

Restrictive Covenants

These Restrictive Covenants (“Covenants”) are being imposed on the property described in Exhibit A, attached hereto and made a part hereof (“Restricted Property”), by the record owner of such property, Sacramento Homestead, LLC, a New Mexico limited liability company (“Owner”), which is a single member limited liability company owned by PY Foundation, a New Mexico not-for-profit corporation and an exempt organization under IRC Section 501(c)(3) as a private foundation under IRC Section 509(a) (“Foundation”), in anticipation of the conveyance of the Restricted Property by the Owner to Sacramento Camp and Conference Center Inc., a New Mexico not-for-profit corporation and an exempt organization under IRC Section 501(c)(3) as a public charity (said corporation and its successors and assigns referred to herein as the “Camp”) for the purposes set forth below.

RECITALS

- A. Under the terms of a Gift Agreement dated as of September 22, 2015 (“Gift Agreement”), the Owner, on behalf of the Foundation, has agreed to donate the Restricted Property to the Camp for its exclusive use for the Camp’s existing and future activities consistent with its mission of providing Christian hospitality in a mountain setting for the purpose of encouraging spiritual growth, subject to the restrictions set forth herein;
- B. As a condition precedent to the conveyance of the Restricted Property to the Camp under the terms of the Gift Agreement, the Camp has agreed to accept title to the Restricted Property subject to the terms of these Covenants;
- C. The Camp has developed a master plan for the Restricted Property dated as of April 11, 2014, which was updated on March 5, 2015 and approved in its final form by the Camp’s Board of Directors on September 22, 2015

("Master Plan"), and the Camp intends to develop the Restricted Property within the scope of development set forth in the Master Plan;

- D. The intent of these Covenants is to preserve the current natural state of the Restricted Property to the greatest extent possible and create a rustic environment for the benefit of the constituents of the Camp both as to development and use of the Restricted Property; and
- E. For purposes of these Covenants, the Restricted Property is divided into five separate tracts (High Use Tract, Equestrian Tract, Rustic Tract, Frontage Tract, and Mountain Tract) as defined herein and as depicted on Exhibit B, attached hereto and made a part hereof.

Now therefore, in consideration of the anticipated conveyance of the Restricted Property to the Camp and other good and valuable consideration, the Owner hereby imposes these Covenants on the Restricted Property as set forth herein:

- 1. **Definitions.** The definitions set forth in the introductory paragraph and recitals are incorporated herein by reference. For purposes of these Covenants, the following additional defined terms shall have the following meanings:
 - A. "Enforcement Party" shall mean, either individually or collectively, (i) the Owner; (ii) the Foundation; and (iii) Peyton Yates, Jr. (after the death or disability of Peyton Yates, Jr., any adult lineal descendant of Peyton Yates, Jr. shall be considered an Enforcement Party);
 - B. "Equestrian Tract" shall mean an approximate 5.5 acre tract (being that portion of the Restricted Property that is contiguous to and north of the High Use Tract and south of the Agua Chiquita Creek with its western boundary being a northern extension of

the western boundary of the High Use Tract), such Tract depicted on Exhibit B;

- C. "Frontage Tract" shall mean an approximate 12.5 acre tract (being that portion of the Restricted Property that is north of the Agua Chiquita Creek and south of NM State Road 521), such Tract depicted on Exhibit B;
- D. "High Use Tract" shall mean an approximate 15.5 acre tract (being that portion of the Restricted Property that is contiguous to the existing Camp property with its western boundary being 100 feet east of the western property line of the property described in Exhibit A-1), such Tract depicted on Exhibit B;
- E. "Homestead Structure" shall mean the existing homestead residence located on the Rustic Tract, such structure depicted on Exhibit B;
- F. "IRC" shall mean the Internal Revenue Code of 1986, as amended, or any successor statute;
- G. "Mountain Tract" shall mean an approximate 39 acre tract (being that portion of the Restricted Property that is north of State Road 521), such Tract depicted on Exhibit B;
- H. "Rustic Tract" shall mean an approximate 82 acre tract (being that portion of the Restricted Property that is contiguous to and west of the High Use Tract and the Equestrian Tract and south of the Agua Chiquita Creek extending to the western boundary of the Restricted Property), such Tract depicted on Exhibit B;
- I. "Staff Residence" shall mean the existing residence located on the Frontage Tract, such residence depicted on Exhibit B;

