

CONTRACT CONTROL FORM

PRELIMINARY REVIEW

Contact Person Pamela Lujan
 Phone No. 924-3996

Project 756183
 CCN# 200600579
 Existing or New (Circle One)

Type of Agreement: Special Mutual Agreement

Description/Project Name Juan Sabo Hills
 Planning Dept./Division: Design Review
 Developer: JTH, LLC

Contract Amount \$ _____	SIA Contract Period: _____
Contract Amount \$ _____	SIA Contract Period: _____
Contract Amount \$ _____	SIA Contract Period: _____
Contract Amount \$ _____	S/W Contract Period: _____
Contract Amount \$ _____	S/W Contract Period: _____

DRAFT CONTRACT:
 Recd by Legal: _____ Rejected/Returned to Dept.: _____
 Returned to Legal: _____ Approved: _____ Initials: _____

FINANCIAL GUARANTY:
 Letter of Credit No. SB0043 Date: 11/27/07 Attached: Yes No. Initial _____
 Other: Type _____ Date: _____ Attached: Yes No. Initial _____

APPROVALS REQUIRED: FINAL CONTRACT REVIEW

	Date Delivered	Returned to Dept.	Approved By	Approval Date
Utility Div	_____	_____	_____	_____
Hydrology Div	_____	_____	_____	_____
Transportation Div	_____	_____	_____	_____
DRC Chairman	_____	_____	_____	_____
Legal Dept	_____	_____	_____	_____
City Engineer	X <u>12-07-07</u>	<u>12-07-07</u>	<u>[Signature]</u>	<u>12/27/07</u>
Finance	_____	_____	<u>[Signature]</u>	<u>12-07-07</u>
CAO	_____	_____	_____	_____
ABCWUA	_____	_____	_____	_____
Other:	_____	_____	_____	_____

DISTRIBUTION:
 User Department. Date: 12-7-07 By: [Signature]
 Vendor _____
 City Clerk _____
 Treasury _____
 Other: _____

**MUTUAL RELEASE OF ALL CLAIMS BETWEEN THE PARTIES
PERTAINING TO THE DISTURBANCE OF
THE CITY FOUR HILLS OPEN SPACE BY DEVELOPERS**

KNOW ALL MEN BY THESE PRESENTS:

In consideration of the mutual releases by the parties as set forth below, which consideration is acknowledged by all parties to be good, fair and sufficient, the following individuals and entities (hereinafter collectively referred to as "Releasers"): the City of Albuquerque ("City") and JTH, LLC, a New Mexico limited liability company; Vantage Builders, Inc., a New Mexico corporation; Raylee Homes, Inc., a New Mexico corporation; Vincent Pizzonia; Scott Grady; and Intercontinental Development and Consulting, LLC, a New Mexico limited liability company (hereinafter collectively referred to as "Developers"); do hereby and for their heirs, executors, administrators, successors and assigns, release acquit and forever discharge one another and their agents, insureds, servants, successors, heirs, executors, administrators and all other affiliated persons, owners, firms, corporations, associations, partnerships, or insurers (hereinafter collectively referred to as "Released Parties") of and from any and all claims, actions, causes of actions, demands, rights, damages, costs, loss of service, expenses, and compensation as set forth below, which Releaser or Released Parties now have or which may hereafter accrue on account of or in any way growing out of any and all known and unknown, foreseen and unforeseen injuries and damage and the consequences thereof pertaining to damage (the "Damage") to the City Four Hills Open Space from January 1, 2006, up to and including the date of execution of this Mutual Release of All Claims Between The Parties Pertaining To The Disturbance of The City Four Hills Open Space By Developers (the "Mutual Release").

The monetary and other consideration and obligations of the parties for this Mutual Release is as provided below, and receipt of such monetary and other consideration and obligations is hereby acknowledged.

1. The City shall cooperate with the Developers, which shall, at Developers' sole expense, obtain a survey and a replat (the "Replat") of the following City open space parcels (the "Open Space") the respective locations of which are generally indicated on the attached Exhibit A. Developers shall procure approval of the Replat from the City's Development Review Board ("DRB"). Developers agree to comply with all reasonable requirements of the DRB for approval of the Replat.
 - 1.1. A parcel consisting of approximately seventeen (17) acres of undisturbed City Open Space (the "Undisturbed Open Space");
 - 1.2. A parcel consisting of the pueblo archeological site (the "Arc Site") with a reasonable buffer area around the actual site;
 - 1.3. One or more parcels consisting of the existing constructed or partially constructed trail system (the "Trail System") on the disturbed area of City Open Space consisting of approximately thirty-six (36) acres ("Parkland").
2. Arc Site: The Arc Site shall remain titled in the name of the City until if and when the governing body of the Pueblo of Isleta or another federally recognized tribe

