

1. The property at 12008 Persimmon NE shall be subject to the covenants and restrictions set forth in the document filed in the records of Bernalillo County, New Mexico, document # 08789647, titled "Protective Covenants Imposed Upon Peppertree Subdivision, Unit Two, Albuquerque, New Mexico." These restrictions are set forth in Exhibit 1, which is attached and incorporated hereto. These covenants and restrictions are made applicable to the property as part of a reasonable settlement, compromise, and accommodation between the owners of the property and persons who live in the vicinity. These covenants shall be effective as to the property, notwithstanding any claimed defects or errors in the effectiveness, substance, execution, filing or recording thereof. The foregoing covenants and restrictions are subject to the following modifications and provisions:

2. The property may be used as an assisted living facility for the elderly, if all of the following conditions and provisions are met at all times:

2A. The property will be used as an assisted living facility with no more than five residents receiving services. Caregivers will not reside at the property but will be on the premises 24 hours a day. At least one caregiver will be present at all times. No more than five persons will live or reside at the property when it is used as an assisted living facility.

2B. The use of the property shall be limited to the elderly who have the normal physical disabilities associated with aging. The facility shall not include persons who are developmentally disabled, psychiatrically disabled, have drug or alcohol problems, or social or behavioral problems, such as Alzheimer's syndrome or dementia.

2C. At no time will there be more than five persons receiving services or assistance on the property.

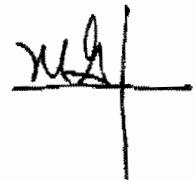
2D. Assistance/staffing provided on the property will meet or exceed the guidelines provided by the State of New Mexico Health Department and set forth in section 7.8.2.18 NMAC. Caregivers will not reside on the property but will be present 24 hours a day. At least one caregiver will be present at all times.

2E. The property or facility will obtain and maintain a license for a Community Residential Program from the City of Albuquerque.

2F. The property or facility will comply at all times with all applicable zoning, environmental, and health and safety requirements.

2G. Care, therapy, or assistance shall be provided only to those persons who reside on the property.

3. Except for an assisted living facility for the elderly as set forth in 2 above, the property may be used only as a single family residence for a family. As used herein, a "family" means: (A) an individual; (B) two or more persons related by blood, marriage, legal guardianship or adoption, plus resident domestic servants who do not provide any physical assistance or care; or (C) any group of not more than five persons living together in a dwelling.

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4. If the property is used in whole or in any part as an assisted living facility, then the limitations in section 2 above shall apply. If the property is used exclusively as a single family residence, and not in any part as an assisted living facility, then it may be occupied by a family as set forth in section 3 above. Under no circumstances will the property be used simultaneously as a single family residence and an assisted living facility.

5. New Life agrees to be bound by the covenants in section 1 above with regard to the garage and any other part of the home. The garage will not be used for client residence. New Life also agrees to be bound by the laws and ordinances of the City of Albuquerque and the State of New Mexico.

6. The individual principals of New Life have the right to purchase and occupy property in the nearby area, as do their relatives and all persons affiliated with New Life, provided that (a) such property is used solely as a single family residence and not as an assisted living facility, and (b) they agree to be bound by the covenants applicable to the property. New Life and its individual principals agree that, except for 12008 Persimmon NE, they and persons affiliated with them will not purchase, use, or occupy any property in the nearby area for any purpose other than a single family residence. They will not purchase, use, or occupy any property in the nearby area for an assisted living facility, or family day care facility, family care home, boarding house, lodging house, bed and breakfast establishment, family day care home, day care facility, apartment house, hotel, motel, rooming house, hospital, convalescent home, nursing home, health care facility, massage facility, or mobile home.

7. All of these covenants and restrictions run with the land. They are binding on all subsequent purchasers, owners, or users of the property, and the successors and assigns of them or any of them. They may be specifically enforced without proof of damages.

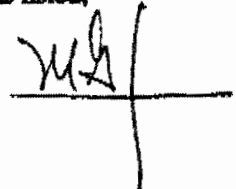
8. The property is subject to an annual inspection by the President of the Architectural Control Committee or his designees if they contact New Life in writing to schedule an appointment.

9. For purposes of these covenants, as used herein:

"Assisted living facility" means, and is limited to, a dwelling providing care and assistance in the tasks of daily living, and the development of daily living skills, to residents who have the normal disabilities associated with aging. It does not include skilled nursing care or medical care. It shall not include a family care facility, family care home, boarding house, lodging house, bed and breakfast establishment, family day care home, day care facility, apartment house, hotel, motel, rooming house, hospital, convalescent home, nursing home, health care facility, massage facility, or mobile home;

"Person" means any natural person, or entity, or unnatural person of any kind;

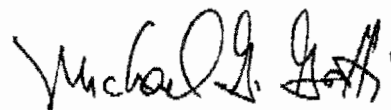
"Affiliated" is used broadly, including but not limited to, any person related to any of the persons listed; any person owned in whole or in part by any of the persons listed; any person under common or shared ownership or management with any of the persons listed;

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any person in which any of the listed persons have a beneficial, financial, or economic interest; and any person having a contractual relationship with any of the listed persons, such as a lease, option to buy, management agreement, or agreement for goods or services;

"Nearby area" means the area bounded by the following streets: Spain, Lowell, Academy, and Tramway NE.

10. If any of the above provisions are found to be invalid or unenforceable, in whole or in part, then the other provisions or parts thereof shall continue in force and remain valid and enforceable.

A handwritten signature in black ink, appearing to read "Michael G. Galt". The signature is written in a cursive style with a large initial "M" and "G".