- J. "Tract" or "Tracts" shall mean individually or collectively the High Use Tract, Equestrian Tract, Rustic Tract, Frontage Tract, and/or Mountain Tract; and
 - K. "Transitional Area" shall mean the western portion of the High Use Tract and Equestrian Tract, respectively, the eastern boundary of such area being parallel to and 150 feet east of the western boundary line of each such Tract, such area depicted on Exhibit B.
2. **No Encumbrances.** No portion of the Restricted Property shall be subjected to any mortgage, encumbrance or other restriction at any time, other than the restrictions set forth in these Covenants or any existing easements and right-of-ways of record.
3. **Development and Use Restrictions.**
- A. **Restrictions on the General Development and Use of the Restricted Property.** Subject to the other provisions of these Covenants, the Restricted Property shall be developed, used, and maintained consistent with the mission of the Camp (which mission may be amended or revised to the extent not inconsistent with its primary mission of providing Christian hospitality in a mountain setting for the purpose of encouraging spiritual growth), including but not limited to development and management of such facilities and the conduct of such activities as are consistent with such mission.
 - B. **Restrictions on the Development and Use of the Tracts.** The use, development and maintenance of the respective Tracts shall be subject to the following provisions:

- i. **The High Use Tract.** The development of the High Use Tract shall be limited to facilities and structures conducive to year-round utilization by the Camp for use in conducting its general mission-based activities, including, but not limited to, recreational, dining and meeting activities, provided such development shall be undertaken and managed in a manner to preserve and enhance the existing natural beauty of such Tract, to the extent practical and cost effective. Additionally, the Transitional Area of this Tract shall be utilized in such a manner that development will be reduced and the natural state of that area will become the dominate feature of that portion of this Tract as it nears the eastern boundary of the Rustic Tract in such a manner that these two Tracts blend together creating a seamless transition to the Rustic Tract.

- ii. **Equestrian Tract.** The development and use of the Equestrian Tract shall be limited to recreational facilities and activities related to the equestrian programs of the Camp. Any such facilities shall be designed in such a manner to preserve to the greatest extent possible the open range aspect of this Tract, and such facilities shall be constructed as near the eastern boundary of such Tract as practical and economically feasible. Additionally, the Transitional Area of this Tract shall be utilized in such a manner that development will be reduced and the natural state of that area will become the dominate feature of that portion of this Tract as it nears the eastern boundary of the Rustic Tract in such a manner that these two Tracts blend together creating a seamless transition to the Rustic Tract.

- iii. **The Rustic Tract.** The development and use of the Rustic Tract shall be limited to recreational, residential, and

meeting facilities and activities that give primary consideration to the existing natural rustic nature of such Tract in such a manner to preserve the existing natural forest integrity and terrain. Vehicular access to and through this Tract shall be limited to vehicles responding to emergency situations and non-motorized vehicles via a single, dirt "two track" path, which must be cleared and minimally maintained to preserve the natural rustic environment referred to above. Also, the development of this Tract shall be limited to facilities and activities that will be designed and planned to be accessible only by foot or horse-drawn wagon. Any permanent residential facilities developed on this Tract shall be seasonal tent/cabin structures constructed and utilized consistent with the preservation of the natural rustic environment referred to above (with the understanding that appropriate underground utility improvements will be necessary to accommodate such facilities, including a bathhouse facility). Additionally, any public gathering facility developed and used on this Tract shall be designed and utilized in such a manner to preserve the intent set forth above. The Homestead Structure is to be repaired and maintained in a manner to preserve its historical significance to the Restricted Property and the region and to serve as a reminder of the history and heritage of the area. It is the desire of the Owner that the Homestead Structure be used as an educational resource by the Camp to expose the constituents of the Camp to the history of the Restricted Property and the region. In that regard, it is understood that certain aspects of the development and maintenance of the facilities and improvements on this Tract as contemplated by the Master Plan will require modern construction practices and techniques in order to comply

with applicable building codes and other regulatory requirements. The use of such required modern practices and techniques shall be limited to the greatest extent possible and all other development and maintenance of such facilities and improvements shall be done in a manner to reflect the construction practices and techniques that existed in the Sacramento mountain region during the latter part of the 19th century, with the understanding that the use of such practices and techniques will involve more time, effort and manpower. In particular, such historical practices and techniques shall include, but not be limited to the hauling of equipment and supplies to construction sites by horse-drawn wagons and the use of manual labor in construction process to the greatest extent possible.

