

COA#-730084
POND D
TRACT 1 #OS-3

EASEMENT
(Drainage)

Grant of Easement, by and among The Trails, LLC, a Nevada limited liability company ("The Trails"), whose address is 3077 E. Warm Springs Road, Las Vegas, Nevada, 89120, The Trails Community Association, Inc., a New Mexico non-profit corporation ("Association"), whose address is 7007 Jefferson Blvd., NE, Suite A, Albuquerque, New Mexico 87109, and the City of Albuquerque, a New Mexico municipal corporation ("City"), whose address is P.O. Box 1293, Albuquerque, New Mexico, 87103.

With respect to Tract 1 shown on Exhibit "A," The Trails grants to the City an easement ("The Trails Easement") in, over, upon and across that portion of Tract 1 more particularly described on Exhibit "A" attached hereto ("The Trails Property") for the construction, installation, maintenance, repair, modification, replacement and operation of drainage facilities and areas, including without limitation drainage ponds, together with the right to remove trees, bushes, undergrowth and any other obstacles upon The Trails Property if the City determines they interfere with the appropriate use of this Tract 1 Easement.

With respect to Tract OS-3 shown on Exhibit "A," Association grants to the City an easement ("Association Easement") in, over, upon and across that portion of Tract OS-3 more particularly described on Exhibit "A" attached hereto ("Association Property") for the construction, installation, maintenance, repair, modification, replacement and operation of drainage facilities and areas, including without limitation drainage ponds, together with the right to remove trees, bushes, undergrowth and any other obstacles upon the Association Property if the City determines they interfere with the appropriate use of this Association Easement.

For purposes of this agreement, The Trails and the Association are collectively referred to herein as "Grantor," The Trails Easement and the Association Easement are collectively referred to herein as the "Easement," and The Trails Property and the Association Property are collectively referred to herein as the "Property."

In the event Grantor constructs any improvements ("Improvements") within the Easement, the City has the right to enter upon Grantor's property at any time and perform whatever inspection, installation, maintenance, repair, modification or removal ("Work") it deems appropriate without liability to the City. If the Work effects any Improvements or encroachments made by the Grantor, the City will not be financially or otherwise responsible for rebuilding or repairing the Improvements or encroachments. If in the opinion of the City, the Work to be performed by the City could endanger the structural integrity or otherwise damage the Improvements or encroachments, the Grantor shall, at its own expense, take whatever protective measures are required to safeguard the Improvements or encroachments.

Grantor covenants and warrants that Grantor is the owner in fee simple of its respective Property as stated herein, that Grantor has a good lawful right to convey its respective Property or any part thereof and that Grantor will forever warrant and defend the title to its respective Property against all claims from all persons or entities.

The grant and other provisions of this Easement constitute covenants running with the Property for the benefit of the City and its successors and assigns until terminated.

This Easement shall not be effective until approved by the City Engineer for the City in the signature block below.

[SIGNATURES ON FOLLOWING PAGE]

Trails\Unit 2\Tracts 1 & OS-3\Perm Drainage



[SIGNATURE PAGE TO EASEMENT]

WITNESS our hands this 11th day of May, 2005.

GRANTORS:

The Trails, LLC

The Trails Community Association, Inc.

By: The Longford Group, Inc., a Nevada corporation,
Its Manager

By: David A. Murtagh
David A. Murtagh, Division President

Dated: May 11, 2005

By: Tracy Murphy
Tracy Murphy, President

Dated: May 11, 2005

APPROVED:

Richard D. Davis

Print Name: Richard D. Davis B-7.0
City Engineer
Dated: 8-26-05

Wg 8/25/05

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)



2005125348
6321397
Page: 2 of 7
08/26/2005 03:54P
Bk-A102 Pg-4979

This instrument was acknowledged before me on the 11th day of May, 2005, by David A. Murtagh, Division President of Longford Group, Inc., a Nevada corporation, as manager of The Trails, LLC, a Nevada limited liability company.

