revenues received by the City from current revenues, including revenues from the sale of water and wastewater utility services, it being the intention of the Parties that no obligation of the City in this Agreement shall be payable in whole or in part from property taxes, or from proceeds of obligations payable in whole or in part from property taxes, or otherwise constitute a debt of the City within the meaning of Article XI, Section 5 or Section 7 of the Texas Constitution.

Successors and Assigns: This Agreement is a restriction, condition and covenant running with the Property and a charge and servitude thereon, and shall be binding upon and inure to the benefit of the Parties hereto, and their heirs, successors and assigns of all or any part of the Property. Any future conveyance of the Property shall contain the restrictions, conditions and covenants and shall embody this Agreement by express reference; provided, however, this Agreement shall not be binding on, and shall not create any encumbrance to title as to, any end-buyer of a fully developed and improved lot within the Property, except for land use regulations that may apply to a specific lot.

Remedies: This Agreement shall be enforceable in any court of competent jurisdiction by any of the Parties or by an appropriate action at law or in equity to secure the performance of the restrictions, conditions and covenants herein contained.

In the event a Party (the "Defaulting Party") commits a breach of this Agreement, the other Party (the "Non-Defaulting Party"), shall, prior to bringing suit or pursuing any other remedy, provide written notice of such breach to the Defaulting Party. Following receipt of such notice, the Defaulting Party shall have thirty (30) days within which to cure the breach. If the breach cannot be cured within such thirty (30) day period, the Defaulting Party shall commence to cure such breach within said period and thereafter diligently continue such cure to completion. In the event the Defaulting Party fails to cure the breach within said period, then the Non-Defaulting Party may pursue any remedy provided at law or in equity.

Force Majeure: In the event any Party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, it is agreed that on such Party's giving of notice and the full particulars of such force majeure in writing to the other Party as soon as possible after the occurrence of the cause relied upon, then the obligations of the Party giving such notice, to the extent it is affected by force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability but for no longer period.

The term "force majeure" as used herein, shall include, but not be limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, war, terrorism, blockades, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, storms, floods, washouts, droughts, tornadoes, hurricanes, arrests and restraints of

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governments and people, explosions, breakage or damage to machines or pipelines and any other inabilities of either Party, whether similar to those enumerated or otherwise, and not within the reasonable control of the Party claiming such inability.

Severability: If any provision of this Agreement is held invalid by a court of competent jurisdiction, such provision shall be deemed to be excised herefrom and the invalidity thereof shall not affect any of the other provisions contained herein, provided that any invalid provisions are not deemed by the City or the Owner to be material to the overall purpose and operation of this Agreement. If the City or the Owner determines that the invalid provision is material, then, if the City has made such determination, the City shall have the option to disannex the Property, and if the Owner has made such determination, the Owner shall have the option to terminate this Agreement. Such judgment or decree shall relieve the City and the Owner from performance under such invalid provision of this Agreement.

Entire Agreement: This Agreement contains the entire agreement of the Parties, and there are no other agreements or promises, oral or written, between the Parties regarding the subject matter of this Agreement. This Agreement may be amended only by written agreement signed by the Parties. By approving the execution of this Agreement, the City Council of the City, and the Public Utilities Board of the El Paso Water Utilities, delegate to the City Manager of the City, and to the President/CEO of the El Paso Water Utilities, the authority, without any further action being required of the City Council or of the Public Utilities Board, to execute such amendments of or extensions to this Agreement as they may consider advisable, and consistent with the provisions of law.

Governing Law, Jurisdiction & Venue: This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, as it applies to contracts performed within the State of Texas and without regard to any choice of law rules or principles to the contrary. The Parties acknowledge that this Agreement is performable in El Paso County, Texas and hereby submit to the jurisdiction of the state or federal courts situated in that County, and hereby agree that any such Court shall be a proper forum for the determination of any dispute arising hereunder.

No Third Party Beneficiary: This Agreement is not intended, nor will it be construed, to create any third-party beneficiary rights in any person or entity who is not a Party, unless expressly otherwise provided.