Doc# 2007164205

12/04/2007 03:15 PM Page: 1 of 15
REL R: \$37.00 M. Toulouse, Bernalillo County

Mutual Release Between City And Developers

Page 1 of 14

government within Bernalillo County or Sandoval County is willing to take ownership of the Arc Site. Except for restoration or preservation activities required by the United States Army Corps of Engineers, the Arc Site shall have no further disturbance and the Developers shall have sole responsibility and shall make every reasonable effort to avoid further disturbance to the site including but not limited to appropriate fencing, walls, signage intended to protect the Arc Site. Developers shall comply with any directives issued by the United States Army Corps of Engineers in regards to the restoration or preservation of the site. Additionally, Developers shall fence the Arc Site in a manner satisfactory to the City.

3. Parkland:
 - 3.1. The construction of the Trail System and all other infrastructure required by the DRB shall be done pursuant to the City's work order process and the City's standard form Procedure B Agreement, which agreement Developers agree to execute for such infrastructure and trails, and all construction shall be at the Developers' sole expense and the Developers shall indemnify and hold the City harmless from any and all claims that might arise as a result of the use by the Developers of the City's property.
 - 3.2. Upon completion of the Trail System, all improvements constituting the Trail System shall be and shall remain the property of the City, but shall, by covenant running with the land, which covenant shall be referenced on the Replat, be maintained in perpetuity by and at the sole expense of the Volterra Homeowners' Association, Inc., a New Mexico non-profit corporation, which entity shall encompass and bind all property owners in the Volterra Subdivision.
4. This Mutual Release shall constitute permission from the City to the Developers to replat the City's property and construct storm drainage improvements (the "Drainage Improvements") and trail improvements within the City's property or any other improvements that the DRB requires as a condition to the Replat approval.
5. Upon completion of the Drainage Improvements, and acceptance of the Drainage Improvements by the City Engineer, the Drainage Improvements will be and will remain the property of the City and will be maintained by the City.
6. The Replat shall permit perpendicular crossings of the Disturbed Open Space by public utilities, drainage, pipes, sanitary sewer lines, water lines and public streets.
7. Undisturbed Open Space: The Developers shall prohibit and shall actively prevent further incursions into the Undisturbed Open Space by their contractors, agents, representatives and assigns.
8. Monetary Compensation:
 - 8.1. Developers' Payment. The Developers' payment (the "Payment") shall be Six Hundred Thousand Dollars and 00/100 (\$600,000.00). Developers will submit payment within two (2) years of execution of this Mutual Release by the City's Chief Administrative Officer. City and Developers agree that the Payment will be used by the City to: (a) restore the Open Space property damaged by the Developers; or (b) acquire other Open Space property.
 - 8.2. Guaranty. Developers shall guarantee the Payment to the City by providing to the City an irrevocable letter of credit (the "Letter of Credit") in favor of the City in substantially the form attached hereto as Exhibit B. The Letter of Credit shall be issued by a federally insured financial institution and shall be in the amount of

\$600,000 and shall have an expiration date no sooner than November 27, 2009. The Letter of Credit shall be delivered to the City with the Developers' execution of this Mutual Release.

- 8.3. Open Space Acquisition. In the event the City determines in its sole discretion not to use the Payment to restore the Open Space property, the City and Developers agree that the Payment may be used by the City to acquire Open Space property. In the event the City wishes to use the Payment or any portion thereof, to acquire Open Space property prior to the expiration date of the Letter of Credit the City shall in writing:
- Notify the Developers that the City has identified an Open Space property that it wishes to acquire;
 - Request that the Developers submit the Payment or any portion thereof to the title company designated by the City as the closing agent;
 - Specify the date by which the Payment will be delivered to the title company.
- 8.4. In the event the City has not notified the Developers of its intent to use the Payment for the acquisition of Open Space property within sixty (60) days before the expiration date of the Letter of Credit, Developers shall deliver the Payment to the City. Developers shall deliver the Payment to:
- City of Albuquerque
Director of Parks and Recreation
1801 Fourth Street NW
Albuquerque, NM 87102-1425
- 8.5. Within five (5) days after the Payment or any portion thereof is delivered to the City by the Developers: (a) the City will deliver the Letter of Credit to the issuing bank with a letter signed by the Chief Administrative Officer of the City instructing the issuing bank to cancel and terminate the Letter of Credit if Developers made the full Payment; or (b) the City will deliver the Letter of Credit to the issuing bank for reduction in the face amount of the Letter of Credit to the remaining balance of the Payment if the Developers made less than the full Payment.
- 8.6. No Open Space Credits. City and Developers agree that the Payment by Developers or use of the Payment by the City to acquire Open Space property shall not entitle Developers to claim Open Space credits that may be used to satisfy Open Space zoning requirements for the Volterra Subdivision or any other development.
- 8.7. Payment. The Payment will be made only in the following form: cash, certified check, cashier's check, wire transfer or other form of payment approved by the City in advance of execution of this Mutual Release.
- 8.8. Notice. For purposes of giving formal written notice, including notice of change of address, the Developers' and the City's addresses are as stated on the signature pages of this Mutual Release. Notice may be given either in person or by certified U.S. mail, postage pre-paid. Notice will be considered to have been received within six (6) days after the notice is mailed if there is no actual evidence of receipt and upon delivery if delivered in person

