Disclaimer:
This document is not an official recorded document. The intent of this document is to incorporate the changes that affect all units as to the Protective Covenants and Indentures, in accordance with the documents that are recorded within Valencia and Socorro Counties. The originally filed documents are available for review in the TGIA office.

THE ORIGINAL PROTECTIVE COVENANTS ARE RECORDED IN THE APPLICABLE COUNTY AS FOLLOWS:

Valencia County Units 1 through 4, 13 and 14, Book 238 Page 503-506, 1/5/73; Units 19 through 24, Book 35 Page 577-580, 11/19/76
Socorro County Units 5,7,15 through 18, Book 313 Page 387-390, 6/12/73; Units 9 through 12, Book 307 Page 692-695, 1/5/73.

AMENDED PROTECTIVE COVENANTS
(see footnotes)

KNOW ALL MEN BY THESE PRESENTS:

That HORIZON CORPORATION, Delaware corporation, qualified to do business in the State of New Mexico, being the owner of all the property described below, in order to provide for a general scheme for the development, use and sale of the said property does by these presents impose upon said land the following covenants and restrictions, which shall run with the land and be binding upon and inure to the benefit of all present and future owners of the land and all persons claiming under them. These covenants and restrictions as to any unit may be amended at any time by the vote of the owners of record of the majority of the lots in any unit described below; where more than one person owns a lot, or any interest therein, the concurrence of all such owners shall be necessary to entitle the owners of such lot to vote for such amendment or modification.

All lots in Units 1-5, 9-14, 16, 18-24 of Tierra Grande except for certain lots in Units 18 and 19 which are classified as multi-use lots.[1]

1. All said lots shall be used only for single family residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one single family dwelling, except as hereinafter provided, as well as a private garage, carport, servants' quarters or other related outbuildings, all of which shall conform to the exterior design of the main residence. No dwelling shall be used except as a single-family dwelling. Provided however, that the lots that are in excess of five (5) acres in size may be resub divided into lots but not more than one (1) lot for each five (5) gross acres of the original lot. Should such subdividing constitute subdividing under the laws of the State of New Mexico, or its political subdivisions

[1] Units 15 and 17 removed per amendment to protective covenants dated 07/07/20 as filed with Socorro County. Removed TGIA oversight of multi-use lots per amendment to protective covenants dated 05/06/13 VC and 07/10/13 SC as filed in each county. Removed Unit 7 due to indentures expiring on Dec 18, 2012.

same shall comply with such laws. The lots so created shall be subject to the covenants and restrictions set forth herein.

2. The area under roof of the single-family dwelling including porches, connecting garages and/or carports shall be not less than two thousand (2,000) square feet; provided that should the dwelling be of more than one story in height the two thousand (2,000) square foot area may be reduced by the square footage of the living area contained in the second and/or the one-half story. The Architectural Control Committee herein provided for may permit a variance from the minimum square footage requirement.

3. Easements for the installation and maintenance of utilities and drainage facilities are reserved with the dedicated roadways and drainageways as shown on the recorded plats.

4. No dwelling shall be erected which shall exceed two and one-half (2 ½) stories in height above finished grade level.

5. No structure of a temporary character, trailer, tent, shack or other similar structure shall be permitted on any lot at any time, either temporarily or permanently. No structure on any lot, other than a fully completed residence, shall be used as a residence. Provided however, notwithstanding any other provision hereof, nothing herein shall be interpreted as prohibiting a temporary sales or construction office upon any lot (s) by Horizon Corporation, or its successors in interest as developer only, or by a building contractors permitted to do so by the said developer or the Architectural Control Committee, as the case may be, for the purpose of selling lots or for the purpose of erecting and selling dwellings on any lot (s).

6. No manufacturing, commercial or business operation other than arts, crafts or professions operated solely by the members of the family actually occupying the residences shall be conducted on any lot; no advertising other than a tastefully decorated temporary sign not exceeding fifteen (15) inches by twenty-five (25) inches shall be exhibited on any lot, and no billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any lot, nor shall lots be used in any manner nor for any purpose which may endanger the health or unreasonably disturb the holder of any other lot. Provided however, that nothing herein shall be interpreted as prohibiting a building contractor of Horizon Corporation or its successor in interest as developer only, from erecting a sign upon any lot owned by said building contractor of Horizon Corporation or its successor in interest as developer only, advertising the sale, lease, rental or construction of homes; provided however, that before any building contractor shall place any such sign on the lot owned by him he shall first obtain the written permission of the Architectural Control Committee and the Architectural Control Committee shall have the right to specify the size, design and quality of said sign. Provided however, said sign shall be of a temporary nature only and shall be maintained only so long as there are houses or lots being offered for sale and in the case of a contractor shall be removed immediately upon the request of the Architectural Control Committee.