Waiver: Any failure by a Party hereto to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

Reservation of Rights: To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges, and immunities under applicable laws.

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CITY CLERK DEPT.

Further Documents: Each Party agrees that at any time after execution of this Agreement, it will, upon request of the other Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Agreement.

Incorporation of Exhibits and Other Documents by Reference: All exhibits and other documents attached to or referred to in this Agreement are incorporated herein by reference for the purposes set forth in this Agreement.

Effect of State and Federal Laws: Notwithstanding any other provisions of this Agreement, each Party shall, in carrying out the terms of this Agreement, comply with all applicable State and Federal laws.

Headings: The headings as to contents of particular articles or sections herein are inserted only for convenience, and they are in no way to be construed as a limitation on the scope of the particular articles or sections to which they refer.

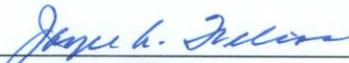
Ambiguities: In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any Party on the basis that such Party did or did not author the same.

Counterparts: It is understood and agreed that this Agreement may be executed in any number of counterparts, each which shall be deemed an original for all purposes.

Authority for Execution: Each Party hereby certifies, represents, and warrants that the execution of this Agreement has been duly authorized.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals and have caused this instrument to be executed by their duly authorized officials and the corporate seal affixed hereto, all on the day and year first above written.

THE CITY OF EL PASO



Joyce A. Wilson
City Manager

APPROVED AS TO FORM:



Lupe Cuellar
Assistant City Attorney

APPROVED AS TO CONTENT:



Patricia D. Adauto, Deputy City Manager
Development & Infrastructure Services

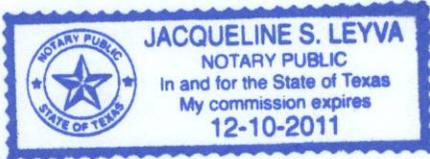
ACCEPTANCE AND ACKNOWLEDGEMENTS CONTINUE ON FOLLOWING PAGE

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ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on the 6th day of May, 2008, by Joyce A. Wilson, as City Manager of the City of El Paso, Texas



Jacqueline S. Leyva
Notary Public, State of Texas

Jacqueline S. Leyva

ACCEPTANCE

The above Agreement, with all conditions thereof, is hereby accepted this 22nd day of April, 2008.

**EL PASO WATER UTILITIES
PUBLIC SERVICE BOARD**

Edmund G. Archuleta
Edmund G. Archuleta, P.E.
President/CEO

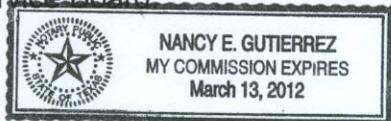
APPROVED AS TO FORM:

Robert D. Andron
Robert D. Andron
General Counsel

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on the 22nd day of April, 2008, by Edmund G. Archuleta, as President/CEO of the El Paso Water Utilities Public Service Board



Nancy E. Gutierrez
Notary Public, State of Texas

ACCEPTANCE AND ACKNOWLEDGEMENTS CONTINUE ON FOLLOWING PAGE

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ACCEPTANCE

The above Agreement, with all conditions thereof, is hereby accepted this 25
day of APRIL, 2008.

OWNER:

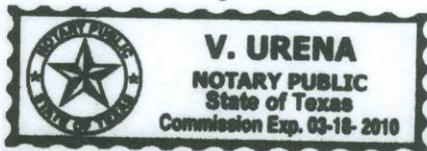
HACIENDA DEL RIO PARTNERS, LP.
By: HDR General, LLC

By: Brian Young
Brian Young, President

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on the 25 day of April, 2008,
by Brian Young, as PRESIDENT of Hacienda Del Rio Partners, LP.