Releasors hereby mutually dismiss, abandon, and forever renounce all claims, cross-claims, or counterclaims of any nature against one another, arising from, or in any way related to the Damage.

IT IS UNDERSTOOD AND AGREED that:

A. This settlement is the compromise of disputed and doubtful claims, that the consideration given is not to be construed as an admission of liability on the part of the Released Parties, and that said parties deny liability therefor and intend merely to avoid litigation, and buy their peace.

B. This Mutual Release extends to and includes any and all damages, injuries and claims, existing or potential, that have arisen or may arise in the future as a result of or in connection with the Damage. Releasors hereby assume the risk that damages, injuries and claims arising from or in any way related to the Damage, which are not known or suspected to exist at the time this Mutual Release is executed, may arise in the future. Releasors hereby renounce and abandon any and all such future and/or currently unknown claims. Each Releasor expressly waives and relinquishes any and all right to assert any such claim under any law or statute to the contrary.

C. Damages associated with the Damage are or may be permanent, are or may be progressive and become more serious. Releasors nevertheless consider the consideration recited above to be fair and equitable under all circumstances. Releasors accept it as a full and final settlement of all claims, rights and damages which Releasors now have or may have against the Released Parties.

D. Releasors rely wholly upon Releasors' own judgment, belief and knowledge of the nature, extent, effect and duration of said injuries and damages and liability therefor, and this settlement is made without reliance upon any statement or representation of the parties hereby released or their representatives.

E. Releasors further declare and represent that no promise, inducement or agreement not herein expressed has been made to Releasors, that this Mutual Release contains the entire agreement between the parties hereto except as provided in herein, and that the terms of this Mutual Release are contractual and not a mere recital.

F. As further consideration for this Mutual Release, Releasors agree not to commence, maintain or pursue, directly or indirectly, any judicial or administrative proceeding against the Released Parties relating to these matters, and if any such action has been commenced, the Releasor will dismiss or seek to dismiss such action, and will not voluntarily participate or cooperate in any such actions.

G. Those who are hereby released shall not be estopped or otherwise barred from asserting any claim or cause of action they may have against any person, other than a party to this Mutual Release, this right being expressly reserved herein.

H. No Releasor shall bring or cause to be brought any claim, demand, or action arising out of or resulting from matters set forth in this Mutual Release, and in consideration of the foregoing covenants and payments, each Releasor agrees to indemnify, defend and hold forever harmless each other Released Party against any losses or expenses from any further claims, demands or actions that may hereafter at any time be made or brought by anyone claiming under or through the Releasor, or on the part of the Releasor, his or her heirs, executors, administrators, successors or assigns on account of the aforesaid matter, and to reimburse or make good any loss, damages, or

Mutual Release Between City And Developers

costs that the said Released Parties may have to pay on account of any and all such claims, damages or actions.

I. Entire Agreement. This Mutual Release contains the entire agreement of the parties regarding the restoration of the Open Space property and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.

H. Changes to Agreement. Changes to this Mutual Release are not binding unless made in writing and signed by all parties to this Mutual Release.

J. Construction and Severability. If any part of this Mutual Release is held to be invalid or unenforceable, the remainder of the Mutual Release will remain valid and enforceable if the remainder is reasonably capable of completion.

K. Captions. The captions to the sections or paragraphs of this Mutual Release are not part of this Mutual Release and will not affect the meaning or construction of any of its provisions.

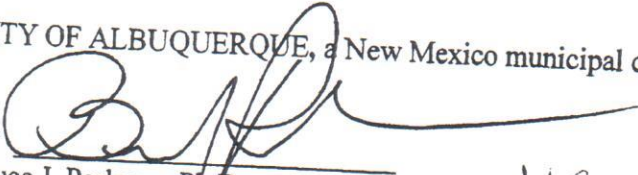
M. Authority to Execute: If the Developers signing below are not the owner of the Developers' property, the City may require the Developers to provide the City with satisfactory proof of the Developers' authority to execute this Mutual Release.

