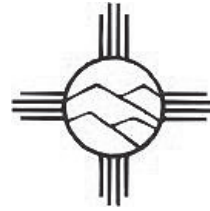


Tierra Grande Tales 'n' Trails

September 2010



**Tierra
Grande
Improvement
Association**

P.O. Box 1388 • Belen New Mexico 87002 • 505 864-2345

Meeting Discussion Focus on Covenant Amendments

The main subject of the Tierra Grande Improvement Association July 17, 2010, annual meeting was discussion of the proposed amendment to the covenants. Approximately 90 people attended the meeting which was held at the Tierra del Sol Country Club in Rio Communities.

TGIA President Judi Magnussen pointed out that the covenants provide the funding mechanism to keep TGIA in business and keep Tierra Grande property protected.

Magnussen presided over the meeting. She introduced Katie Lynch who talked about the covenants and answer questions about the issue.

Lynch is an attorney with Moses, Dunn, Farmer and Tuthill, PC, a law firm out of Albuquerque which has been aiding TGIA with foreclosures and the covenants. Two other attorneys from the firm have also been working with TGIA, Stephen Hile and Victor Carlin.

The indentures on property in Tierra Grande expire forty years after they were put in place, explained Lynch. Since the indentures were put in place in 1973, they expire in 2013.

With the indentures are covenants. The covenants run with the land and are not tied with the indentures, said Lynch. There are also corporate documents for TGIA. The three items, indentures, covenants and corporate documents, are all related, but they are separate.

For the new covenants to go into effect in an entire Tierra Grande unit, those covenants must be approved by more than fifty percent of the owners of the land in that unit.

There are 24 units in Tierra Grande. Thirteen units are owned by one individual or corpora-

tion. Most of those units are located on the west-southwest side of Highway 47 with the majority of units located in Socorro County.

Katie Lynch discussed these issues:

- If Tierra Grande land owners do not sign the covenants then TGIA will need funding from somewhere in order to continue.
- What Tierra Grande looks like after 2013 will be up to the land owners.
- The Architectural Control Committee may continue, but without any financial means to enforce the covenants then the committee may not be effective in doing its job.
- Anyone who wants to change the covenants can change them with more than fifty percent of the owners in a unit agreeing to the change.
- It is difficult to guarantee that the annual assessment will never be increased, but, Lynch said, the current board has no interest in increasing the assessment. Rate increases are tied to the Consumer Price Index.

Audience members asked a variety of questions regarding the covenant changes which Lynch answered. Among the questions:

Will only those owners who sign the covenants be Members of TGIA with voting rights? The bylaws state that only owners are subject to assessment and will be Members of TGIA.

If the owners of property decide not to sign the covenants are those owners entitled to any assets of TGIA? Property owners abdicate any potential entitlement by choosing not to sign the covenants.

Other information about the proposed covenant change given at the meeting included:

