

HCIA & Horizon Properties Corp.

In addition to the many questions we receive concerning assessments, we are also often asked about HCIA and how it relates to the original Horizon Properties Corp. (HPC), an Arizona corporation.

Many of our members recall purchasing their property from HPC and not from HCIA. When HPC was actively selling lots in Horizon many years ago, it became overextended with promises of future growth and rapid expansion. Eventually, they were ordered to close operations and, just before doing so, formed HCIA. The purpose of HCIA was to represent those members who had purchased land, so that they would have a local voice to represent them.

HCIA is not a successor to the HPC sales organization that sold land to members. Rather, HCIA is a separate entity, incorporated as a non-profit organization in the State of Texas.

HCIA's role today is to contribute to the community in ways that will foster growth and add to the success of the Horizon area. By doing so, we aim to add value to your land and help you realize your original goal and investment.

Horizon Property Buyers

Many members call or write us about offers they receive from various firms and individuals offering to purchase their property in Horizon. Our members ask if these buyers are honest or if such a sale transaction is legal.

We have found many of the proposed buyers have not responded to our requests for information. As a result, HCIA cannot endorse these buyers if we cannot obtain more details of their organization, purpose, or plans for the Horizon property after they obtain it. We have a list of buyers we do not recommend or endorse. Please call us if you would like more information concerning an offer you receive.

Whether or not these transactions are legal cannot be determined without knowing more about the buyer. If the buyer is purchasing a contiguous number of lots, with the intention of organizing them for development, then it may be legitimate. If a buyer is purchasing random lots without a definite development plan, then it could present a problem with the Colonia Law.

HCIA cannot offer specific legal advice for you. The best suggestion is to ask the proposed buyer what its intentions are and then check with an attorney for advice.

New Horizon Middle School

This Fall the recently-completed Horizon Middle School opened its doors and welcomed approximately 1100 new students. This brings the total Clint ISD enrollment for the Horizon area to approximately 5000 students.

The Clint ISD also has schools outside of the Horizon area and just enrolled its 10,000th student. Much of this growth is attributed to the rapid population increase in Horizon. The school district is well prepared for continued growth. Earlier this year, voters approved bonds which will add two more Horizon area schools in the near future. Plans are underway to find sites for future elementary and middle schools.

Traffic & Safety Improvements

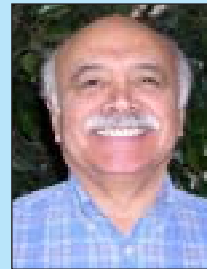
As Horizon grows and traffic increases, improvements are underway to install traffic signals at area intersections to increase safety for school children, pedestrians and to improve the flow of traffic into and out of Horizon. Also scheduled for 2007 are roadway improvements at the Horizon Blvd. & Interstate 10 Highway intersection, a major access point for Horizon.

General Manager Notes

As we approach the end of 2006, I am very pleased with the progress of HCIA this year. The most notable step forward is the beginning of our long-awaited Lot Assembly Program.

This issue also contains news of the 2006 Annual Membership Meeting, held in October.

Attendees included members from Texas, Alabama, California, El Paso & Horizon.



Jon Yuriar

Horizon is experiencing real growth and is a result of the expansion in greater El Paso. Several contributing factors are fueling this growth, including the expansion of Ft. Bliss, a large commercial development in downtown El Paso and a demand for housing for new residents seeking desert sunshine. Several new residential areas are under construction in Horizon and many homes are sold before completion. The Lot Assembly Program is beginning just at the right time to benefit from this growth.

In response to member questions regarding assessments, I have listed the expiration dates for each of our member subdivisions.

As we approach the end of a very successful 2006, I would like to wish all of our members a very Happy Holiday Season and Prosperous New Year.

Best Wishes,

Jon Yuriar
General Manager

Lot Assembly Takes First Step

The Lot Assembly Program has finally found its beginning. After years of serious planning and site selection, we have finally identified our first assembly area and it is Horizon View Estates, Unit 25. This area, Project Code 352, was selected for its proximity to current development, road access and the availability of utilities, including water, gas and electricity. While sewer service is not immediately adjacent to the Unit, it is nearby and within a reasonable distance for extension. We also believe there is sufficient demand for residential land in this area to move this project forward.