N. This Mutual Release may be executed in one or more counter-parts.

[SIGNATURES NEXT PAGES]

THE UNDERSIGNED HAVE READ THE FOREGOING MUTUAL RELEASE AND FULLY UNDERSTAND IT.

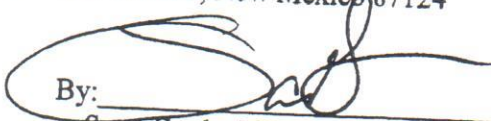
CITY OF ALBUQUERQUE, a New Mexico municipal corporation

By 
Bruce J. Perlman, Ph.D.
Chief Administrative Officer
City-County Government Center, #1 Civic Plaza
P O Box 1293, Albuquerque, NM 87103

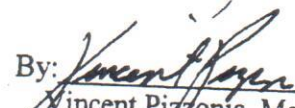
Date: 12/3/07

Handwritten initials and date
JL 12/3/07

JTH, LLC, a New Mexico limited liability company
4131 Barbara Loop SE
Rio Rancho, New Mexico 87124

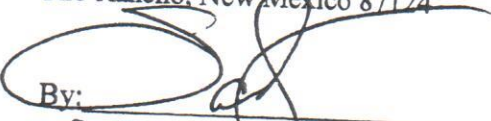
By: 

Scott Grady, Member
Date: 12-3-07

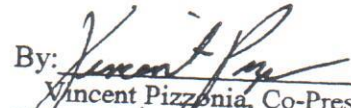
By: 

Vincent Pizzonia, Member
Date: 12/3/07

VANTAGE BUILDERS, INC., a New Mexico corporation
4131 Barbara Loop SE
Rio Rancho, New Mexico 87124


By: 

Scott Grady, Co-President
Date: 12-3-07

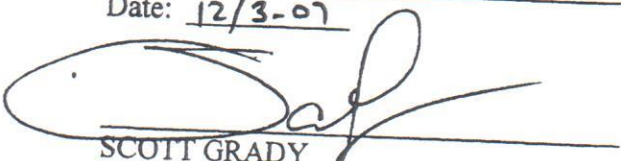
By: 

Vincent Pizzonia, Co-President
Date: 12/3/07

RAYLEE HOMES, INC., a New Mexico corporation
4131 Barbara Loop SE
Rio Rancho, New Mexico 87124

By: 


Name Scott Grady
Title Pres
Date: 12/3-07



SCOTT GRADY


VINCENT PIZZONIA

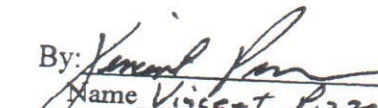
INTERCONTINENTAL DEVELOPMENT AND CONSULTING, LLC,
a New Mexico limited liability company
4131 Barbara Loop SE
Rio Rancho, New Mexico 87124

By: 
Scott Grady, Member
Date: 12-03-07

By: 
Vincent Pizzonia, Member
Date: 12/3/07

AS TO THE OBLIGATION TO MAINTAIN THE TRAIL SYSTEM AS DESCRIBED
IN PARAGRAPH 3.1 ONLY:

VOLTERRA HOMEOWNERS' ASSOCIATION, INC.,
a New Mexico non-profit corporation

By: 
Name Vincent Pizzonia
Title Co-President
Date: 12/3/07

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

The foregoing instrument was acknowledged before me December 3, 2007, by Bruce J. Perlman, Ph.D., as Chief Administrative Officer of the City of Albuquerque, a New Mexico municipal corporation, on behalf of the corporation.

Penny Horder
NOTARY PUBLIC

My Commission Expires:

July 6, 2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on December 3, 2007, by Vincent Pizzonia, Member of JTH, LLC, a New Mexico limited liability company, on behalf of the limited liability company.

Penny Horder
NOTARY PUBLIC

My commission expires:

July 6, 2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on December 3, 2007, by Scott Grady, Member of JTH, LLC, a New Mexico limited liability company, on behalf of the limited liability company.

Penny Horder
NOTARY PUBLIC

My commission expires:

July 6, 2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on December 3, 2007, by Vincent Pizzonia, Co-President of Vantage Builders, Inc., a New Mexico corporation, on behalf of the corporation.

Penny Horder
NOTARY PUBLIC

My commission expires:

July 6, 2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on December 3, 2007, by Scott Grady, Co-President of Vantage Builders, Inc., a New Mexico corporation, on behalf of the corporation.

Penny Horder
NOTARY PUBLIC

My commission expires:

July 6, 2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on December 3, 2007, by Scott Grady, President of Raylee Homes, Inc., a New Mexico corporation, on behalf of the corporation.