Donna Lawson
Notary Public

My Commission Expires:

12-1-08



OFFICIAL SEAL
DONNA LAWSON
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 12-1-08

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on the 11th day of May, 2005, by Tracy Murphy, President of The Trails Community Association, Inc., a New Mexico non-profit corporation.

Nadine Tinagero
Notary Public

My Commission Expires:

02-24-07



OFFICIAL SEAL
NADINE TINAGERO
NOTARY PUBLIC-STATE OF NEW MEXICO

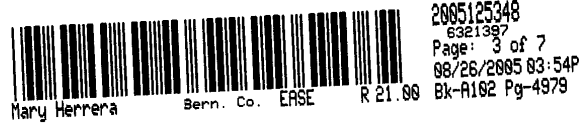
My commission expires: 02-24-07

Trails\Unit 2\Tracts 1 & OS-3\Perm Drainage

EXHIBIT A

Legal Description for Drainage Easement Within Tracts 1 & OS-3, Trails Unit 2

[See Attached Legal Description and Diagram]



LEGAL DESCRIPTION - Drainage Easement within Tracts 1 and OS-3, Trails Unit 2

An Easement within that certain parcel of land situate within the Town of Alameda Grant in projected Section 16, Township 11 North, Range 2 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico comprising a Northwesterly portion of Tract OS-3 and a Southerly Portion of Tract 1 of the Trails Unit 2 as the same is shown and designated on the plat entitled "BULK LAND PLAT OF THE TRAILS UNIT 2 (BEING A REPLAT OF TRACTS G AND J, THE TRAILS AND UNPLATTED DEED PARCELS) WITHIN THE TOWN OF ALAMEDA GRANT IN PROJECTED SECTION 16, TOWNSHIP 11 NORTH, RANGE 2 EAST, NEW MEXICO PRINCIPAL MERIDIAN, CITY OF ALBUQUERQUE, BERNALILLO COUNTY, NEW MEXICO", filed in the office of the County Clerk of Bernalillo County, New Mexico, on October 18, 2004 in Plat Book 2004C, Page 332 more particularly described by survey performed by Russ P. Hugg, New Mexico Professional Surveyor Number 9750 using New Mexico State Plane Coordinate System, Central Zone (NAD 27) grid bearings and ground distances as follows:

BEGINNING at the Southwest corner of the easement herein described, A POINT ON THE Westerly line of said Tract OS-3 whence the Southwest corner of said Tract OS-3 and the Northwest corner of Tract 4 of the Trails Unit 2 (a 5/8" Rebar and cap stamped "L.S. 5978" found in place) bears S 00° 06' 04" W, 68.22 feet distant; Thence running as an easement:

N 00° 06' 04" E , 55.85 feet to the Northwest corner of said Tract OS-3; Thence,
N 00° 06' 04" E , 105.00 feet to the Northwest corner of the easement herein described; Thence,
S 89° 55' 02" E , 449.87 feet to a point on the Easterly line of said Tract 1 and the Northeast corner of the easement herein described; Thence,
S 00° 08' 08" W , 105.00 feet the Northeast corner of said Tract OS-3; Thence,
S 00° 08' 08" W , 88.01 feet to a point; Thence
S 33° 23' 38" W , 44.70 feet to a point; Thence,
S 13° 17' 28" E , 15.54 feet to a point; Thence,
S 76° 42' 32" W , 56.97 feet to a point; Thence,



Mary Herrera

Bern. Co. EASE

R 21.00

2005125348
6321397
Page: 4 of 7
08/26/2005 03:54P
Bk-A102 Pg-4979

Page 2

N 13° 17' 28" W , 24.94 feet to a point; Thence,
N 84° 29' 50" W , 211.06 feet to a point; Thence,
S 00° 06' 04" W , 17.04 feet to a point on the Southerly line of
said Tract OS-3; Thence,
N 81° 59' 57" W , 17.35 feet along said Southerly line of Tract
OS-3 to a point; Thence,
N 89° 54' 08" W , 7.81 feet along said Southerly line of Tract
OS-3 to a point; Thence,
N 00° 06' 04" E , 3.84 feet to a point; Thence,
N 73° 25' 31" W , 93.66 feet to a point; Thence,
N 52° 44' 34" W , 40.00 feet to a point; Thence,
N 38° 15' 47" W , 17.41 feet to the Southwest corner and point
of beginning of the easement herein described.