Continued on page 3

2010 TGIA TREASURER'S REPORT

SOURCE OF FUNDS	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Projected
TOTAL ASSESSMENTS	131,175	129,615	129,743	129,332	130,000
TOTAL C.D. & MM INTEREST	3,983	5,196	4,453	2,307	2,000
<i>Interest - Delinquent Accounts</i>	5,839	5,665	5,977	6,418	6,000
<i>Refund on Foreclosed Lots</i>				4,672	25,000
TOTAL REVENUE	\$ 140,997	\$ 140,476	\$ 140,173	\$ 142,729	\$163,000
EXPENSES	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Est
A. SALARIES					
1. Administrator	31,162	27,192	23,785	26,860	27,300
2. Misc. Salaries	7,890	3,540	6,334	3,583	3,600
3. Director's Fees	6,600	6,600	6,600	6,600	6,600
4. Payroll Taxes	3,209	2,476	2,460	2,468	2,500
B. RENT/UTILITIES					
1. Rent	5,150	5,055	5,050	5,075	5,100
2. Telephone	1,957	1,946	2,026	1,962	2,100
3. Electricity/Gas	1,549	2,097	1,666	1,513	1,600
C. GENERAL OFFICE					
1. Supply/Clean	3,286	4,284	4,136	6,186	6,000
2. Postage	3,369	3,158	2,888	2,438	3,200
4. Newsletter	17,791	14,865	13,289	9,745	10,000
5. Repair & Maint./Security	1,940	550	580	615	640
6. Titles/Abstracts	793	131	5	0	
D. INSURANCE					
1. Liability/Property	16,860	7,218	8,038	8,012	7,400
2. Directors & Officers	1,029	1,081	1,569	1,401	1,400
3. Employee Fidelity	162	162	162	162	162
4. Workers' Comp.	1,427	1,070	1,015	1,057	1,060
5. Umbrella	2,727	1,000	1,000	1,000	1,000
E. PROFESSIONAL FEES					
1. General Attorney	11,828	3,590	3,754	1,473	5,000
2. Bookkeeping	4,800	4,800	4,800	5,150	5,150
3. Audit	6,680	8,016	10,686	5,338	5,500
F. LAND TAXES					
1. Socorro County	593	635	635	460	500
2. Valencia County	1,263	1,944	1,934	2,575	3,050
3. Torrance County	1,010	1,091	1,113	1,057	1,100
G. MISCELLANEOUS					
1. Mileage/Special Projects	582	934	531	345	600
2. Meeting Expenses	4,537	3,455	2,629	2,244	3,000
H. PROMOTIONALS					
1. Donations	222	0	0	500	500
2. Advertising	0	6,657	0	0	1,000
3. Subscriptions	280	172	295	295	295
4. Web Site	743	1,303	242	601	600
I. MAINTENANCE					
1. Road Maintenance	3,075	1,900	1,166	2,300	1,500
2. Grounds Maintenance	2,642	3,007	4,149	1,500	1,500
TOTAL OPERATING BUDGET	\$ 145,156	\$ 119,929	\$ 112,537	\$ 102,515	\$ 108,957
SURPLUS	\$ (4,159)	\$ 20,547	\$ 27,636	\$ 40,214	\$ 54,043
NOT INCLUDED IN OPERATING BUDGET - capital improvements					
COMMUNITY MAINTENANCE & IMPROVEMENTS					
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Est
Power line ext.	0	0	0	0	0
Office Equipment	643	0	0	0	3,000
Road Improvements	126,261	0	0	0	0
Open Space Development	0	0	5,370	0	1,000
TOTAL:	\$126,904	\$0	\$5,370	\$0	\$4,000
FORECLOSURES					
Title Search	0	0	0	6,836	14,000
Attorney & Other Fees	0	0	0	18,284	52,000
TGIA Beyond 2013 / Covenants					
Attorney Fees	0	0	0	8,017	10,000
TOTAL:	\$0	\$0	\$0	\$33,137	\$76,000

Annual Meeting Discussion Focuses on . . .

Continued from page 1

* Although the covenants do not expire until 2013, work on the changes is going on now so everyone can be on board before they do expire.

* TGIA Staff plan to send the proposed changes out with the October assessment bills along with a letter of explanation. If you are returning the amendment then please remember to have the signature(s) notarized.

* The way a property owner votes for the amendment is by signing the proposed amended covenants and returning. A negative vote would be by not signing and returning.

* The bylaws state that only Tierra Grande

property owners who are subject to assessments are Members of TGIA.

* The amended covenants have an automatic 20-year renewal that can be changed at any time by the majority of Members amending the covenant.

* Only TGIA Members are allowed to use the Open Space. However, TGIA owns the easement to enter the Open Space and those entries are considered public roads. So if someone owning a lot abutting the Open Space does not sign the amendment, access will continue to the Open Space.

* TGIA covenants have periodically been amended over their almost forty-year life.

TGIA Treasurer Gasperetti Reports

TGIA's funds have remained somewhat constant even through the hard economic times in recent years, reported TGIA Vice President and Treasurer Carol Gasperetti at the TGIA July 2010 annual meeting.

Gasperetti said that during 2009:

- Total assets increased.
- Properties held for investment increased due to three lots donated by members to the association.
- Property and equipment decreased due to accumulated depreciation.
- Unrestricted net assets increased as well.
- Cash and its equivalents increased.

TGIA made great strides with the foreclosure sales on properties with unpaid assessments.

Most of the lots sold at auction and TGIA will recapture these funds in addition to the unpaid assessments which forced the foreclosure.

A big thank you is due to Sue Moran, TGIA Administrator, for seeking out and implementing every cost saving strategy she can find, pointed out Gasperetti.

Thanks in part to Sue's cost cutting strategies as well as her proficient use of coupons, general expenses were down in 2009.