7. No building shall be located on any lot nearer than fifty (50) feet to the front lot line nor nearer than twenty (20) feet to any side lot line. Provided however that no building shall be constructed nearer than thirty-five (35) feet to any lot line on any lot abutting any drainageway

easements as shown on the plats of the property. Provided further, notwithstanding any other provision hereof, nothing in these covenants shall be so interpreted as to prohibit the owner or owners of contiguous lots from erecting dwelling units whether attached or detached in disregard of the common side or rear lot lines of said contiguous lots so long as the density of use which would be created by the construction of one single family detached dwelling on each such contiguous lot. Provided further, any such owner or owners of contiguous lots desiring to construct any such dwelling units over or upon any easements as dedicated on the plat shall first make all necessary arrangements and agreements with any governmental agency or utility company which have any rights under, on or over said easements as to the relocation and vacation thereof. Provided however, that no such dwellings may be constructed over any easements for drainageway rights-of-way as shown on the plats of the property. Provided further, however, where the topography, shape of, location of the property lines of any lot, or the configuration of the structure, or the combination thereof prevent reasonable construction of the permitted structures, including fences and walls, within the above specified set back requirement, the Architectural Control Committee may be affirmative action permit a variation from the requirements of said setback.

8. No gas or oil drilling or mining, gravel or quarry operation of any kind shall be permitted on any lot; nor shall any offensive activity, condition, odor or pollution be created or permitted to exist on any lot which may be or may become an annoyance or nuisance to the neighborhood; the lot shall be kept clear of all trash and waste. In the event trash and/or waste is allowed to accumulate the Architectural Control Committee after giving fifteen (15) days' notice to the owner or occupier may enter upon the lot and have the lot cleared of such trash or waste. The expense of same shall be the expense of the owner and same shall be due and payable as the Committee directs. The expense becomes a lien on the lot and the Committee shall have the right to enforce the lien, to the same extent, including a foreclosure sale and deficiency decree, and subject to the same procedures as in the case of mortgages under the applicable law; the amount then due by such owner shall include the expense as well as the cost of such proceedings, including a reasonable attorney's fee.

9. No animals or fowl, other than ordinary household pets commonly housed in a residence, shall be permitted, and in no event shall such pets be bred or maintained for commercial purposes provided, however, there may be kept thereon no more than two (2) horses per five (5) acres of lot size as well as ordinary household pets, provided that no horse may be kept or permitted thereon for commercial purposes. The construction of a stable, barn or corral or house the aforementioned horses is permitted however same shall be subject to the architectural control provisions herein set forth and provided further such stable, barn or corral shall be located at least fifty (50) feet from any lot line. Any such stable, barn or corral shall be kept in a clean and sanitary condition and in the event same is not so maintained the Architectural Control Committee has the same right, authority and power to cause the cleaning thereof as set forth in paragraph numbered 8 herein as same pertains to trash and waste and its removal.

10. Individual water supply wells and water storage handling systems may be drilled and constructed upon any lot herein provided that no elevated gravity flow storage system shall be constructed and provided that all water works shall be screened from the view of neighboring lots by plantings or by out buildings.

11. In order to assure first class development in harmony with the surrounding areas and commonly known concepts of good land planning and design, no building shall be erected, placed or altered on any lot, until a full set of architectural and construction exhibits shall have been approved in writing by Horizon Corporation its successors in interest as developer only, or by the Architectural Control Committee, as the case may be. These exhibits shall include but not be limited to detailed construction plans and specifications which indicate the quality of workmanship and materials exterior design and color scheme, as well as a plot or location plan showing the location of all structures on the lot, landscaping, existing topography and finished grade elevations. No fence or wall shall be erected, placed or altered on any lot unless specifically approved as to location, height and materials.

12. Horizon Corporation has created Tierra Grande Improvement Association, Inc., a New Mexico non-profit association to which, among other things, is assigned the powers of administering and enforcing the covenants and restrictions herein; provided that in cases where jurisdiction over the covenants and restrictions is retained in Horizon Corporation, or its successors in interest as developer only, then Horizon Corporation, or its said successor, has jurisdiction and its authority is paramount unless and until it relinquishes same in writing to the Architectural Control Committee in the particular instance involved. There is hereby created an Architectural Control Committee composed of three (3) or more representatives appointed by the Board of Directors of said Association which shall among other things have the authority to give approvals herein. The said Committee shall function in accord with the rules and regulations and by-laws for the Committee as established by said Board. The rules and regulations shall among other things ensure the existence and continuity of such Committee.

13. The approval or disapproval as required in these covenants shall be in writing. In the event Horizon Corporation, its successor in interest as developer only, or the Architectural Control Committee, as the case may be, fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, or in the event a suit to enjoin the construction has not 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; provided, however, any variance in the dwelling square footage permitted in accord with paragraph numbered 2 hereof must be by affirmative action of the Committee and not otherwise.

