

Eastlake Commercial Center

During the past few years HCIA has developed an area called the Eastlake Commercial Center, adjacent to the Land of Texas Project. It now contains a mall with retail stores, an adjacent bank and service station with a convenience store. We have recently completed property sales to a group of physicians and a pharmacy. By this time next year, construction should be underway for separate medical buildings, to include Pediatric, OB/GYN, Family Practice, General Dentistry & Orthodontic services, along with a laboratory and pharmacy. These medical services are much-needed to serve the growing Horizon area.

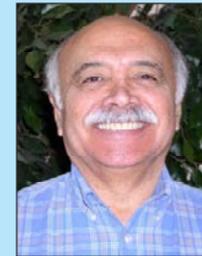
2006 Billing & E-Mail Address Request

Our Billing Statements are soon to be mailed. The due date and delinquency dates will be printed on the Statements. Please review your Statement and send your payment before the due date. Please call us if you have any questions about your Statement.

Also, we are asking if you have an e-mail address and would like to receive future newsletters, Billing Statements and other correspondence from HCIA, please fill in your e-mail address where indicated on the return portion of your Statement. Your address is optional and will be used only by HCIA; the address will not be shared with or sold to other parties.

General Manager Notes

There has been a great deal of activity at HCIA and in Horizon this year. In this issue I'll update on our changes and progress, and also on the many growth activities in the Horizon area. Growth in residential construction is one of the major highlights and is underway in four different areas of Horizon. There is also an increase in commercial construction as well.



Jon Yuriar

In this issue I will report on:

- Lot Assembly
- Land of Texas
- Growth in Horizon
- Our Board of Directors
- Emerald Springs Golf Course
- Military Growth in El Paso
- Emerald Springs

Best Wishes,
Jon Yuriar

Lot Assembly

HCIA's newest staff member is Irred Hamilton and his role is to manage the Lot Assembly Program for our members.



Irred Hamilton

He has a background in real estate and previous, valuable experience with lot assembly in New Mexico during the mid 1990's. His previous experience and understanding of lot assembly is a major benefit to HCIA's program. Please contact Mr. Hamilton if you have questions regarding Lot Assembly.

Lot Assembly is best planned by identifying those areas that lie within the path of development. The first areas identified are Horizon View Estates, Units 24 & 25, along Darrington Blvd; and Horizon City Estates, Units 102 & 103, at Horizon & Ascension Blvds. Units 24 & 25 are ideally suited for development, with access from Darrington Rd., a major thoroughfare through Horizon, and also because immediately adjacent to this area on the opposite side of Darrington Rd, a major residential subdivision of approximately 200 acres is under construction. Of major benefit to Units 24 & 25 is the proximity of water and sewer services this neighboring development will bring

to the area, attracting area developers and builders.

Pellicano Drive is a roadway in El Paso which extends towards the Horizon area. Recently, the County began paving a three-mile portion east of Loop 375 to improve access to a growing area of businesses, a school and a residential area. We expect water and sewer services to follow the road improvements very soon. These improvements will initially benefit Horizon City Estates, Unit 66. This general area will also see benefits to Units 81 & 82 as development approaches from the south as well.

Our first assembly, perhaps Horizon View Estates, Units 24 & 25, mentioned above, will be the guide or roadmap on how we approach future assembly projects. This is a learning experience for us, so we are moving very carefully with this first step assembling your lots.

The only real obstacle with Lot Assembly so far has been members who have not responded to the participation forms we have sent. We will move forward with this program and hope that the non-responding members may eventually reply. I urge all of our members to carefully review the Lot Assembly information when it is received and return the participation form to us promptly.

Land of Texas Begins Construction

In the Fall of 2005 Land of Texas began construction on Phase One of its Master Plan near the intersection of Horizon Blvd and North Kenazo Ave. This first Phase is a modest 17 acres, containing approximately 83 lots and

all lots are already sold. As of press time, most utilities are installed, streets and curbs are nearly complete, and the project is moving along on schedule. Construction on the first homes will begin in early summer. Phase One is mostly residential and also contains a few commercial parcels.

