

IN THE DISTRICT COURT OF EL PASO COUNTY, TEXAS
41st JUDICIAL DISTRICT

L. FREDERICK FRANCIS and GINGER)
FRANCIS,)
)
Plaintiffs,)
)
v.)
)
SIERRA CREST HOMEOWNERS')
ASSOCIATION, INC.,)
)
Defendant.)

CAUSE NOS. 2024DCV4431
and 2025DCV0016

ORDER APPOINTING RECEIVER

On this day came on to be considered the motion of Plaintiffs, L. FREDERICK FRANCIS and GINGER FRANCIS, to appoint a receiver for SIERRA CREST HOMEOWNERS ASSOCIATION, INC. ("SIERRA CREST"). Having considered the pleadings, evidence, and arguments of counsel related to the request for the appointment of a receiver, the Court finds there is good cause for the appointment of a receiver and the motion should be granted as set forth below.

IT IS THEREFORE ORDERED, that Edward DeV. Bunn, Jr., P.O. Box 942 El Paso, Texas 79946, (915) 532-7500; EBunn@FBKNLaw.com, a licensed attorney in the State of Texas, in good standing, is appointed receiver of SIERRA CREST HOMEOWNERS ASSOCIATION, INC. ("Receiver").

The Court FURTHER ORDERS that Receiver shall file with the Court an oath to perform his/her duties faithfully.

The Court FURTHER ORDERS that Receiver is authorized (but not obligated), subject to the control of this Court, to do any and all acts necessary to the proper and lawful conduct of the receivership, including, without limitation, the following:

- a. To supplant any rights or powers of the Board of SIERRA CREST as to the management and control of SIERRA CREST, to include oversight of any meeting, appointment, or election of any officer, director, or committee member of SIERRA CREST;
- b. To review the Declarations and Bylaws of SIERRA CREST to ensure the same are in line with and not contrary to current state law, and if not, to revise the same. The Receiver is to

- pay particular attention to those provisions addressing board nominations, elections, and voting to ensure compliance with Texas law;
- c. To review the procedures for the conduct of meetings of the board of SIERRA CREST to ensure the same provide for the orderly conduct of such meetings, adequate notice to all members of the scheduling of such meeting, the actions to be taken, and the procedures to be followed, and if not, take all action reasonably necessary to bring such matters into compliance and control all SIERRA CREST meetings, functions, operations, and purposes;
 - d. To oversee the selection of a property manager for SIERRA CREST as is required by its Bylaws;
 - e. To take over all bank accounts and financial accounts of SIERRA CREST, wherever situated or maintained, and manage the business concerns, interests, assets, real estate, claims, and defenses of SIERRA CREST as appropriate;
 - f. To take and have complete and exclusive control over any and all bank accounts, assets, possessions, and properties of SIERRA CREST and all balances and funds therein;
 - g. To obtain and have access to any and all financial records, statements, and other documents pertaining to SIERRA CREST from any bank, credit union, savings and loan association, insurance company, or other financial institution;
 - h. To use SIERRA CREST's tax identification number and/or employer identification number for any lawful purpose in connection with carrying out the duties and responsibilities contained in this Order;
 - i. To communicate, initiate, or file any legal action, claim, or proceeding deemed necessary or advisable by the Receiver and owned by SIERRA CREST in any court or tribunal of competent jurisdiction;
 - j. To issue demands in the name of the receivership upon the U.S. Postal Service, other mail and freight carriers, and private mailbox operators to gain exclusive possession and control of any and all postal boxes and/or delivery points as may have been used by SIERRA CREST for the receipt of funds, property, and all mail and other packages related to the Property (including SIERRA CREST's business), and take any other steps as Receiver

deems reasonable and necessary to retrieve, collect, and review all mail, packages, and deliveries addressed to SIERRA CREST related to the Property (including SIERRA CREST's business);

- k. To issue demands in the name of the receivership to any and all websites and/or email addresses that are used by SIERRA CREST to post and/or distribute information to and between HOA members and/or third parties, including any entities or individuals who administer or host those websites and email addresses;
- l. To request assistance of law enforcement officials when taking possession, or at any other time during the term of the receivership, if, in the opinion of Receiver, such assistance is necessary to preserve the peace;
- m. To represent SIERRA CREST and to take any and all actions deemed necessary or advisable to defend against any claims, actions, or proceedings asserted against SIERRA CREST;
- n. To administer, manage, and take exclusive control over any legal action, claim, lawsuit, or other proceeding to which SIERRA CREST is currently, or may become in the future, a party, whether as plaintiff, defendant, cross-plaintiff or cross-defendant, counterclaimant, third-party plaintiff, third-party defendant, claimant, intervenor, or other capacity, but the Receiver shall have no obligation to pursue any such causes of action;
- o. To choose, designate, engage, hire, employ (and/or disengage or terminate if the Receiver deems necessary), and pay any attorney, attorneys, or firm of attorneys to represent Receiver or SIERRA CREST in exercising any of the powers and authorities granted to the Receiver or to protect and preserve the interest and rights of Receiver and SIERRA CREST and its properties, business, and affairs, including representation of such parties in any pending or future litigation or proceeding;
- p. To choose, designate, engage, hire, employ (and/or disengage or terminate if the Receiver deems necessary), and pay any other person or entity to assist Receiver in exercising any of the powers and authorities granted to Receiver or to protect and preserve the interest and rights of Receiver and SIERRA CREST and its properties, business, and affairs, including,