14. If the undersigned or any subsequent owner of any portion of said property shall violate any of the foregoing covenants or restrictions, then the undersigned or any person or persons owning any portion of said property may enjoin or abate such violation by appropriate action at law or in equity, in which event the prevailing party shall recover costs incurred, together with reasonable attorney’s fees.

15. In the event that any one or more of the provisions, covenants, restrictions and covenants herein set forth shall be held by any court of competent jurisdiction to be null and void, all remaining provisions, conditions, restrictions and covenants set forth shall continue unimpaired and remained in full force and effect.

16[2]. INDENTURE. The Indenture (the “indenture”), filed of record in the office of the County Clerk of Valencia County, New Mexico on January 5, 1973, in Book 240 Page 551 – 562, and filed of record in the office of the County Clerk of Socorro County, New Mexico on January 5, 1973, in Book 307 Page 696 – 706, is hereby incorporated into these Protective Covenants by reference as if set out in full herein, with the following changes:

(a) The “Property”, shall be defined as all Units within the Tierra Grande Subdivision (both in Valencia and Socorro counties) for which an Amendment to Protective Covenants substantially the same as this Amendment is recorded, adopting and incorporating the applicable Indenture to which said unit is subject, and extending the Covenants in the Indenture beyond the termination date set forth in the original Section 6.02 of the Indenture.

(b) Section 6.02 of the Indenture is deleted in its entirety, and the following Section 6.02 is substituted in its place:

Section 6.02 All Covenants herein shall continue in full force and effect for twenty (20) years after the date of recordation of this Amendment to Protective Covenants, and at that time, and each twenty (20) years, unless the owners of a majority of lots in a Unit shall sign and record a document terminating said Covenants as to that Unit.

NOTE: Over the course of TGIA history, the majority of lot owners in a unit have amended the protective covenants for that unit. Attached is a summary of those changes.

[2] Added per the amendment to protective covenants filed in Valencia and Socorro Counties on 09/14/12

The following is a list of amendments to the Protective Covenants that have occurred over time and do not affect all units.

Protective Covenant Amendments	Majority	Date filed	1	2	3	4	5	9	10	11	12	13	14	16	18	19	20	21	22	23	24
Allows for "Commonly ranched animals and fowl" but not to be bred - & 75 ft set backs - SC	Horizon	09/17/76					X														
Allows for Mineral Development / Exploration - SC & VC	Vantress	02/23/82				X	X	X	X	X	X			X		X					
Allow Commercial Cattle Grazing of McKinley Brand - SC	McKinley	03/18/94					X	X	X	X	X			X							
No Mobile Manufactured or Modular Homes - SC	McKinley	05/18/95					X														
Requires 2,000 heated sq. ft. dwellings using only conventional building materials - SC	McKinley	05/18/95					X														
No Mobile Manufactured or Modular Homes - SC	McKinley	08/31/95						X	X	X				X							
Requires 2,000 heated sq. ft. dwellings using only conventional building materials - SC	McKinley	08/31/95					X	X	X					X							
No Mobile Manufactured or Modular Homes - VC	McKinley	09/08/95				X										X					
Requires 2,000 heated sq. ft. dwellings using only conventional building material to - 1 yr to build- VC	McKinley	09/08/95				X										X					
Allow temp RV during construction for up to 180 days & defines allowed stored vehicles - VC	TGIA Owners	03/31/03		X								X									

Protective Covenant Amendments	Majority	Date filed	1	2	3	4	5	9	10	11	12	13	14	16	18	19	20	21	22	23	24
In case of residences of more than 1 story the ground flr should not be less than 1125 sq. ft. - VC	TGIA Owners	03/31/03		X								X									
Allow temp RV during construction for up to 180 days & defines allowed stored vehicles - VC	TGIA Owners	03/22/04											X								
In case of residences of more than 1 story the ground flr should not be less than 1125 sq. ft. - VC	TGIA Owners	03/22/04											X								
Allow temp RV during construction for up to 180 days & defines allowed stored vehicles - VC	McKinley	01/10/05			X																
In case of residences of more than 1 story the ground flr should not be less than 1125 sq. ft. - VC	McKinley	01/10/05			X																
Allow temp RV during construction for up to 180 days & defines allowed stored vehicles - VC	TGIA Owners	06/13/06																		X	
In case of residences of more than 1 story the ground flr should not be less than 1125 sq. ft. - VC	TGIA Owners	06/13/06																		X	
Allow for Commercial Cattle Grazing w Permission - SC	NMLCo	12/11/09					X	X	X	X	X			X							
Allow for Commercial Cattle Grazing w Permission - VC	NMLCo	12/11/09				X										X					

INDENTURE

THIS INDENTURE made this ____ day of _________, 19__, between HORIZON CORPORATION, a Delaware corporation, (hereinafter called GRANTEE) and TIERRA GRANDE IMPROVEMENT ASSOCIATION, INC., a New Mexico non-profit corporation, (hereinafter called TGIA or GRANTOR),[3]