The Board of Directors has decided the best way to pursue assembly for this area is for HCIA to purchase the individual lots from members and offer the lots as entire blocks of acreage to developers. This method allows HCIA to purchase the lots and eliminates the very complex procedure of an interested

developer contacting, negotiating and purchasing lots from several members within a subdivision. HCIA will not profit from this program, as it will break even on the cost of purchase and cost of sale.

HCIA has obtained two market appraisals for the selected area and will use the average of the appraisals to arrive at a purchase price for the lots in Unit 25. If this initial assembly is successful, HCIA will move to the adjacent Unit 24 as the next area to assemble as soon as possible. We believe this is the beginning for a successful program to include other promising member areas of Horizon.

The first information letters have been mailed to members in Unit 25 and we hope to send our first offer to purchase very soon. Initial feedback from members has been 100% positive and they are as anxious as we are to get this Program started.

Land Of Texas Project Moves Forward

One of the guest speakers at this year's Annual Meeting was Jim Carroll, President of Land Of Texas. He outlined the progress of Phase One, which has been delayed by heavy summer rains in the El Paso area. The rains have slowed installation of the underground utilities and street paving, but he believes that construction of the first model homes will begin by the end of the year.

The City has approved the plans for Phase Two, consisting of 58 acres, and site construction has begun to extend streets and utilities into the area.

Some of the street names in the project, so far, have names of geographic locations in Italy. Because many of the names are very similar to Spanish names, they blend very well with the local Spanish names commonly used throughout El Paso and Horizon.

As this project develops, it will create an added residential and commercial area in the growing central area of Horizon. Other developers tell us that demand for new homes remains strong, and new businesses continue to arrive in Horizon to serve the new residents.

In 2006 Horizon City issued over 500 building permits for new, single family homes through October, 2006.

HCIA Office Hours
Our office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday, MST.

Assessment Expiration Dates

We receive many calls regarding the HCIA assessments and one of the most frequent has to do with how long our members are required to pay the yearly fees. Most of the assessments were placed by the original Horizon Development Corporation through Covenants and were set to run for a period of 30 or 40 years, for each Horizon subdivision and unit. The following table shows the expiration date for each of the subdivisions. This means that after the expiration date shown, members will no longer be billed for annual assessments.

You can find your expiration date by looking at the name of your Subdivision or by the Project Code, and then the Unit number of your property. If you're not sure of your Unit number, the Code can be found on your recent Billing Statement or Ballot. If you have any questions locating this information, please give us a call and we can assist you.

Toll Free 1-800-729-4242



<u>Subdivision Name/Project Code</u>	<u>Expiration Date</u>	<u>Subdivision Name/Project Code</u>	<u>Expiration Date</u>
Eastlake Code 401	2013	Horizon Manor Code 363	
Eastlake Mesa Estates Code 402	2033	Unit 6	2016
Golf View Estates Code 367		Units 7 & 8	2015
Unit 1	2018	Horizon View estates	
Horizon City Estates Codes 394 thru 398		Codes 352 thru 354	
Units 1-15	2009	Units 1-16	2013
Units 16-95	2010	Units 17-28	2015
Units 96-104	2013	Horizon Village Code 399	2016
Horizon Heights Codes 391 & 392		Mountain Shadow Estates	
Unit 10	2016	Codes 333, 334, 355, 357	
Unit 11	2015	Units 1-22	2008
Unit 12	2018	Units 23-75	2009
Horizon Hills Codes 385 thru 390		Units 76-80	2011
All Units	2013	Mountain Vista Codes 336 thru 338	
		Units 1-7	2013



HCIA STAFF

The photo at left is your staff at HCIA. These are the people who answer your calls and maintain all member information. Some of the duties of Member Services include, name and address changes, ownership and deed changes, member correspondence, billing inquiries, etc. Now you can connect a person to the name on the other end of the phone.

Bottom row, l to r, Linda Moreno, Member Services; Lorrean Moreno, Receptionist & Member Services; Top row, l to r, Jon Yuriar, General Manager; Roxanne Jurado, Member Services; & Irred Hamilton, Lot Assembly Coordinator.