Mary Herrera Bern. Co. EASE R 21.00 2005125348
6321397
Page: 5 of 7
08/26/2005 03:54P
Bk-A182 Pg-4979

(Variable width right of way)

900.05

589'48'2

—40' Slope Easement filed
in Book 91-3, Page 8490

150 12'

-Blanket Drainage Easement
granted by document
filed July 15, 2004
Book A80, Page 8750

Set 5/8" Rebar and
stamped L.S. 975

Lands of Manuel R. Pili
WARRANTY DEED
filed- January 1, 2000
Book A1, Page 4899

-40' Private Access and Public Drainage and Utility Easement granted by this plat.

TRACT OS-3
Drainage Easement

Fd. 5/8" Rebar and cap
stamped L.S. 6126

S 82°03'14" E 657.96'

Blanket Drainage Easement
granted by document
filed July 15, 2004
Book A80, Page 8750

-25' Storm Sewer Easement

-Temporary Slope Easement

Drainage Easement

Set 5/8" Rebar and cap
stamped "L.S. 9750"
(typical all interior corners)

Page: 6 of 7
08/26/2005 03:54P
R 21.00 Bk-A102 Pg-4979

YAKU HAKASE Bern. Co. BASE

Pond
"D"

OAKRIDGE

LEET

LINE TABLE

LINE	LENGTH	BEARING
L1	132.50'	S89°54'08"E
L2	3.84'	N00°06'04"E
L3	93.66'	N73°25'31"W
L4	40.00'	N52°44'34"W
L5	17.41'	N38°15'47"W
L6	55.85'	N00°06'04"E
L7	88.01'	S00°08'08"W
L8	44.70'	S33°23'38"W
L9	15.54'	S13°17'28"E
L10	56.97'	S76°42'32"W
L11	24.94'	N13°17'28"W
L12	211.06'	N84°29'50"W
L13	7.81'	S89°54'08"E
L14	17.35'	S81°59'57"E
L15	87.79'	N80°17'52"E
L16	40.51'	S41°47'10"E
L17	14.50'	N41°47'10"W
L18	103.64'	S80°17'52"W
L19	77.49'	S26°17'59"W
L20	236.12'	N86°29'46"E
L21	59.03'	N26°17'59"E
L22	70.26'	N10°37'44"W
L23	66.94'	N05°40'36"W
L24	23.53'	N00°30'17"E
L25	22.84'	S89°48'12"E
L26	2.98'	N00°44'07"W
L27	17.63'	N22°30'36"E
L28	75.90'	N00°35'13"E
L29	65.73'	N32°23'17"E
L30	54.97'	N67°48'25"E
L31	70.76'	N39°31'30"E
L32	72.08'	N06°05'21"E
L33	142.48'	N10°37'44"W
L34	136.30'	N83°00'21"E
L35	67.18'	S87°16'51"E
L36	25.26'	S10°52'50"W
L37	61.47'	S87°16'51"E
L38	107.54'	S83°00'21"W
L39	119.52'	S10°37'44"E
L40	83.26'	S06°05'21"W
L42	84.57'	S39°31'30"W
L43	53.28'	S67°48'25"W
L44	63.28'	S32°23'17"W
L45	128.28'	S19°42'27"E
L59	67.61'	N00°16'10"E
L60	100.05'	N89°43'50"W
L61	17.04'	S00°06'04"W
L62	105.00'	N00°06'04"E
L63	105.00'	S00°08'08"W

2005125348
6321397
Page: 7 of 7
08/28/2005 03:54P
Bk-R102 Pg-4979
Bern. Co. ERSE
Mary Herrera