WITNESSETH:

WHEREAS GRANTEE has heretofore acquired the property in Valencia or Socorro County, New Mexico, hereinafter described (hereinafter call the Property) and has conveyed the Property to TGIA upon the condition that GRANTOR shall execute and deliver this Indenture;

WHEREAS GRANTEE intends to encourage the development on the Property of communities affording well-planned residential, commercial, recreational, institutional, and open space uses, buildings, facilities and areas;

WHEREAS the provisions of this Indenture are necessary to protect and enhance the value of the Property by (i) providing funds for the purposes specified in Article II hereof and (ii) granting rights, easements, and privileges with respect to Community Facilities in accordance with Article III hereof;

WHEREAS GRANTEE has caused the incorporation of GRANTOR for the purpose of providing a non-profit civic organization to serve as the representative of owners of lots, living units, or land located within the exterior boundaries of the Property in connection with the assessment, collection and application of all charges imposed by this Indenture, the enforcement of all covenants contained herein and all liens created hereby, and the creation, operation, management, and maintenance of the facilities and services referred to herein;

WHEREAS GRANTOR is executing and delivering this Indenture in consideration of the Grantee's agreement that the Property shall be subject to, burdened, and bound by the covenants, easements, charges, and liens touch and concern the Property, shall run with the land, and be binding upon all successors and assigns of GRANTOR and GRANTEE;

NOW THEREFORE for and in consideration of the premises and the sum of Ten ($10.00) Dollars paid by each party to the other, the receipt and sufficiency whereof being hereby mutually acknowledged. TGIA hereby grants to HORIZON CORPORATION the following described property located in Valencia or Socorro County, New Mexico, with warranty covenants.

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[3] Indenture for Socorro County made Dec 18, 1972, and filed Jan 5, 1973. Indenture for Valencia County made Jun 8, 1973, and filed Jun 12, 1973

All lots in Units 1-24 of Tierra Grande (The Indentures recorded in the aggregate subject the above described property to the terms thereof.)

SUBJECT TO taxes for the current year and thereafter, easements, restrictions, encumbrances, utility franchises and patent reservations of record in the Office of the County Clerk of Valencia or Socorro County, New Mexico; AND FURTHER SUBJECT TO the covenants, easements, charges and liens hereinafter set forth; together with any and all rights and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD the Property and appurtenances to the GRANTEE and its successors and assigns forever; SUBJECT, HOWEVER, to the following covenants, easements, charges and liens, which it is hereby covenanted and agreed shall be binding upon (i) TGIA, its successors and assigns, (ii) the Grantee, its successors and assigns, and (iii) the Property, to the end that such covenants, easements, charges and liens shall run with, bind and burden the Property, for the term of years hereinafter set forth.

ARTICLE I – DEFINITIONS

Section 1.01

The following words, phrases and terms, when used herein shall have the following meanings:

(A) “Chargeable Property” means the Property, except such part or parts thereof as may, from time to time, constitute “Exempt Property” or “Community Facilities,” as hereinafter defined.

(B) “Indenture” means this Indenture as the same may from time to time be supplemented in the manner provided in Article VI hereof.

(C) “Board” means the Board of Directors of TGIA.

(D) “TGIA Land” means such part of the Property as may at any time hereafter be owned by TGIA (or a “Successor Corporation” as defined in Article VII hereof) for so long as TGIA (or such successor corporation) may be the owner thereof.

(E) “Deed” means a deed, assignment or other instrument conveying the fee simple interest in any “Lot” or “Living Unit”, as hereinafter defined.

(F) “Exempt Property” means the following portions or parts of the Property”:

(i) All land and “Permanent Improvements,” as hereinafter defined, which may now be or hereafter owned by the United States, State of New Mexico, Valencia or Socorro County, or any subdivision, instrumentality or agency thereof, for so long as it shall be the owner thereof; and

(ii) All land and "Permanent Improvements," owned by TGIA (or a "Successor Corporation" as defined in Article VII hereof) for so long as TGIA (or such "Successor Corporation") shall be the owner thereof; and

(iii) A Lot which is owned by the GRANTEE on which there is no building or structure

(G) "Lot" means any plot of land shown upon any recorded subdivision map of the Property with the exception of "Exempt Properties", as heretofore defined.

(H) "Living Unit" means any portion of a building situated upon the Property designed and intended for the use and occupancy by a single family.

(I) "Multi-family Structure" means any building containing two or more Living Units under one roof except when each such Living Unit is situated upon its own individual Lot.

(J) "Notes" means all notes, bonds, debentures, or other evidences of indebtedness issued and sold by TGIA.

(K) "Note Holder" means the holder of any Note and all trustees or other representative of one or more such holders.