Penny Horder
NOTARY PUBLIC

My commission expires:

July 6, 2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on December 3, 2007, by Scott Grady.

Penny Gordon
NOTARY PUBLIC

My commission expires:
July 6, 2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on December 3, 2007, by Vincent Pizzonia.

Penny Gordon
NOTARY PUBLIC

My commission expires:
July 6, 2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on December 3, 2007, by Vincent Pizzonia, Member of Intercontinental Development and Consulting, LLC, a New Mexico limited liability company, on behalf of the limited liability company.

Penny Gordon
NOTARY PUBLIC

My commission expires:
July 6, 2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on December 3, 2007, by Scott Grady, Member of Intercontinental Development and Consulting, LLC, a New Mexico limited liability company, on behalf of the limited liability company.

Penny Horder
NOTARY PUBLIC

My commission expires:

July 6, 2010

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

This instrument was acknowledged before me on December 3, 2007, by Vincent Pizzonia, Co-President of Volterra Homeowners' Association, Inc., a New Mexico corporation, on behalf of the corporation.

Penny Horder
NOTARY PUBLIC

My commission expires:

July 6, 2010

Exhibit A
(Location of Open Space Parcels)

Mutual Release Between City And Developers

EXHIBIT A JUAN TABO HILLS CITY OPEN SPACE TRACTS

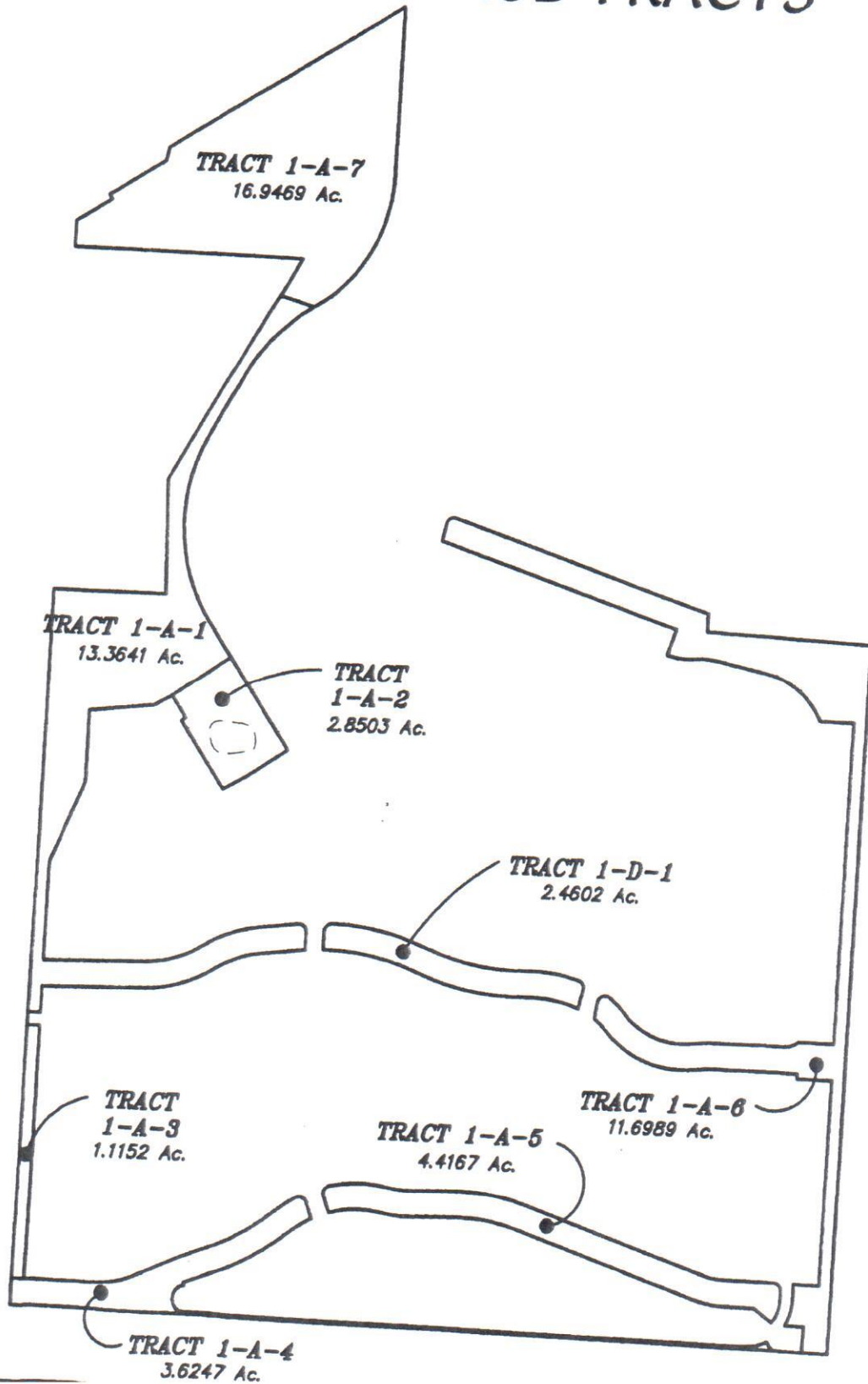


Exhibit B
(Form of Letter of Credit)