without limitation, real estate agents, brokers, accountants, experts, financial advisers, appraisers, consultants, and other professionals, provided, however, that Receiver shall have no obligation to pay any fees, costs, or expenses to any party on account of fees, costs, or expenses incurred before entry of this Order;

- q. To pay any attorney, professional, consultant or other person or entity providing services to the Receiver from the properties and funds of SIERRA CREST;
- r. To collect any and all amounts due and owing to SIERRA CREST;
- s. To make expenditures for repairs and maintenance to the Property;
- t. To negotiate a settlement with any provider of services or supplies, provided that any such settlement must be approved by the Court;
- u. In doing so, Receiver may perform those acts determined by Receiver to be necessary or appropriate, and Receiver may engage others, including but not limited to accountants and lawyers, as Receiver determines to be necessary or appropriate, to do so;
- v. Receiver is to report to the Court, by filing in this action, on a quarterly basis beginning on April 1, 2026, for the quarter ending March 31, 2026, a report that includes the income of SIERRA CREST for the quarter, the expenses of SIERRA CREST for the quarter, any requests for the approval of the transfer or sale of assets of SIERRA CREST, and any requests for the payment of the expenses of Receiver. Such reports shall be filed no later than 30 days after the end of each quarter.

The Court FURTHER ORDERS that SIERRA CREST, and its affiliates, subsidiaries, officers, directors, agents, representatives, servants, employees, managers, members, assigns, attorneys, shareholders, and all persons acting on its behalf, under its direction and control, and/or in active concert or participation with SIERRA CREST, including the Board of Directors of SIERRA CREST, shall fully cooperate with Receiver in the execution of his/her duties under the receivership.

IT IS FURTHER ORDERED, however, that Receiver shall not, without prior written approval from the Court, take any action involving the transfer or sale of real property owned by SIERRA CREST; and

IT IS FURTHER ORDERED, that, within seven days from the date of any request from the Receiver, any party to this action to whom such request is directed shall turn over to the Receiver, assets, records, accounts, or information of SIERRA CREST in their possession, custody, or control as requested by the Receiver; and

IT IS FURTHER ORDERED, that the Receiver is required to post a bond of \$10,000, which bond is expressly conditional on the faithful discharge of the Receiver's duties in this action and obedience to the Court's orders, and shall be paid for out of the assets of SIERRA CREST; and

IT IS FURTHER ORDERED, that Receiver be compensated, upon application to and order of this Court, from the funds and assets of SIERRA CREST, at an hourly rate of \$300.00 per hour for work by Receiver, and at rate of \$125.00 per hour, as customary, for work done by Receiver's staff; and

IT IS FURTHER ORDERED, that Receiver shall comply with all laws applicable to the management and operation of SIERRA CREST and its assets as provided under any laws of the United States, the State of Texas; and

IT IS FURTHER ORDERED, that, (i) without limiting any other rights or immunities the Receiver may have at law or in equity, Receiver and his/her employees, agents, and attorneys shall have no liability for acts or omissions made by or on behalf of the Receiver in his/her capacity as Receiver of SIERRA CREST so long as such acts and omissions are made in good faith, (ii) no action shall be brought against Receiver or his/her employees, agents or attorneys relating to the performance of its duties under this Order unless such action shall be permitted by the Court after motion and consideration therefor, and order granting, (iii) Receiver is acting solely in his/her capacity as a receiver and the debts and obligations incurred by the Receiver acting as Receiver are solely the debts and obligations of SIERRA CREST and (iv) in no event shall Receiver personally have any liability or obligation for the debts or obligations of SIERRA CREST; and

IT IS FURTHER ORDERED, that the authority granted to the Receiver will be self-executing, unless the action specifically requires subsequent authorization from the Court; and

IT IS FURTHER ORDERED, that any party in this action, including Receiver, may subsequently move the Court for modification, clarification, termination, or revision of this order; and

IT IS FURTHER ORDERED, that this receivership will continue in effect until further order of this Court;

IT IS FURTHER ORDERED, that the clerk file a copy of this order in this case and in the companion case between the parties, Cause No. 2025DCV0016.

Signed this 5th day of January, 2026.



THE HONORABLE ANNABELL PEREZ

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