(L) "Owner" for the purpose hereof shall mean and refer to the owner, whether one or more persons or entities, of a fee simple title or the equitable title, when purchasing under contract, to any Lot or Living Unit situated upon the Property but, notwithstanding any applicable theory of Mortgage or Deed of Trust, shall not mean or refer to the mortgagee or trustee unless and until such mortgagee or trustee shall have acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure; provided that the GRANTEE shall not be considered as an Owner of a Lot or a Living Unit until and unless there is a building or structure situate thereon.

(M) "Permanent Improvements" means all buildings, structures, and other matters and things which at the time of the assessment of each "Annual Charge", as hereinafter defined, are taxable by the State of New Mexico or Valencia or Socorro County as real property under applicable law.

(N) "Property" as used herein means the following:

(i) At the time of the execution hereof, "Property" shall mean all land herein conveyed and all its presently existing "Permanent Improvements" built, installed or erected thereon;

(ii) From and after the building, installation or erection of each new "Permanent Improvement" upon the land herein conveyed, "Property" shall include each such new "Permanent Improvement";

(iii) From and after each addition to the land subject to the "Covenants" as hereinafter defined, pursuant to Article VI hereof. "Property" shall include each such new parcel of land and each "Permanent Improvement" existing on each such new parcel of land at the time that the same is subjected to the "Covenants", and

(iv) From and after the building, installation and erection of each new "Permanent Improvement" on each new parcel of land referred to in Subparagraph (iii) above. "Property" shall include each such new "Permanent Improvement."

(O) "Resident" means the following:

(i) Each tenant actually residing on (or conducting a business on) any part of the Chargeable Property, and

(ii) Members of the immediate family of each Owner and of such tenant actually living in the same household with such Owner or such tenant. Subject to such rules and regulations as TGIA may hereafter specify, including the imposition of special fees for use if TGIA shall so direct, the term "Resident" shall also include the employees, guests or invitees of any such Owner or tenant, if the Board, in its discretion, by resolution so direct.

(P) "Covenants" means all covenants, easements, charges and liens imposed and created on lands within the Property in favor of TGIA.

ARTICLE II – USE OF FUNDS

Section 2.01

TGIA shall apply all funds received by it pursuant to the Covenants and all other funds and property received by it from any source, including the proceeds of loans referred to in Section 2.02 and the surplus funds referred to in Section 2.03 for the benefit of the Property in the following manner:

(i) The payment of all principal and interest, when due, on all loans borrowed by TGIA to the extent required under any agreement with Note Holders referred to in Section 2.02 hereof;

(ii) The cost and expenses of TGIA; and

(iii) For the benefit of the Property by devoting the same to the acquisition, construction, reconstruction, conduct, alteration, enlargement, laying, renewing,

replacement, repair, and maintenance, operation and subsidizing of such of the following as the Board, in its discretion, may from time to time establish or provide:

(a) Any and all projects, sources, facilities, studies, programs, systems and properties relating to parks, recreational facilities or services;

(b) Drainage systems;

(c) Streets, roads, highways, walkways, curbing, gutters, sidewalks, trees, flowers and landscaping, fountains, benches, shelters, directional and information signs, street signs, walkways and bridges, and street, road and highway lighting facilities;

(d) Facilities for the collection, treatment and disposal of garbage, sewage and refuse;

(e) Mass transit systems, stations and terminals, airfields, airports, air terminals and associated facilities;

(f) Facilities for the fighting and preventing of fires;

(g) Public utility systems, including plants, systems, facilities or properties used or useful in connection with the manufacture, production, distribution, delivery and storage of electric power and manufacture of natural gas or any other potential power source, and any integral part thereof, utility lines, poles, surface and underground ducts, relay stations, cables, pipes, pipelines, valves, meters and equipment and appurtenances, and all properties, rights, easements and franchises relating thereto;

(h) Communication systems and facilities, including all buildings, systems, facilities and properties used or useful in connection with the operation of communication networks and facilities, stations, towers, relay systems and facilities, cables, underground and surface ducts, lines, poles, receiving, transmitting and relay equipment, and appurtenances and all properties, rights, easements and franchises relating thereto;

(i) Auditoriums, galleries, halls, amphitheaters, theaters, arenas and stadiums, educational buildings and facilities, including equipment, supplies and accessories in connection therewith;

(j) Office buildings, buildings, storage and maintenance yards, garages and other buildings and facilities deemed necessary or desirable by the board in connection with the administration, management, control and operation of TGIA.

(k) Hospitals and clinics, including equipment, medicines, supplies and accessories in connection therewith;

(l) Libraries, including equipment, books, supplies and accessories in connection therewith;

(m) Traffic engineering programs and parking facilities;

(n) Facilities for animal rescue and shelter;

(o) Lakes, dams, parks, golf courses, tennis courts, zoos, playgrounds, boat basins and marinas, equestrian centers and facilities, lodges, hotels, inns, dining and beverage facilities and to apply for and hold licenses issued therefore;

(p) Skeet ranges, bowling alleys, and other related or unrelated recreational facilities; and

(q) Any and all other improvements, facilities and services that the Board shall find to be necessary, desirable or beneficial to the interest of the Property.