V. Urena
Notary Public, State of TEXAS

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EXHIBITS "A" LEGAL DESCRIPTION

Being Tracts 1B and 1D, Block 13 and
Tracts 3B, 3C, 3D, 3D1, and a 30 foot road, Block 16,
Upper Valley Surveys,
El Paso County, Texas.
January 26, 2007

METES AND BOUNDS DESCRIPTION

The parcel of land herein described is Tracts 1B and 1D, Block 13 and Tracts 3B, 3C, 3D, 3D1, and a 30 foot road, Block 16, Upper Valley Surveys, El Paso County, Texas, and is more particularly described by metes and bounds as follows:

COMMENCING at a marker found at the centerline intersection of the Canutillo - La Union Road [(F.M. 259) 40-foot right-of-way] and Strahan Road (30-foot right-of-way), from which the centerline intersection of the Canutillo - La Union Road (F.M. 259) and the Atchison, Topeka & Santa Fe Railroad bears South 89°55'55" East, a distance of 1224.20 feet (record - 1224.7 feet); Thence, South 00°02'57" West, along the centerline of Strahan Road, a distance of 2629.10 feet; Thence, South 34°51'57" West, continuing along said centerline, a distance of 136.37 feet; Thence, South 55°08'03" East, a distance of 15.00 feet to a point at the intersection of the easterly right-of-way of Strahan Road, the northerly boundary of Tract 3B, Block 16, Upper Valley Surveys and the southerly right-of-way of a platted 30-foot road (El Canutillo Townsite and Land Company Property, Book 9, Page 56, Plat Records, El Paso County, Texas), from which a 5/8" rebar with cap marked "RPLS 4178" bears North 65°27'39" West a distance of 0.13 feet, said point is also the POINT OF BEGINNING of this description;

Thence, South 89°57'03" East, along said southerly right-of-way, a distance of 786.34 feet to a found 5/8" rebar with cap marked "RPLS 4178" at the common boundary between Tract 3B, Block 16, Upper Valley Surveys and the Rio Grande River (February 10, 1939, Book 644, Page 386, Deed Records, El Paso County, Texas);

Thence, South 05°12'45" East, along said common boundary, a distance of 132.07 feet to a point;

Thence, South 84°46'53" West, continuing along said boundary, a distance of 5.00 feet to a point;

Thence, South 05°12'45" East, continuing along said boundary, a distance of 3642.61 feet to a point at the common boundary between Tract 1B, Block 13, Upper Valley Surveys and the Rio Grande River (August 20, 1941, Book 696, Page 416, Deed Records, El Paso County, Texas);

Thence, South 13°03'17" East, continuing along said boundary, a distance of 699.90 feet to a point at the common boundary between Tracts 1B and 14, Block 13, Upper Valley Surveys;

Thence, North 89°53'44" West, along said common boundary, a distance of 96.94 feet to a found 5/8" rebar with cap marked "RPLS 4178" at the common boundary between Tracts 1B and 1B1, Block 13, Upper Valley Surveys (June 18, 1998, Book 3469, Page 761, Deed Records, El Paso County, Texas);

Thence, North 44°13'07" West, along said boundary, a distance of 215.60 feet to a point;

Thence, North 57°46'32" West, continuing along said boundary, a distance of 105.10 feet to a point at the common boundary between Tracts 1A, 1B and 1D, Block 13, Upper Valley Surveys (June 19, 1998, Book 3388, Page 1678, Deed Records, El Paso County, Texas);

Thence, along the common boundary between Tracts 1A and 1D, the following courses:

North 57°50'46" West, a distance of 164.06 feet to a point;

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**EXHIBITS "A"
LEGAL DESCRIPTION**

North 46°19'49" West, a distance of 147.75 feet to a point;

North 39°10'58" West, a distance of 539.27 feet to a point;

North 89°32'17" West, a distance of 389.72 feet to a point at the easterly right-of-way of Strahan Road;

Thence, North 01°27'03" West, along said right-of-way, a distance of 1065.00 feet to a point;

TRENCE, North 89°57'03" West, continuing along said right-of-way, a distance of 5.01 feet to a point;

Thence, North 00°02'57" East, a distance of 2470.20 feet to a found concrete nail and shiner;

Thence, North 34°51'57" East, continuing along said right-of-way, a distance of 104.73 feet to the "POINT OF BEGINNING" and containing in all 91.8278 acres (4,000,017 square feet) of land more or less.

NOT A GROUND SURVEY.