Mutual Release Between City And Developers



International Services - Standby L/C Unit
200 Providence Rd., 3rd Floor
Charlotte, NC 28207
S.W.I.F.T.: CNTAUS33
(704) 686-1467 or (704) 686-1194
(704) 686-1498 fax
1-800-938-6299

Irrevocable Letter of Credit Number SB004369

Issue Date: November 27, 2007

Expiry Date: November 27, 2009

Beneficiary:
City of Albuquerque
Attn: Chief Administrative Officer
P.O. Box 1293
Albuquerque, NM 87103

Applicant:
JTH, LLC
P.O. Box 1443
Corrales, NM 87048

Re: Letter of Credit for:
City of Albuquerque Project No. JTH, LLC
Project Name: 756183
Open Space Property - Juan Tabo Hills

Ladies and Gentlemen:

This letter is to advise the City of Albuquerque ("City") that, at the request of JTH, LLC, RBC Centura Bank in Charlotte, North Carolina has established an Irrevocable Letter of Credit in the sum of Six Hundred Thousand and 00/100 United States Dollars (\$600,000.00) ("Letter of Credit") for the exclusive purpose of providing the financial guarantee which the City requires pursuant to the Mutual Release of all Claims Between the Parties Pertaining to the Disturbance of the City Four Hills Open Space by Developers (the "Agreement").

A Draft or Drafts for any amount up to, but not in excess of Six Hundred Thousand and 00/100 United States Dollars (\$600,000.00) is/are available at sight at RBC Centura Bank, 200 Providence Road, 3rd Floor, Charlotte, NC 28207, Attention: International Services - Standby L/C Unit between November 27, 2007 and November 27, 2009.

When presented for negotiation, the Draft(s) is/are to be accompanied by the City's notarized certification stating: "1) JTH, LLC has failed to comply with the terms of the Agreement; and 2) the undersigned is the Chief Administrative Officer of the City of Albuquerque and is authorized to sign this certification.

CONTINUED ON NEXT PAGE WHICH FORMS AN INTEGRAL PART OF THIS CREDIT

Jem

Exhibit B



RBC
Centura

Irrevocable Letter of Credit No. SB004369
Page number 2
November 27, 2007

We hereby agree with the drawer of Draft(s) drawn under and in compliance with the terms of this credit that such Draft(s) will be duly honored upon presentation to the drawee if negotiated between November 27, 2007 and November 27, 2009.

The Draft(s) drawn under this credit must contain the clause "Drawn under Letter of Credit No. SB004369 of RBC Centura Bank, Charlotte, NC dated November 27, 2007" and the original Letter of Credit must be returned to us for endorsement on the reverse side with the amount of each draft. This Letter of Credit must accompany each draft and be attached to the draft which exhausts this credit.

This Letter of Credit for the benefit of the City of Albuquerque shall be irrevocable until any one of the following, whichever is the earliest:

1. City notification of JTH, LLC's failure to comply with the terms of the Agreement and payment by Certified Check from RBC Centura Bank to the City of Albuquerque of Face Amount of this Letter of Credit on the date the draft is submitted to the issuing bank; or
2. Expiration of this Letter of Credit, November 27, 2009; or
3. Written termination of this Letter of Credit by the City of Albuquerque, signed by its Chief Administrative Officer.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600.

Sincerely,

RBC Centura Bank

Glenda A. Martini
Authorized Signature

Kristal D. McCreedy
Authorized Signature



RBC Centura

International Services - Standby L/C Unit
200 Providence Rd., 3rd Floor
Charlotte, NC 28207
S.W.I.F.T.: CNTAUS33
(704) 686-1467 or (704) 686-1194
(704) 686-1498 fax
1-800-938-6299

Irrevocable Letter of Credit Number SB004369

Issue Date: November 27, 2007

Expiry Date: November 27, 2009

Beneficiary:

City of Albuquerque
Attn: Chief Administrative Officer
P.O. Box 1293
Albuquerque, NM 87103

Applicant:

JTH, LLC
P.O. Box 1443
Corrales, NM 87048

Re: Letter of Credit for: JTH, LLC
City of Albuquerque Project No.: 756183
Project Name: Open Space Property - Juan Tabo Hills