CURVE TABLE

CURVE	LENGTH	RADIUS	TANGENT	CHORD	CHORD BEARING	DELTA
C5	54.34'	34.00'	34.95'	48.74'	S54°50'34"E	91°34'20"
C6	53.70'	35.00'	33.75'	48.59'	S34°53'59"W	87°54'45"
C7	174.08'	7435.34'	87.05'	174.08'	S81°13'24"W	1°20'29"
C8	26.97'	34.00'	14.24'	26.27'	N28°24'07"W	45°27'03"
C9	40.26'	34.00'	22.87'	37.95'	N23°17'52"E	67°51'11"
C10	102.72'	55.00'	74.33'	88.43'	N54°05'20"E	107°00'14"

272

COPIES 1
A#C FND D

AGREEMENT AND COVENANT

(Drainage)

This Agreement and Covenant ("Agreement") by and among the City of Albuquerque, a New Mexico municipal corporation ("City"), The Trails, LLC, a Nevada limited liability company ("User"), and The Trails Community Association, Inc., a New Mexico non-profit corporation ("Association"), is made in Albuquerque, New Mexico and is entered into as of the date of the recording of this Agreement with the Bernalillo County Clerk.

1. Recitals. The User is the owner of certain real property ("User's Property") located in Bernalillo County, New Mexico, and more particularly described as:

"TRACT 1" of The Trails Unit 2 as the same is shown and designated on the plat entitled "Bulk Land Plat of The Trails Unit 2 (being a replat of Tracts G and J of The Trails and unplatted deed parcels) within the Town of Alameda Grant in Projected Section 16, Township 11 North, Range 2 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico," which was filed in the Office of the County Clerk of Bernalillo County, New Mexico, on October 18, 2004 in Book 2004c, Page 332.

The Association is the owner of certain real property ("Association's Property") located in Bernalillo County, New Mexico, and more particularly described as:

"TRACT OS-3" of The Trails Unit 2 as the same is shown and designated on the plat entitled "Bulk Land Plat of The Trails Unit 2 (being a replat of Tracts G and J of The Trails and unplatted deed parcels) within the Town of Alameda Grant in Projected Section 16, Township 11 North, Range 2 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico," which was filed in the Office of the County Clerk of Bernalillo County, New Mexico, on October 18, 2004 in Book 2004c, Page 332.

The City is the owner of certain real property, easement or public right-of-way ("City's Property") in the vicinity of, contiguous to, abutting or within User's Property and Association's Property, and more particularly described in Exhibit A attached hereto and incorporated herein.

The User wishes to construct upon, improve or repair and to maintain drainage facilities and areas, including without limitation drainage ponds, (collectively, "Improvement") on the City's Property (or already has done so), as such Improvement is more particularly depicted on the diagram attached hereto as Exhibit B and incorporated herein.

The City agrees to permit the Improvement to exist on the City's Property provided the User and the Association comply with the terms of this Agreement.

2. City Use of City's Property and City Liability. The City has the right to enter upon the City's Property at any time and perform whatever inspection, installation, maintenance, repair, modification or removal ("Work") it deems appropriate without liability to the User or the Association. If the Work affects the Improvement the City will not be financially or otherwise responsible for rebuilding or repairing the Improvement. The User promptly will repair the Improvement to the City's satisfaction. The cost of repairing the Improvement will be paid by User.

3. User's Responsibility for Improvement. The User will be solely responsible for constructing, maintaining, repairing and, if required, removing the Improvement, all in accordance



with standards required by the City as per the approved Grading and Drainage Plan identified as "Grading and Drainage Report C9-D1" on file at the City Engineer's office. The User will be solely responsible for paying all related costs. The User will not permit the Improvement to constitute a hazard to the health or safety of the general public or to interfere with the City's use of the City's Property. The User will conform with all applicable laws, ordinances and regulations.

4. Use of the Improvement. If the City's Property is a public right-of-way, it shall be open to the use of the general public at all times, subject to reasonable curtailment during periods of construction, maintenance or repair.

5. Demand for Repair, Modification or Removal. The City may send written notice ("Notice") to the User requiring the User to repair, modify or remove the Improvement within thirty (30) days ("Deadline") and the User will comply promptly with the requirements of the Notice. If removal is demanded, the City also may require the User to return the City's Property to its original condition by the Deadline. The User will perform all required work by the Deadline, at User's sole expense.