Ron R. Conde
R.P.L.S. No. 5152



job #1006-70

CONDE, INC.
ENGINEERING / LAND SURVEYING / PLANNING
1790 LEE TREVINO SUITE 400 / EL PASO, TEXAS 79936 / (915) 592-0283

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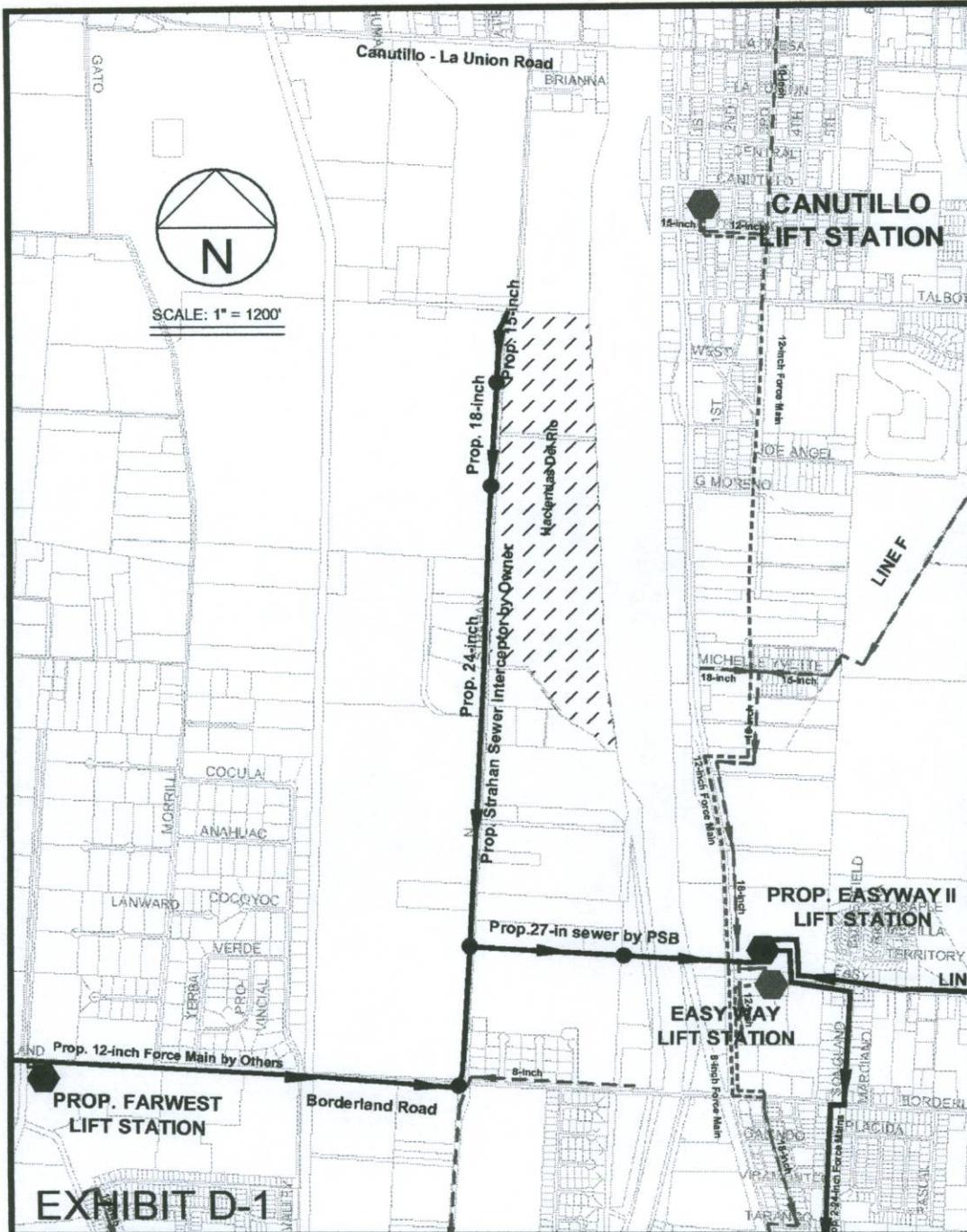
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**EXHIBIT "C"
LOCATION MAP**