Executive VP & Treasurer Carol Gasperetti

2010 TGIA TREASURER'S REPORT

	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Est
LIQUID ASSETS					
MyBank Checking	19,120	68,898	44,878	65,534	50,000
Money Market	36,306	17,670	45,270	22,555	30,000
Money Market	0	0	8,718	8,775	8,800
Money Market - Special Projects	0	0	0	7,295	7,300
CD's	86,043	76,877	99,928	101,836	110,000
Foreclosure Funds Held in Trust					12,000
TOTAL CASH	<u>\$141,469</u>	<u>\$163,445</u>	<u>\$198,794</u>	<u>\$205,995</u>	<u>\$218,100</u>
FIXED ASSETS					
Land Held for Investment			16,797	39,796	45,000
Land			281,893	281,893	281,893
Property, equipment, leasehold improvements less depreciation of \$551,942 in 2009 and \$494,321 in 2008			366,267	309,646	260,000
TOTAL PROPERTY & EQUIPMENT			<u>664,957</u>	<u>631,335</u>	<u>586,893</u>

Longtime Board Member Talks About Post

George Koch resigned in Spring 2010 from the TGIA Board of Directors after more than 20 years of service.

Koch says he moved on because he felt that with the probable realignment of the association brought about by the new covenants that there would be others who could offer a greater contribution to Tierra Grande and TGIA.

Among the highlights of Koch's tenure on the board was the release to TGIA by Horizon Corporation of the over 14,000 acres of Open Space including the release of the reversionary clause. Horizon turned over an unencumbered title to

the Open Space.

"I can look back over the years and see the congeniality and dedication of the board members to Tierra Grande which resulted in improvements for property owners and the general area," said Koch.

He added that the board members he served with fit into the same pattern of dedication and service with no personal expectations of influence or remuneration except for very minimal stipends.

"I am appreciative," said Koch, "of that fact that I have been instrumental in passing on an ethical, active board to help the association."

Five Year Board Member Did Not Run Again

Tim Lardner was elected to serve a five-year term on the TGIA Board of Directors in June 2005. He chose not to run for a second term this year.

One of the biggest events for TGIA in Lardner's five years on the board was the release to TGIA by Horizon Corporation of the Open Space including the release of the reversionary clause.

Lardner was a member of the board that asked members to send their thoughts and suggestions to the TGIA office to help decide how best to care for the Open Space.

When the board began discussing what would happen when the indentures expire in 2013, Lardner was able to provide input based upon his experience with the board and as a businessman in Valencia County.

He was named Citizen of the Year by the Greater Belen Chamber of Commerce for 2005. New Mexico Travertine Inc., was presented with the 2006 Amigo Award from the Belen Chamber. He has served as president of NM Travertine.

Reminder: Assessments / Tax Notices Sent in Fall

TGIA assessments are sent to land owners in October of every year. Assessments are billed in arrears, that means assessments are applied to 2010. Assessment payments are due by December 31st of 2010. Assessments paid after December 31st start accumulating interest at eight percent per annum.

Owners of lots into the third year of non-payment will be notified on their assessment bills that in January the account will be sent to legal counsel to begin foreclosure proceedings. Once proceedings begin, an additional \$200 fee is incurred on each lot in foreclosure.

Assessment payments are sent to TGIA at PO Box 1388, Belen, NM 87002.

Property tax notices are sent by the County Treasurer in the beginning of November with payment due in December of the same year.

Property tax payments should be sent to the treasurer of the county where the property is located.

Residents - Close Your Gates

If you do not want unwanted guests, including cows, coyotes, etc., entering your property please make sure you close your gates even if you are home. Closing gates will also prevent dogs from running loose, being hit by a car or attacked by a coyote. Remember, animals can't tell if you are home or not.

Deaths of TG Residents Noted

The deaths of three Tierra Grande residents were noted by TGIA President Judi Magnussen at the annual meeting. They are:

- Dorothea von Eckhardt, a well-known artist whose work was shown around the country including at the Tomé Gallery and Harvey House Museum in Valencia County.

- Jim Twinn who fought in the Battle of the Bulge during World War II, was a Prisoner of War in that same conflict, but eventually escaped. He lived to be 98 years young.

- Sue Nims, and her husband Norris, residents of Alaska for many years, fell in love with Tierra Grande. She designed their home that was built in time for her to enjoy before she passed.