6. Failure to Perform by User and Emergency Work by City. If the User fails to comply with the terms of the Notice by the Deadline stated, or, if the City determines that an emergency condition exists, the City may perform the work itself. The City then may assess the User for the cost of the work and for any other expenses or damages which result from User's failure to perform. The User agrees promptly to pay the City the amount assessed. If the User fails to pay the City within thirty (30) days after the City gives the User written notice of the amount due, the City may impose a lien against User's Property for the total resulting amount.

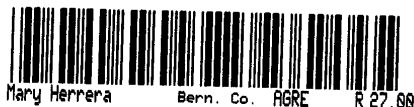
7. Cancellation of Agreement and Release of Covenant. This Agreement may be canceled and the covenants of User and Association released by the City at will by the City's mailing to the User and the Association notice of the City's intention to record a Cancellation and Release with the Bernalillo County Clerk. The Cancellation and Release will be effective thirty (30) days after the date of mailing the notice to the User and the Association unless a later date is stated in the notice or the Cancellation and Release. After the effective date, the City will record the Cancellation and Release with the Bernalillo County Clerk.

8. Condemnation. If any part of the User's Property or the Association's Property is ever condemned by the City, the User and the Association will forego all claims to compensation for any portion of User's structure or Association's structure which encroaches on City Property and for severance damage to the remaining portion of User's structure on User's Property and Association's structure on Association's Property.

9. Assessment. Nothing in this Agreement shall be construed to relieve the User, the Association or their respective heirs, assigns and successors from an assessment against User's Property or Association's Property for improvements to the City Property under a duly authorized and approved Special Assessment District. The parties specifically agree that the value of the Improvement will not reduce the amount assessed by the City.

10. Notice. Written notice required or permitted under this Agreement shall be sent to the parties at the address for such party set forth below:

To User: The Trails, LLC
 c/o Longford Group, Inc.
 3077 E. Warm Springs Road



Las Vegas, Nevada 89120

To Association: The Trails Community Association, Inc.
7007 Jefferson Blvd., NE, Suite A
Albuquerque, New Mexico 87109

Notice may be given to User or Association either in person or by mailing the notice by regular U.S. mail, postage paid. Notice will be considered to have been received within 3 days after the notice is mailed if there is no actual evidence of receipt. The address set forth above may be changed by the relevant party giving written notice of the change by certified mail, return receipt requested, to the City Engineer at P.O. Box 1293, Albuquerque, New Mexico 87103.

11. Indemnification. The User ^{and association} agrees to defend, indemnify and hold harmless the City, its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties as a result of User's use of the City's Property.

To the extent, if at all, Section 56-7-1 NMSA 1978 is applicable to this Agreement, this Agreement to indemnify will not extend to liability, claims, damages, losses or expenses, including attorneys' fees, arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications by the indemnitee, or the agents or employees of the indemnitee; or (2) the giving of or the failure to give direction or instructions by the indemnitee, where such giving or failure to give directions or instructions is the primary cause of bodily injury to persons or damage to property.

12. Term. This Agreement shall continue until revoked by the City pursuant to Section 7 above.

13. Binding. The respective covenants and obligations of the User and of the Association set forth herein shall be binding on their respective heirs, assigns and successors and on User's Property and Association's Property and constitute covenants running with User's Property and Association's Property until released by the City.

14. Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.

15. Changes of Agreement. Changes to this Agreement are not binding unless made in writing, signed by both parties.

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

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

18. Agreement by Association. Association agrees to assume responsibility for each and every one of User's obligations under this Agreement at such time as User assigns or otherwise transfers its responsibilities hereunder to Association.