Section 2.02

In order to secure the repayment of any and all sums which may be borrowed by it in furtherance of the objectives outlined in Section 2.01, TGIA is hereby granted the rights and powers:

(i) To assign and pledge all revenues received, or to be received, by it under any provision of the Covenants.

(ii) To enter into agreements with Note Holders with respect to the collection and disbursement of funds, including, but not limited to, agreements wherein TGIA covenants:

(a) To assess and collect the Annual Charges in its favor when the same shall become due;

(b) To establish sinking funds and/or other security deposits;

(c) To apply all funds received by TGIA first to the payment of the cost of collection and then to the payment of all principal and interest, when due, on such loans;

(d) To establish such collections, payment and lien enforcement procedures and may be required by the Note Holders;

(e) To provide for the custody and safeguarding of all funds received by TGIA.

The amount, terms, rate or rates of all borrowing and the provisions of all agreements with Note Holders shall be subject solely to the decision of the Board.

Section 2.03

TGIA shall not be obligated to spend in any calendar year part of or all of the sums collected in such year by way of Annual Charges, or otherwise, and may carry forward, as surplus any balances remaining; nor shall TGIA be obligated to apply any such surpluses to the reduction of the amount of Annual Charge in the succeeding year, but may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of TGIA and the effectuation of its purposes.

Section 2.04

TGIA shall be entitled to contract with any corporation, firm or other entity in order to carry out the performance of the various functions of TGIA hereunder.

ARTICLE III – RIGHTS OF ENJOYMENT IN COMMUNITY FACILITIES

Section 3.01

HORIZON CORPORATION and other parties may from time to time convey to TGIA, subsequent to the recordation of this Indenture, a certain tract or tracts of land within the Property for park and recreational purposes. In the event of any such transfer by HORIZON CORPORATION to TGIA, any such tracts, together with such parts of TGIA land as the Board, in its discretion, may by resolution from time to time hereafter designate for use of Owners or Residents are hereinafter collectively referred to as "Community Facilities". Upon designation of any part of TGIA land as Community Facilities, as herein provided, the Board shall cause a declaration to be executed and recorded in the Deed Records of the County Clerk's Office for Valencia or Socorro County, New Mexico, which shall include a description of the land so designated and shall state that such land has been designated as a Community Facility subject to the rights and easements of enjoyment and privileges hereinafter granted unless and until the same shall have been so designated and the above described declaration recorded in accordance with the procedure provided herein.

THE GRANTEE and every Owner, by reason of such ownership, shall have a right and easement of enjoyment in and to all Community Facilities, and such easement shall be appurtenant to and shall pass with every Lot or Living Unit upon transfer thereof. All Residents shall have a non-transferable privilege to use and enjoy all Community Facilities for so long as they are Residents within the defined meaning of that term. All such rights, easements, and privileges, however, shall be subject to the right of TGIA to adopt and promulgate reasonable rules and regulations pertaining to the use of Community Facilities which shall enhance the preservation of such facilities, the safety and convenience of the users thereof, or which, in the discretion of the Board, shall serve to promote the best interests of the Owners and Residents, including making available certain Community Facilities to school children, with or without charge. TGIA shall have

the right to charge Owners and Residents reasonable admission and other fees in connection with the use of any Community Facility. In establishing such admission and other fees, the Board may, in its discretion, establish reasonable classifications of Owners and of Residents; such admission and other fees must be uniform within each such class but need not be uniform from class to class. TGIA shall have the right to borrow money for the purpose of improving any Community Facility and in the and thereof, to mortgage the same and the rights of any such mortgagee shall be superior to the easements herein granted and assured.

Section 3.02

TGIA shall have the right to suspend the right of any Owner (and the privilege of each Resident claiming through such Owner) for any period during which the Annual Charge under Article IV hereof remains overdue and unpaid, or in connection with the enforcement of any rules and regulations relating to such facilities in accordance with the provisions of this Article III.

Section 3.03

Notwithstanding the rights, easements and privileges granted under Article III, TGIA shall nevertheless have the right and power to convey any property referred to in Section 3.01 hereof free and clear of all such rights, easements and privileges if such conveyance is to a public body for public use.