Phase Two should begin later this year and is more ambitious, covering approximately 58 acres and containing 259 lots. Both Phases contain park sites for recreation and open space. The Land of Texas project is well underway and eventually will fully develop over 250 acres with a mix of residential, commercial, recreational and civic areas. The innovative New-Urbanism design introduced in this Master Plan is adopted in a few other El Paso developments.



All Lots In Phase One "SOLD OUT"

Horizon Continues Steady Growth

Both inside and outside the city limits, residential construction is moving at a steady pace. Last year the City of Horizon issued over 650 construction permits for new homes and 2006 is expected to easily surpass that number.

Inside the City, on the north end of town, one developer has completed the first three phases of Horizon Mesa and will eventually develop a total of 640 acres of new construction. On the south side of town, as mentioned earlier, a total of over 200 acres is currently under construction. The Land of Texas project is moving forward on 250 acres. These projects are mostly residential, but also include some commercial, civic and recreation areas as well. Outside the City, to the west, another project is underway on 5,600 acres and will eventually have as many as 20,000 homes. The City of Horizon is now



"New Horizon Middle School"

over seven square miles in size.

Driving some of this growth is the military expansion of Ft. Bliss, where the Army expects to locate an additional 25,000 troops during the next five years. Ft. Bliss is growing rapidly and assuming a more strategic role in some key military areas, including weapons development and testing. This will also bring additional technology firms to work alongside the military in systems research, design and testing. El Paso is also attracting more retirees, drawn by the friendly, year-'round climate, as many retired

military have already discovered.

All of this growth is occurring between El Paso and Horizon. HCIA is working to take advantage of this growth, where possible, by connecting to utilities extended by new development, and linking this to our Lot Assembly program. We expect these utility extensions to benefit Lot Assembly in the subdivisions surrounding Horizon belonging to our members.



"New Construction Near Golf Course"

HCIA Board of Directors

Recent changes in our Board of Directors include a retirement and election of a new President. In January of this year, long-time Board member Hector Gasquet retired after many years of service to HCIA. His most recent position was as Executive Vice President. We wish Hector much happiness, good health and longevity in his retirement.

In October, 2005, President Jacob Bojorquez announced he would step down as President, but would remain on the Board. Subsequently, in November, Christopher Smith was elected President and assumed custody of the President's gavel at the December monthly meeting

2005 Annual Meeting

Our annual meeting was held in October at the Emerald Springs Conference Center. During the meeting, our auditors rendered a favorable opinion of HCIA's financial statements and position. HCIA's Audit Committee approved the annual budget and balance sheet. Following the formal portion of the meeting, Dr. Julio Novoa addressed the meeting on the topic of the future of medical care in Horizon.

2006 Annual Meeting

This year's Annual Meeting will be held on Thursday, October 6, 2006, at the Emerald Springs Golf & Conference Center, 16000 Ashford St, Horizon City. The meeting will begin at 7:30 p.m.

This year Mr. Chris Bustillos, Secretary, is up for re-election of a 5-year term. The Ballots will be mailed to you on September 1, 2006, to allow plenty of time for you to examine the Ballot and return it to HCIA.

Emerald Springs Golf & Conference Center

In 2004 Bank of America foreclosed on the golf course and continued golf operations. In 2005, Bank of America announced that the golf course was for sale. After several months of negotiations, a local group of property owners and golf aficionados, known as Friends Of Emerald Springs, purchased the golf club on March 31, 2006. The golf course was developed by the original Horizon Corporation in the late 1960's and is a cherished jewel of the community. In addition to the 18-hole golf course, it also has a clubhouse, dining room, lounge, banquet facilities, tennis courts and swimming pool.

The new owners have already increased membership by 25% and are in the process of restructuring the membership categories to attract more members. Renovations to the restaurant and kitchen are also underway. A long-term plan for maintenance and upgrades to the greens and fairways is being designed to maintain the current A-1 condition of the golf course.



"Entry To Emerald Springs"