[SIGNATURES ON FOLLOWING PAGE]

Trails\Unit 2\Tracts I & OS-3\Drainage



Mary Herrera

Bern. Co. AGRE

R 27.00

2005127387
6323436
Page: 3 of 10
08/31/2005 02:15P
Bk-A102 Pg-7016

[SIGNATURE PAGE TO AGREEMENT AND COVENANT]

CITY OF ALBUQUERQUE:

USER:

THE TRAILS LLC, a Nevada limited liability company

By: [Signature]
Chief Administrative Officer

By: Longford Group, Inc., a Nevada corporation, Its Manager

By: [Signature]
David A. Murtagh, Division President

Dated: 8-26-05

Dated: May 16, 2005

ASSOCIATION:

The Trails Community Association, Inc., a New Mexico non-profit corporation

By: [Signature]
Tracy Murphy, President

Dated: May 16, 2005

APPROVED:

[Signature]
City Engineer 8-26-05

Dated: 8-26-05

CITY'S ACKNOWLEDGMENT

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

This instrument was acknowledged before me on August 26, 2005, by Richard Duarte for, Chief Administrative Officer for the City of Albuquerque, a New Mexico municipal corporation, on behalf of the corporation.

[Signature]
Notary Public
My Commission Expires:
11-25-2007



USER'S ACKNOWLEDGMENT

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

This instrument was acknowledged before me on May 16th, 2005, by David A. Murtagh, Division President of Longford Group, Inc., a Nevada corporation, as manager of The Trails, LLC, a Nevada limited liability company.



OFFICIAL SEAL
DONNA LAWSON
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 12-1-08

Donna Lawson
Notary Public

My Commission Expires: 12-1-08

ASSOCIATION'S ACKNOWLEDGMENT

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

This instrument was acknowledged before me on May 17, 2005, by Tracy Murphy, President of The Trails Community Association, Inc., a New Mexico non-profit corporation.

Crystal House
Notary Public

My Commission Expires: 5/5/07



LEGAL DESCRIPTION - Drainage Easement within Tracts 1 and OS-3, Trails Unit 2

An Easement within that certain parcel of land situate within the Town of Alameda Grant in projected Section 16, Township 11 North, Range 2 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico comprising a Northwesterly portion of Tract OS-3 and a Southerly Portion of Tract 1 of the Trails Unit 2 as the same is shown and designated on the plat entitled "BULK LAND PLAT OF THE TRAILS UNIT 2 (BEING A REPLAT OF TRACTS G AND J, THE TRAILS AND UNPLATTED DEED PARCELS) WITHIN THE TOWN OF ALAMEDA GRANT IN PROJECTED SECTION 16, TOWNSHIP 11 NORTH, RANGE 2 EAST, NEW MEXICO PRINCIPAL MERIDIAN, CITY OF ALBUQUERQUE, BERNALILLO COUNTY, NEW MEXICO", filed in the office of the County Clerk of Bernalillo County, New Mexico, on October 18, 2004 in Plat Book 2004C, Page 332 more particularly described by survey performed by Russ P. Hugg, New Mexico Professional Surveyor Number 9750 using New Mexico State Plane Coordinate System, Central Zone (NAD 27) grid bearings and ground distances as follows:

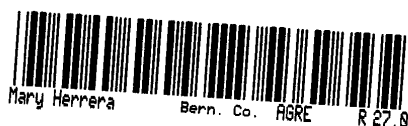
BEGINNING at the Southwest corner of the easement herein described, A POINT ON THE Westerly line of said Tract OS-3 whence the Southwest corner of said Tract OS-3 and the Northwest corner of Tract 4 of the Trails Unit 2 (a 5/8" Rebar and cap stamped "L.S. 5978" found in place) bears S 00° 06' 04" W, 68.22 feet distant; Thence running as an easement:

N 00° 06' 04" E , 55.85 feet to the Northwest corner of said Tract OS-3; Thence,
N 00° 06' 04" E , 105.00 feet to the Northwest corner of the easement herein described; Thence,
S 89° 55' 02" E , 449.87 feet to a point on the Easterly line of said Tract 1 and the Northeast corner of the easement herein described; Thence,
S 00° 08' 08" W , 105.00 feet the Northeast corner of said Tract OS-3; Thence,
S 00° 08' 08" W , 88.01 feet to a point; Thence
S 33° 23' 38" W , 44.70 feet to a point; Thence,
S 13° 17' 28" E , 15.54 feet to a point; Thence,
S 76° 42' 32" W , 56.97 feet to a point; Thence,