- iv. **The Frontage Tract.** No structures or improvements may be constructed on the Frontage Tract; provided, however, the Staff Residence may be utilized by the Camp for staff residential purposes only so long as such property is well maintained. The square footage of the Staff Residence shall not be expanded without the prior written consent of the Owner. The only access to the Staff Residence shall be from State Road 521. At such time as the Staff Residence is no longer used for staff residential purposes or is no longer well maintained, it shall be razed and no further improvements may be constructed at such location.

- v. **The Mountain Tract.** Only recreational trails and paths may be developed and maintained on the Mountain Tract, and the use of this Tract shall be limited to hiking, mountain biking (non-motorized) and equestrian uses on such trails and paths. The development and use of this Tract shall be

conducted in a manner to preserve its existing rustic and rugged environment and terrain.

C. **Relationship to Master Plan.** Notwithstanding the fact that the Camp intends to use and develop the Restricted Property within the scope of development set forth in the Master Plan, to the extent the Master Plan conflicts with these Covenants, these Covenants shall control the use and development of the Restricted Property. By way of example, the emergency and service road depicted on the Master Plan is inconsistent with these Covenants, and accordingly, no such road or any other road shall be constructed on any portion of the Rustic Tract or the Equestrian Tract.

4. **Other Prohibitions and Restrictions.**

- A. **Prohibitions.** In addition to the other activities prohibited by other provisions of these Covenants, the following activities on the Restricted Property shall be prohibited:
- i. Any activity in violation of federal, state or local law or regulation,
 - ii. Any dumping of rubbish or trash,
 - iii. Storage of materials, except for storage of construction materials related to an active construction project related to facilities on the Restricted Property,
 - iv. Storage of vehicles,
 - v. Commercial hunting or fishing,
 - vi. Commercial or professional activities inconsistent with the charitable mission of the Camp, and
 - vii. Placement of any mobile home, manufactured home, motor home or house trailer except related to an active construction project related to facilities on the Restricted Property.



- B. **Signage.** No signage, including but not limited to commercial or political signage, shall be placed on the Restricted Property, except internal, pedestrian directional and site identification signage consistent with the specific restrictions of the Tract where such signage is displayed
- C. **Underground Utilities.** All utilities constructed and maintained on the Restricted Property shall be underground and in compliance with the other provisions of these Covenants, except for the existing utilities to the Staff Residence and existing transmission lines located on existing right-of-ways.
5. **Covenants Running With the Land.** Every covenant, condition, right, privilege, prohibition, and restriction made, granted or assumed, as the case may be, in these Covenants is made not personally for the benefit of the Owner but shall constitute covenants running with the land as to the Restricted Property. Any transferee of any part of the Restricted Property shall automatically be deemed, by acceptance of the title to any portion of the Restricted Property, to have received and be entitled to all of the benefits, rights, and privileges and to have assumed all obligations of these Covenants relating thereto to the extent of its interest in the Restricted Property. The Camp and any such transferee will be deemed to have agreed to execute any and all instruments and to do any and all things reasonably required to carry out the intention of these Covenants. No transfer of any portion of the Restricted Property shall relieve the Camp or any subsequent owner of any liability with respect to matters that may arise during its period of ownership of the Restricted Property.
6. **Enforceability, Injunctive Relief and Other Remedies.** These Covenants may be enforced by legal action by any Enforcement Party. In the event of a violation of the provisions of these Covenants, in addition to any

and all other remedies provided under applicable law, the Enforcement Party shall be entitled to obtain an order specifically enforcing the performance of any provision of these Covenants or an injunction prohibiting any such violation. The Camp hereby acknowledges the inadequacy of legal remedies and the irreparable harm that could be caused by any such violation and/or to relief by other available legal and equitable remedies from the consequences of such violation. In the event a court of competent jurisdiction determines that these Covenants have been violated, any costs and expenses of any such proceeding incurred by the Enforcement Party to enforce these Covenants, including reasonable attorneys' fees, shall be paid by the Camp or subsequent owner responsible for such violation. Except as otherwise specifically provided in these Covenants, (i) no remedy provided in these Covenants shall be exclusive but each shall be cumulative with all other remedies provided in these Covenants, and (ii) all remedies at law and in equity shall be available.