Neighborhood Watch Meeting Set for Saturday, October 16th

The next meeting of the Tierra Grande Neighborhood Watch will be held Saturday, October 16th, at 10 a.m. (notice time change from previous 11 a.m.) at the Tierra Grande Fire Station on Highway 47.

The first half of the meeting will be devoted to Neighborhood Watch issues. The second part will be general community-related information sharing.

Welcome to New TG Residents

A warm welcome to the following new Tierra Grande residents:

- Ross & Barbara Barnes - Unit 1
- Carol & Elaine Wilson - Unit 1
- David & Judi Venenga - Unit 1
- Albert & Maria LaLande - Unit 3
- Glenn Tentschert, Patricia Gallagher & Natalie McCann - Unit 3
- Joe & Irene Ramirez - Unit 11
- Michael & Peggy DuPont - Unit 13
- Dustin & Jennifer Rodriguez - Unit 13
- Notah & Kerra Howe - Unit 13
- Cassie Davel - Unit 13
- Norris & Joshua Nims - Unit 13
- Edward Smith - Unit 20
- David Bockenstette - Unit 22
- Frank & Sally Henderson - Unit 24
- Steve & Janice Jones - Unit 24

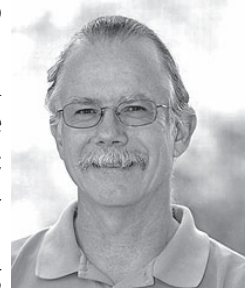
Snell Elected to TGIA Board; Magnussen Re-Appointed President

Howard Snell was elected to the TGIA Board of Directors.

George Hobbes announced the results of the voting at the annual meeting: Snell, 191 votes; Landon Newton, 151; John Hoffman, 147; and Jon Clemen, 66.

At a monthly board meeting held in late July, the following officers were elected by the Board of Directors to serve for the 2010-2011 year:

Judi Magnussen, president; Carol Gasperetti, executive vice president and treasurer; and Michael Sumner, secretary. The remaining member of the board, which now includes Snell, is David Tibbetts who was appointed to serve the remainder of the term of longtime board member George Koch when he retired this past spring.



Howard Snell

More about TGIA Via Email

A Member or resident interested in receiving email correspondence from the TGIA Administrator on subjects such as Neighborhood Watch, and general items relating to what is happening in the Tierra Grande Community should email a request to info@TierraGrande.org

Your address will be added to the group mailing list and you will receive information via email.

Building News

Valencia County issued one building permit in Tierra Grande in July which was for a house on Toro Loop. This is the first permit issued since Spring, 2010.

Requests for Documents or Financial Statements

For those without Internet access - if you would like a copy of Board minutes, material distributed at the annual meeting, or the TGIA financial statements, please write to TGIA P.O. Box 1388, Belen, NM 87002. Be sure to specify the material you are requesting.

For those who do have Internet access - if you would like a copy of Board minutes, material distributed at the annual meeting or the TGIA financial statements, please e-mail the administrative office at info@TierraGrande.org.

Covenants Amendment To Be Mailed with Statements

The Amendment to the Covenants related to the continuation of Tierra Grande beyond 2013 will be included with the Annual Statements that are mailed out the first week in October 2010.

If you wish to continue as a Member of Tierra Grande, please remember to have your signature(s) notarized. Return the form in the envelope that will be provided. Tierra Grande will record the Covenant with the County Clerk on your behalf.

Thank you for your continued confidence in the benefits of being a Member of the Tierra Grande Improvement Association.

TGIA Three Year Plan

The main goals and objectives of the TGIA Board are:

The Open Space

Continuation of TGIA Beyond 2013

TGIA Board

President — Judi Magnussen

Tierra Grande Resident

Term expires 2014

Executive V.P. & Treasurer

Carol Gasperetti

Tierra Grande Resident

Term expires 2011

Secretary — Michael Sumner

Valencia County Banker

Term expires 2012

Director — David Tibbets

Business Owner / Surveyor

Term expires 2013

Director — Howard Snell

Professor & Curator / UNM Biology

Term expires 2015

TGIA Staff

Administrator — Sue Moran

Assistant Administrator — Janie Earthman

Newsletter Editor — Sandy Schauer

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**INFORMATION ON
COVENANT AMENDMENT
ANNUAL MEETING
DIRECTORS RETIRE**

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