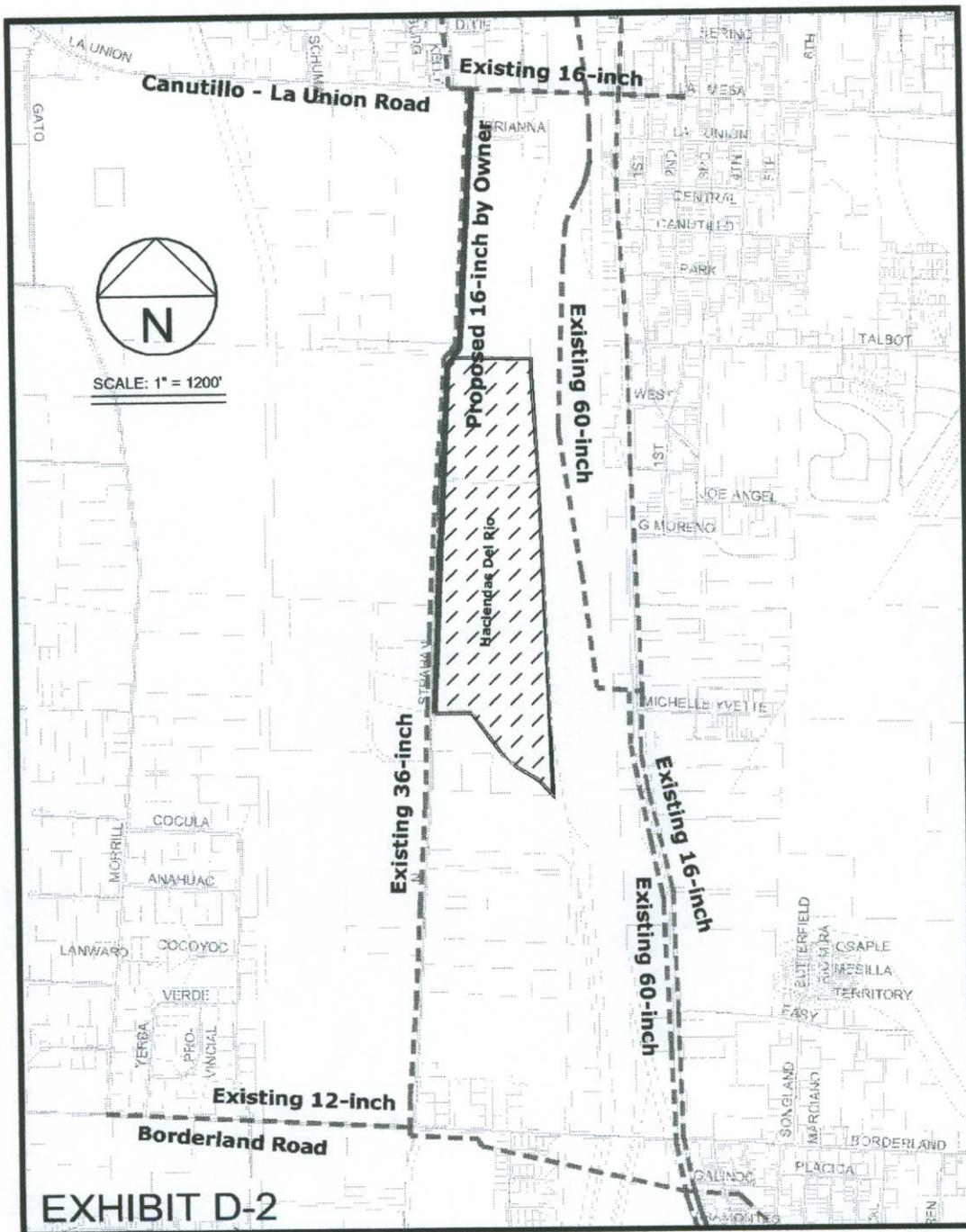
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EXHIBIT "D-1" SEWER FACILITIES



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EXHIBIT "D-2" WATER FACILITIES




 SCALE: 1" = 1200'

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