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CONTINUED ON NEXT PAGE WHICH FORMS AN INTEGRAL PART OF THIS CREDIT

Alm



Irrevocable Letter of Credit No. SB004369
Page number 2
November 27, 2007

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Sincerely,

RBC Centura Bank

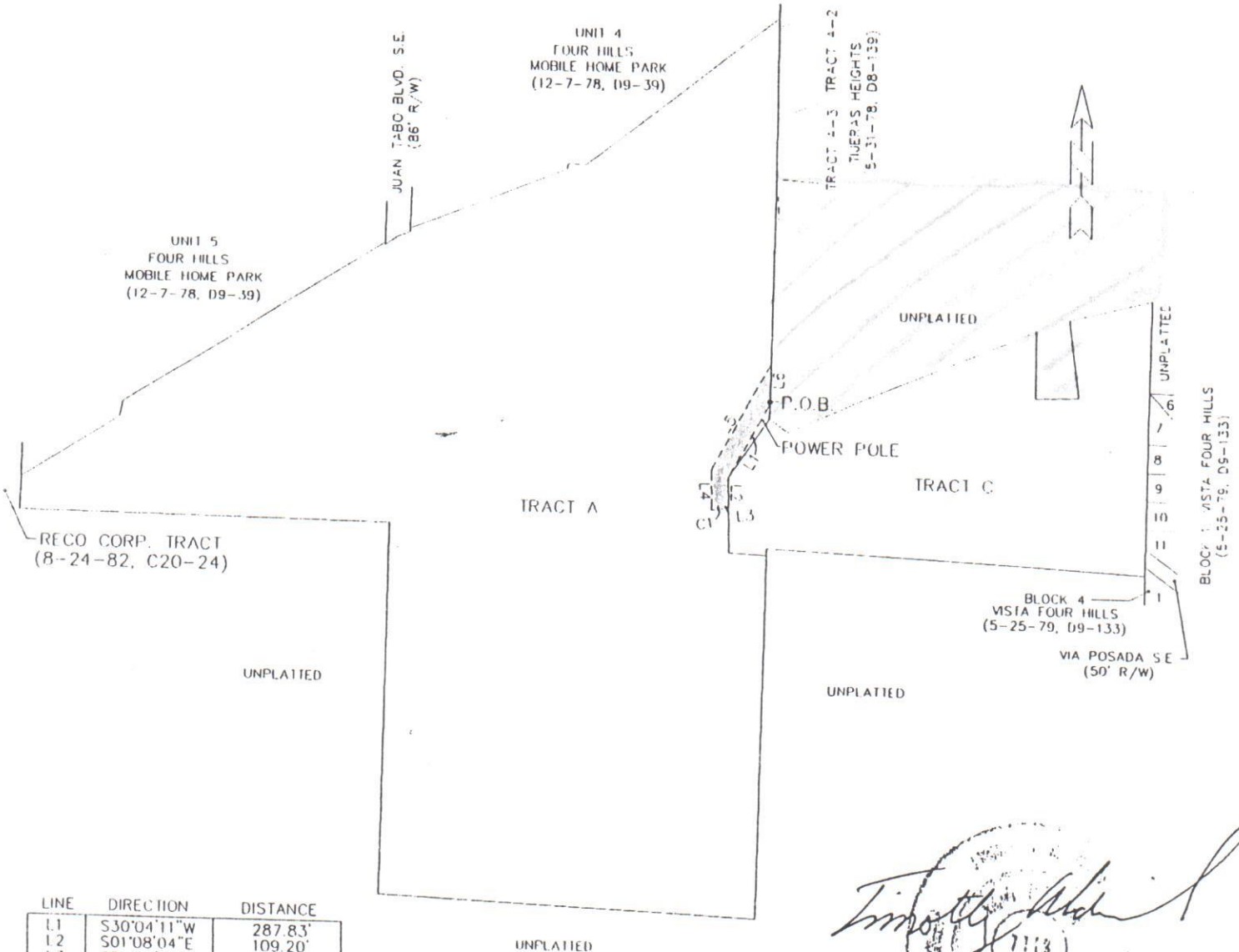
Glenda A. Martini
Authorized Signature

Kristal D. McCreedy
Authorized Signature

EXHIBIT "A"

60' WIDE ~~PRIVATE~~ ACCESS & UTILITY EASEMENT

NIS



LINE	DIRECTION	DISTANCE
L1	S30°04'11"W	287.83'
L2	S01°08'04"E	109.20'
L3	S84°47'46"W	4.25'
L4	N01°08'04"W	134.19'
L5	N30°04'11"E	411.08'
L6	S00°40'21"W	122.23'