7. **Nonwaiver.** No delay or omission of any Enforcement Party in the exercise of any right accruing upon any violation of these Covenants shall impair such right or be construed to be a waiver thereof, and every such right may be exercised at any time without regard to any statutory or equitable limitations.

8. **Severability and Tax Saving Clause.** If any provision of these Covenants is determined to be unenforceable for any reason, such enforceability shall not affect any other provision of these Covenants and these Covenants shall be construed as if the unenforceable provision had never been a part of these Covenants. Additionally, the Owner, on behalf of the Foundation, is conveying the Restricted Property to the Camp in a transaction intended to be a "qualifying distribution" by the Foundation under IRC Section 4942. The provisions of these Covenants shall be interpreted and construed in a manner consistent with this intent. Any provision of these Covenants that in any way disqualifies

such conveyance as a “qualifying distribution” shall be severed from these Covenants and these Covenants shall be constructed as if the severed provision had never been a part of the Covenants.

- 9. **Amendment of these Covenants.** These Covenants may be amended with the approval of the Owner and the Camp by a written document specifically referring to these Covenants and shall be effective upon being recorded in the real estate records of Otero County, New Mexico, provided however, no amendment to these Covenants can result in any economic or reversionary benefit to the Owner, the Foundation, or any “disqualified person” related to the Foundation (as defined in IRC Section 4946(a)), and can only relate to the furtherance of the intent and purpose of these Covenants to support and enhance the work in fulfilling the charitable mission of the Camp consistent with its tax exempt status as a public charity.

Dated this 24 day of September, 2015.

Sacramento Homestead, LLC,
a New Mexico limited liability company

By: 
Peyton Yates
Title: Manager

Exhibit A

Legal Description of the Restricted Property

EXHIBIT A-1

A tract of land in the NW/4 NE/4 of Section 36, Township 17 South, Range 13 East, N.M.P.M., being more particularly described as follows: Commencing at the Northeast corner of the NW/4 NE/4 of Section 36; thence South 0° 24' East 119 feet to the point of beginning; thence South 84° 45' West 575 feet; thence North 89° 45' West a distance of 78 feet; thence South 0° 12' East to the South boundary of the NW/4 NE/4 of said Section 36; thence North 87° 00' East 652.4 feet, more or less, to the Southeast corner of the NW/4 NE/4; thence North 0° 24' West 1208.75 feet, more or less, to the point of beginning;

TOGETHER WITH an easement over the SW/4 SE/4 and NW/4 NE/4 as follows:

A strip of land 20 feet wide, parallel and adjacent to the North boundary of the tract hereinabove described; and a strip of land 20 feet in width, being 10 feet on either side of the center line described as follows: Commencing at a point on the South right-of-way line of the public road known as the Agua Chiquita Canyon Road, which point is 10 feet West of the intersection of said right-of-way line with the East boundary line of the SW/4 SE/4 of Section 25, Township 17 South, Range 13 East, N.M.P.M.; thence South 0° 24' East 585 feet, more or less, to the North boundary of the tract first hereinabove described;

TOGETHER WITH all water sources and water rights appurtenant to said land and the interest of Seller in the fences and improvements located on the property.

EXHIBIT A-2

TRACT I: 6.28 acres more or less, out of the $\frac{1}{2}$ of the $\frac{5}{8}$ of the $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 25, being a tract 310 feet wide, east to west, and 898 feet long, north to south, the point of beginning being the NW Corner of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 25, Township 17 South, Range 13 East, N.M.P.M.