* ARTICLE IV – ASSESSMET OF ANNUAL CHARGE

Section 4.01

For the purpose of providing funds for the use as specified in Article II hereof, an Annual Charge is hereby imposed against each Lot or Living Unit in each calendar year commencing with the calendar year in which the ownership of a Lot or Living Unit is vested in the Owner by delivery of a daily executed deed or contract or other instrument by the GRANTEE; provided that should ownership vest after July 31, then in that event the Annual Charge shall be so imposed beginning with the calendar year after the year in which ownership vests. The Annual Charge on such a Lot or Living Unit shall be due and payable on the first day of October of said year, and delinquent on January 1 of the following calendar year. Should GRANTEE own a Lot on which a building or structure exists then the Annual Charge is imposed in each calendar year commencing with the year of completion of the building or structure.

The Annual Charge for each Single-Family Lot shall be:

(i) The amount of the Annual Charge for each Lot five acres in size, but less than ten acres in size, shall be $50.00 per year.[4]

[4] TGIA Board of Directors voted to exercise Article IV, Section 4.02 increasing yearly assessments to take effect 1/1/20. Current assessments are as written.

(ii) The amount of the Annual Charge for each Lot ten acres in size, but less than twenty acres in size, shall be $75.00 per year.[4]

(iii) The amount of the Annual Charge for each Lot twenty acres in size, but less than forty acres in size, shall be $100.00 per year.[4]

(iv) The amount of the Annual Charge for each Lot forty acres or larger in size shall be $125.00 per year.[4]

(v) In the event a Lot in excess of five acres in size is further subdivided, upon the subdividing thereof for each Lot so created the Annual Charge shall thereafter be the applicable amount as shown in (i), or (ii), or (iii) above.

The Annual Charge for each Commercial, Industrial or Multi-use Lot shall be the same as (i) through (iv) set forth above so long as there are no lot improvements constructed thereon, lot improvements being structures, buildings or business facilities, not including however a single-family residence constructed on a multi-use lot where no other lot improvements exist.

When such lot improvements are so constructed, then the Annual Charge shall be $.0025 per square foot of floor area of the lot improvements up to 25% of the area of the lot, provided that in no event shall the Annual Charge be less than the amount as determined by (i) through (v) above.

Section 4.02

In any given year, the Board may in its sole discretion increase the amount of the Annual Charge for each type of property as hereinbefore set forth by a percentage equal to the percentage increase in the Consumer Price Index (All Items) For Urban Wage Earners and Clerical Workers (including single workers). 1967 Equals One Hundred, with Revised Index for June 1972, as published by the Bureau of Labor Statistics, or any successor Index, and as promulgated as covering all items and which index for the purposes of this Section stands at 125.

Section 4.03

As soon as may be practical in each year, TGIA shall send a written statement to each Owner subject to the Annual Charge stating the amount of the Annual Charge against each Lot or Living Unit in terms of the total sums due and owing as the Annual Charge. Unless the Owner shall pay the Annual Charge by January 1 of each following year, the same shall be deemed delinquent and shall bear interest from such date until paid at the rate of Eight (8%) Percent per annum.

Section 4.04

If the Owner of any Lot or Living Unit subject to the Annual Charge shall fail to pay the Annual Charge by January 1 of each following year, TGIA shall have the right to enforce the lien which is hereby imposed in its favor, to the same extent, including a foreclosure sale and deficiency decree, and subject to the same procedures as in the case of mortgages under the applicable law, and the amount due by such Owner shall include the Annual Charge, as well as the cost of such proceedings, including a reasonable attorney's fee, and the aforesaid interest.

Section 4.05

The Board shall have the right to adopt procedures for the purpose of billing and collecting the Annual Charges, provided that the same are not inconsistent with the provisions hereof.

Section 4.06

Upon written demand by an Owner, TGIA shall within a reasonable period of time furnish to such Owner a written certificate stating that all Annual Charges (including interest and costs if any) have been paid with respect to any specified Lot or Living Unit as to the date of such certificate, or, if all Annual Charges have not been paid, setting forth the amount of such Annual Charges have not been paid, setting forth the amount of such Annual Charges (including interest and costs, if any) due and payable as of such date. TGIA may make a reasonable charge for the issuance of such certificate which must be paid at the time that the request for such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between TGIA and any bona fide purchaser of, or lender on, the Lot or Living Unit in question.

ARTICLE V – IMPOSITION OF CHARGE AND LIEN UPON THE PROPERTY

Section 5.01

Grantee, for itself, its successors and assigns, hereby covenants and agrees for the period that these Covenants shall remain in force under Section 6.02:

(i) To pay the Annual Charges herein provided, and

(ii) That the Annual Charge shall be and remain a first charge and first lien against the Property, and shall run with, bind and burden such land, for the term hereinafter provided. Provided, however, that the lien of the Annual Charge provided for herein shall be subordinate to the lien of any Vendor's interest in an Agreement for Deed or lien of any mortgage, mechanic's lien, deed of trust, or vendor's lien now or hereafter placed upon any Lot or Living Unit subject to such Annual Charge, if such vendor's interest in an Agreement for Deed, mortgage, mechanic's lien, deed of trust or vendor's

lien is imposed as a bona fide security for purchase money or as bona fide security for purchase money as bona fide security for a construction or improvement loan on the Lot or Living Unit in question. Such subordination shall apply only to the Annual Charges which have become due and payable prior to the cancellation of such contract or sale or transfer of such Lot or Living Unit pursuant to a decree of foreclosure, or proceedings in lieu of foreclosure, and such cancellation, sale or transfer shall not release such property from liability for any Annual Charge thereafter becoming due, nor from the lien of any subsequent Annual Charge; provided that should property revert to the Grantee under such cancellation, sale or transfer then and in such event neither the Grantee nor the property shall be subject to liability for any subsequent Annual Charge until ownership is vested as set forth in Section 4.01 hereof, then the Lot and owner thereof shall be liable for the subsequent Annual Charge. Should the Grantee during the reversion place a dwelling or other structure on the Lot, then the subsequent Annual Charges shall apply as set forth in said Section 4.01 hereof.

Section 5.02

In addition to taking subject to the charge and the lien imposed by Section 5.01 hereof, each Owner of each Lot or Living Unit prior to the acceptance of a Deed therefore, whether or not it shall be so expressed in such Deed, shall be deemed to have agreed to be personally liable for the payment of each Annual Charge against such Lot or Living Unit in each year during any part of which such Owner holds title to such Lot or Living Unit subject to the exception provided in Section 4.01.

Section 5.03

As used in this Article V, the term “Annual Charge” shall mean the total of the following:

(i) The Annual Charge as imposed pursuant to Section 4.01 hereof;

(ii) The interest or delinquent charges imposed by Section 4.03 hereof; and

(iii) The cost of enforcing the lien provided in Section 4.04 hereof.

Section 5.04

Nothing contained in these Covenants shall prevent any Owner from changing, altering or destroying any Permanent Improvement owned by him, if (i) the Annual Charges imposed hereunder with respect thereto have been paid for the year in which such change, alteration or destruction takes place and all previous years of (ii) the Annual Charges with respect to the Permanent Improvement in question have been paid for all years preceding such change, alteration or destruction and a bill for the Annual Charge for the then current year has not been sent by TGIA under Section 4.03 hereof prior to such change, alteration or destruction.

ARTICLE VI – DURATION, AMENDMENT AND SUPPLEMENTS

Section 6.01

All Covenants set forth or provided in this Indenture shall be deemed covenants running with the land and/or charges and liens upon the land and any and every conveyance of any part of the property shall be absolutely subject to said Covenants whether or not it shall be expressed in the deed, lease or other conveyance thereof.

Section 6.02

All Covenants herein shall continue in full force and effect for twenty (20) years after the date of recordation of this Amendment to Protective Covenants, and at that time, and each twenty (20) years, unless the owners of a majority of lots in a Unit shall sign and record a document terminating said Covenants as to that Unit.[5]

Section 6.03

Additional land may from time to time be subjected to the Covenants, and liens and charges of this Indenture by recording in the Deed Records of the County Clerk's Office of Socorro and/or Valencia County, New Mexico, as applicable, a declaration adopted by a resolution of the Board describing the additional land and providing for the payment of Annual Charges to TGIA at the rate then in effect.

ARTICLE VII – MISCELLANEOUS

Section 7.01

No change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Indenture.

Section 7.02

The determination of any court that any provision of this Indenture is unenforceable, or void shall not affect the validity of any of the other provisions hereof.

Section 7.03

TGIA shall be empowered to assign its rights hereunder to any successor non-profit membership corporation (hereinafter referred to as "Successor Corporation") and, upon such assignment the Successor Corporation shall have the rights and be subject to all the duties of TGIA hereunder and shall be deemed to have agreed to be bound by all the provisions hereof to the same extent as if the Successor Corporation had been an original party instead of TGIA, and all references herein to the "Board" shall refer to the

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[5] Section 6.02 removed and replaced per amendment to protective covenants dated 9/14/12 and filed with each county.

Board of Directors of said Successor Corporation. Any such assignment shall be accepted by the Successor Corporation under written agreement pursuant to which the Successor Corporation expressly assumes all duties and obligations of TGIA hereunder. If for any reason TGIA shall cease to exist without having first assigned its rights hereunder to a Successor Corporation, the covenants, easements, charges and liens imposed hereunder shall nevertheless continue, and any Owner may petition a court of competent jurisdiction to have a trustee appointed for the purpose of organizing a non-profit membership corporation and assigning the rights of TGIA hereunder with the same force and effect, and subject to the same conditions, as provided in this Section 7.03 with respect to an assignment and delegation by TGIA to a Successor Corporation.

Section 7.04

All titles or headings of the Articles herein are for the purpose of reference only and shall not be deemed to limit, modify or otherwise affect any of the provisions hereof. All references to a singular term shall include the plural where applicable.