CURVE	LENGTH	DELTA	RADIUS	TANGENT	DIRECTION	CHORD
C1	56.36'	08°03'28"	400.78'	28.23'	S80°46'27"W	56.32'

Timothy Allen
 7113
 09-07-99

DESCRIPTION:

A 60' wide ~~private~~ Access & Utility Easement within Section 34, Township 10 North, Range 4 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico being within TRACT A, FOUR HILLS VILLAGE 20TH INSTALLMENT as the same is shown and designated on said plat filed for record in the office of the County Clerk of Bernalillo County, New Mexico on December 29, 1998 in Book 98C, Page 367 and being more particularly described as follows:

- BEGINNING at a point of the herein described from whence the Albuquerque Control Survey Monument "5-M22" bears N 83°15'52" E, 1933.05 feet;
- THENCE S 30°04'11" W, 287.83 feet to a point, said point being on the west line of TRACT C, FOUR HILLS VILLAGE 20TH INSTALLMENT as the same is shown and designated on said plat filed for record in the office of the County Clerk of Bernalillo County, New Mexico on December 29, 1998 in Book 98C, Page 367;
- THENCE S 01°08'04" E, 109.20 feet along a line common with the west line of said TRACT C to the southeast corner;
- THENCE S 84°47'46" W, 4.25 feet to a point of curvature;
- THENCE 56.36 feet along a curve to the left, whose radius is 400.78 feet through a central angle of 08°03'28" and whose chord bears S 80°46'27" W, 56.32 feet to the southwest corner;
- THENCE N 01°08'04" W, 134.19 feet to a point;

MEMORANDUM OF SETTLEMENT AGREEMENT

This Memorandum of Settlement Agreement is made December 21, 1999, by and between HAT LIMITED, a New Mexico Limited Partnership and JERRY G. PERRY and ARTHUR J. GONZALES and JANIE FAY GONZALES, husband and wife.

WHEREAS, the above-mentioned parties are the successors in interest (both grantor and grantee) to that certain Warranty Deed dated October 14, 1976, filed October 29, 1976 as Document 76-58177 and recorded in Book MD157-A, Pages 939-940 in the records of Bernalillo County, New Mexico, which deed contained a covenant regarding a future easement to be granted; and

WHEREAS, the parties have agreed to the terms for said easement, but which terms are not yet ready to be filed of record.

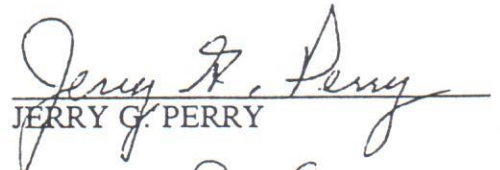
NOW, THEREFORE, for and in consideration of the above, the parties hereby give notice of the existence of a certain Easement Agreement dated December 21, 1999, by and between the parties hereto which will be placed of record at an appropriate time in the future.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

HAT LIMITED, a New Mexico
Limited Partnership

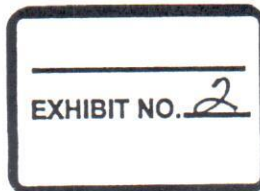
By TRAILS MANAGEMENT, INC. a
New Mexico Corporation, Its General
Partner

BY: 
STAN STRICKMAN
Vice-President


JERRY G. PERRY


ARTHUR J. GONZALES

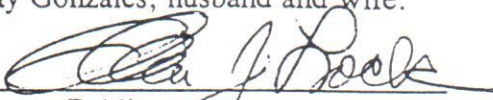

JANIE FAY GONZALES



ACKNOWLEDGMENT

STATE OF NEW MEXICO)
)ss.
COUNTY OF BERNALILLO)

The foregoing instrument was acknowledged before me on December 21, 1999, by Jerry G. Perry and Arthur J. Gonzales and Janie Fay Gonzales, husband and wife.

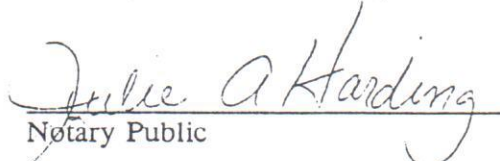


Notary Public

My commission expires:
Feb. 6, 2003
(SEAL)

STATE OF NEW MEXICO)
)ss.
COUNTY OF BERNALILLO)

The foregoing instrument was acknowledged before me on December 21, 1999, by HAT Limited, a New Mexico Limited Partnership, by its general partner, Trails Management, Inc., a New Mexico corporation, by Stan Strickman, its Vice-President, on behalf of said corporation.



Notary Public

My commission expires:
09/19/03
(SEAL)