TRACT II: 19 acres, more or less, (including right-of-way) being all of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 25, Township 17 South, Range 13 East, N.M.P.M., SAVE AND EXCEPT:

A. 6.29 acres, more or less, in the $\frac{5}{8}$ of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 25, further described from the South Quarter Corner of said Section 25 and the South Line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 25 as follows: From the South Quarter Corner of said Section 25 go 367 feet north to a point on the north side of the 6.29 acres; thence from the South Quarter Corner of said Section 25, go S86°52'W along section line 485.63 feet to a point on the line, thence North 152 feet to a point on the north line of the 6.29 acres; thence S86°52'W 95 feet further on the said section line to a point on that line, and from this point go North 120 feet to a point on the north line of the 6.29 acres, for the boundary to the west; thence on North 95 feet to a point on the north line of the 6.29 acres to the east; and from the last above described point on the section line go S86°52'W for 743 feet to the Southwest Point of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 25, and from this corner go North 192 feet along the quarter section line 192 feet to the northwest corner of said 6.29 acre tract.

AND SAVE AND EXCEPT:

B. 14.13 acres, more or less, in the northwest part of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 25, further described from the Northwest corner of said SE $\frac{1}{4}$ SW $\frac{1}{4}$ as follows: Beginning at the Northwest corner of said SE $\frac{1}{4}$ SW $\frac{1}{4}$ go N87°17'26"E along the North line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$ a distance of 723.26 feet to the centerline of an existing stream; thence southeasterly, following the sinuosities of said stream centerline which approximately follows the next six calls: S11°33'15"E a distance of 253.86 feet; thence S20°53'56"E a distance of 95.03 feet; thence S04°17'16"W a distance of 75.19 feet; thence S07°59'24"E a distance of 249.45 feet; thence S40°40'27"E a distance of 194.00 feet; thence S24°25'14"E a distance of 36.97 feet to the centerline of State Road No. 521; thence leaving said stream centerline and going N88°13'28"W along the centerline of said State Road No. 521 a distance of 303.14 feet to the point of curve; thence Westerly continuing along last said centerline following a curve to the right having a radius of 529.01 feet, a central angle of 25°20'13" an arc distance of 233.94 feet to the point of tangency; thence N62°53'15"W continuing along last said centerline a distance of 50.47 feet to the point of curve; thence Westerly continuing along last said centerline following a curve to the left having a radius of 277.05 feet, a central angle of 45°09'35" an arc distance of 218.36 feet to the point of tangency; thence S71°57'10"W continuing along last centerline a distance of 186.06 feet to the West line of SE $\frac{1}{4}$ SW $\frac{1}{4}$; thence leaving the centerline of said State Road No. 521 go N01°13'36"W along the West line of said SE $\frac{1}{4}$ SW $\frac{1}{4}$ a distance of 756.47 feet to the place of beginning.