HORIZON COMMUNITITES IMPROVEMENT ASSOCIATION, INC. STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2005 & 2004

<u>ASSETS</u>	<u>2005</u>	<u>2004</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 156,711	\$ 64,941
Short-term investments	2,306,120	2,343,799
Certificates of deposit	297,251	156,299
Assessments receivable, net allowance		
For uncollectible assessments	441,788	441,788
Prepaid expenses	-	1,068
TOTAL CURRENT ASSETS	3,201,870	3,007,895
PROPERTY & EQUIPMENT		
Equipment & Furniture	251,192	242,645
Office building & land	289,558	289,558
Medical office equipment	52,086	52,086
Vehicle	40,080	40,080
Less accumulated depreciation	(371,829)	(343,369)
TOTAL PROPERTY & EQUIPMENT	261,087	281,000
OTHER ASSETS		
Land—community purpose	1	1
Land—investment	3,414,592	3,415,847
Eastlake commercial road	43,770	43,770
Section 31/32 regional wastewater line	296,090	164,224
Eastlake commercial center unit	203,329	215,959
TOTAL OTHER ASSETS	3,957,782	3,839,801
TOTAL ASSETS	\$ 7,420,739	\$ 7,128,696
LIABILITIES & NET ASSETS		
CURRENT LIABILITIES		
Accrued property taxes	\$ 96,256	\$ 87,986
TOTAL CURRENT LIABILITIES	96,256	87,986
NET ASSETS		
Unrestricted	7,324,483	7,040,710
TOTAL LIABILITIES & NET ASSETS	\$ 7,420,739	\$ 7,128,696

HCIA Website

Our website will undergo some updates in the next few months. Mostly, we will reorganize it and make it easier to navigate to the areas you want to reach more quickly, update photos and make the layout more user friendly. We hope to have many of the changes in place by the time our next newsletter reaches you in the Spring of 2007.

Annual Membership Meeting

This year's Annual Membership Meeting was held on October 5, 2006, at 7:30 p.m. at the Emerald Springs Golf & Conference Center, in Horizon City. The agenda included approval of last year's meeting minutes, the election report for the re-election of Mr. Christopher Bustillos, as Director in Place #4, and approval of the annual audit, where HCIA's Certified Public Accountant rendered a favorable opinion on the Association's financial statements.

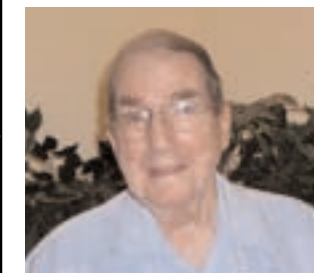
Following the formal portion of the meeting, three guest speakers gave very informative presentations. First, our keynote speaker was the Honorable Raymond Morales, Mayor of Horizon City. Mayor Morales spoke of the immediate challenges and of the progress of Horizon City during his administration.

Our second speaker was Mr. Jim Carroll of the Land Of Texas, with a progress report of his Master Development Plan and the beginnings of Phases One & Two which are now underway. Mr. Carroll predicted the first model homes would be under construction before the end of 2006. He also added that the New Urbanism design of his development provided a great deal of flexibility as each Phase is implemented, and the overall design is to encourage more pedestrian activities, social interaction between neighbors and community activities.

Lastly, Mr. Irred Hamilton, HICA's Lot Assembly Coordinator spoke on the past year's progress of Lot Assembly and the of the launch of the program.

HCIA Welcomes New Director

Our new Director, Mr. J.R. "Pat" Paternoster, was introduced at the 2006 Annual Meeting and replaces Mr. Hector Gasquet of place #6 who retired earlier this year. He is a semi-retired



real estate broker, and an El Paso resident since 1946. He served 2 years in the US Army, attended the Univ. of Michigan and received a BBA Degree from Texas Western College (now University of Texas at El Paso). He's been active in the Junior

Chamber of Commerce, the Alta Vista Optimists and was inducted into the original El Paso Softball Hall of Fame in 1971. Also, Pat has been an active real estate broker since 1960 and member of the Texas Real Estate Association and El Paso Board of Realtors & MLS. We look forward to his expertise and contribution to HCIA.