EXHIBIT A-3

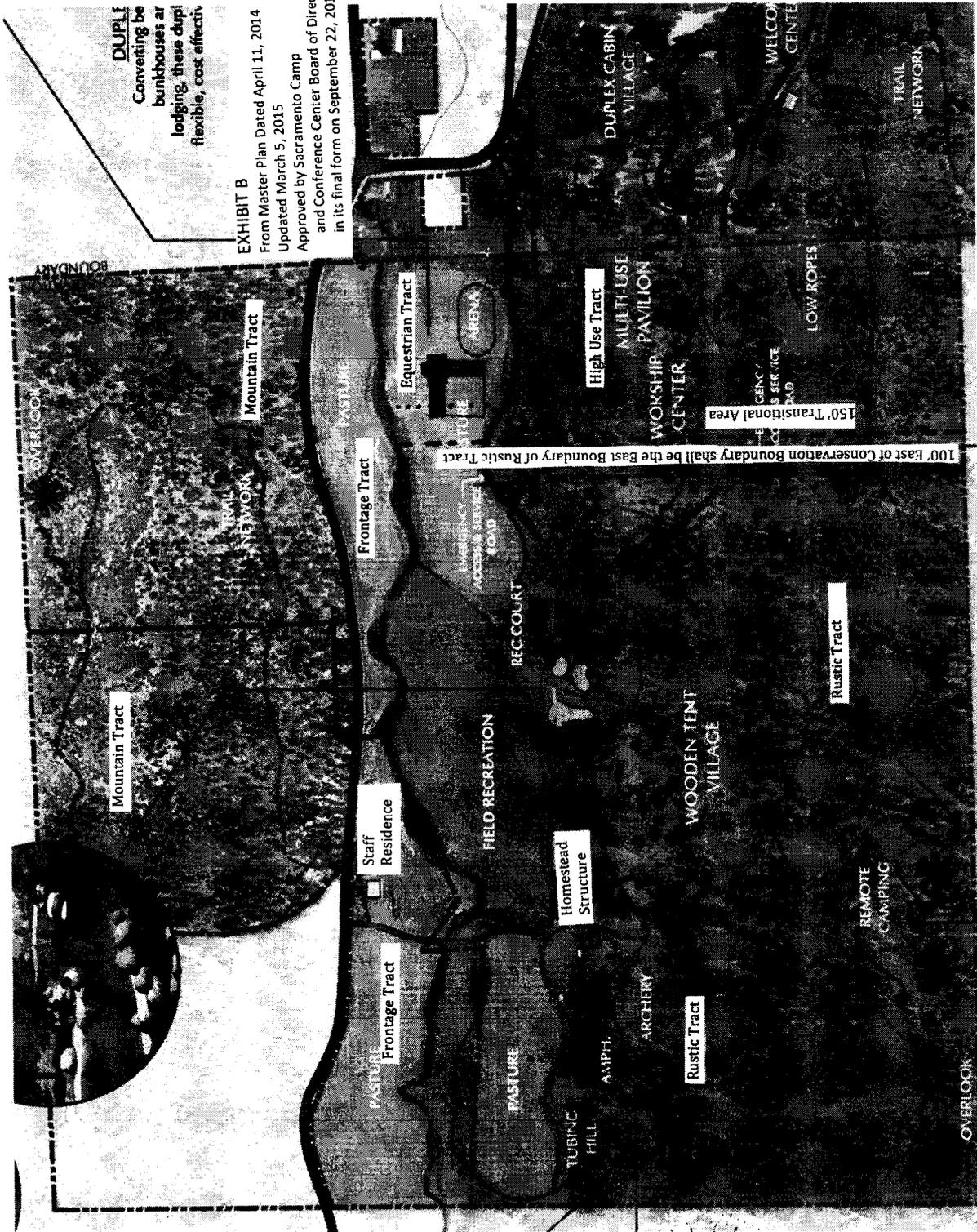
A tract of land located within the SE/4 SW/4 and the SW/4 SE/4 of Section 25, and the NE/4 NW/4 and the NW/4 NE/4 of Section 36, Township 17 South, Range 13 East, N.M.P.M., Otero County, New Mexico, and being more particularly described as follows:

Beginning at the East 1/16 corner of said Sections 25 and 36 for the point of beginning of the herein described tract of land; thence South 0° 47' 36" East a distance of 120.36 feet; thence South 84° 45' 00" West a distance of 575.0 feet; thence North 89° 45' West a distance of 78.0 feet; thence South 0° 45' 27" East a distance of 1188.71 feet; thence South 87° 10' 10" West a distance of 673.2 feet; thence South 87° 10' 00" West a distance of 1325.61 feet; thence North 00° 38' 30" West a distance of 1316.81 feet; thence North 01° 14' 15" West a distance of 192.0 feet; thence South 87° 33' 45" East a distance of 747.24 feet; thence North a distance of 95.0 feet; thence South 58° 37' 08" East a distance of 111.11 feet; thence North 63° 04' 02" East a distance of 532.25 feet; thence North 01° 31' 31" West a distance of 116.38 feet; thence North 87° 21' 05" East a distance of 309.78 feet; thence North 01° 31' 31" West a distance of 869.16 feet; thence North 87° 21' 05" East a distance of 1022.77 feet, thence South 01° 09' 13" East a distance of 1342.47 feet to the point of beginning and containing 103.528 acres, more or less;

INCLUDING all water sources and water rights, all of the interest of grantors in the fences and improvements; and

SUBJECT TO easements and rights-of-way of record; and

TOGETHER WITH an easement across the SE/4 SW/4 of Section 25, Township 17 South, Range 13 East, N.M.P.M.



DUPLEX
 Converting be
 bunkhouses as
 lodging, these dupl
 flexible, cost effectiv

EXHIBIT B
 From Master Plan Dated April 11, 2014
 Updated March 5, 2015
 Approved by Sacramento Camp
 and Conference Center Board of Directors
 in its final form on September 22, 2015