Page 2

N 13° 17' 28" W , 24.94 feet to a point; Thence,
N 84° 29' 50" W , 211.06 feet to a point; Thence,
S 00° 06' 04" W , 17.04 feet to a point on the Southerly line of
said Tract OS-3; Thence,
N 81° 59' 57" W , 17.35 feet along said Southerly line of Tract
OS-3 to a point; Thence,
N 89° 54' 08" W , 7.81 feet along said Southerly line of Tract
OS-3 to a point; Thence,
N 00° 06' 04" E , 3.84 feet to a point; Thence,
N 73° 25' 31" W , 93.66 feet to a point; Thence,
N 52° 44' 34" W , 40.00 feet to a point; Thence,
N 38° 15' 47" W , 17.41 feet to the Southwest corner and point
of beginning of the easement herein described.



2005127387
6323438
Page: 7 of 10
08/31/2005 02:15P
BK-A102 Pg-7016

DEL
(Variable width right of way)

NORTE

Found 5/8" Rebar and cap stamped "L.S. 5978"

30' Private Temporary Slope—
Easement granted by
document filed July 15, 2004
Book A80, Page 8752

TRACT B
THE TRAILS

TRACT 05-2

TRACT D
THE TRAILS

TRACT 1

UNPLATTED
NOT PART
OF THIS PLAT

Lands of Manuel R. Pili
WARRANTY DEED
filed- January 1, 2000
Book A1, Page 4899

TRACT 4

TRACT 6

Scale 1"= 200'



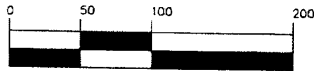
2005127387
6323436
Page: 8 of 10
08/31/2005 02:15P
Bk-A102 Pg-7016

Phone: 505-897-3366
Fax: 505-897-3377

LINE TABLE		
LINE	LENGTH	BEARING
L1	132.50'	S89°54'08"E
L2	3.84'	N00°06'04"E
L3	93.66'	N73°25'31"W
L4	40.00'	N52°44'34"W
L5	17.41'	N38°15'47"W
L6	55.85'	N00°06'04"E
L7	88.01'	S00°08'08"W
L8	44.70'	S33°23'38"W
L9	15.54'	S13°17'28"E
L10	56.97'	S76°42'32"W
L11	24.94'	N13°17'28"W
L12	211.06'	N84°29'50"W
L13	7.81'	S89°54'08"E
L14	17.35'	S81°59'57"E
L15	87.79'	N80°17'52"E
L16	40.51'	S41°47'10"E
L17	14.50'	N41°47'10"W
L18	103.64'	S80°17'52"W
L19	77.49'	S26°17'59"W
L20	236.12'	N86°29'46"E
L21	59.03'	N26°17'59"E
L22	70.26'	N10°37'44"W
L23	66.94'	N05°40'36"W
L24	23.53'	N00°30'17"E
L25	22.84'	S89°48'12"E
L26	2.98'	N00°44'07"W
L27	17.63'	N22°30'36"E
L28	75.90'	N00°35'13"E
L29	65.73'	N32°23'17"E
L30	54.97'	N67°48'25"E
L31	70.76'	N39°31'30"E
L32	72.08'	N06°05'21"E
L33	142.48'	N10°37'44"W
L34	136.30'	N83°00'21"E
L35	67.18'	S87°16'51"E
L36	25.26'	S10°52'50"W
L37	61.47'	S87°16'51"E
L38	107.54'	S83°00'21"W
L39	119.52'	S10°37'44"E
L40	83.26'	S06°05'21"W
L42	84.57'	S39°31'30"W
L43	53.28'	S67°48'25"W
L44	63.28'	S32°23'17"W
L45	128.28'	S19°42'27"E
L59	67.61'	N00°16'10"E
L60	100.05'	N89°43'50"W
L61	17.04'	S00°06'04"W
L62	105.00'	N00°06'04"E
L63	105.00'	S00°08'08"W

CURVE TABLE						
CURVE	LENGTH	RADIUS	TANGENT	CHORD	CHORD BEARING	DELTA
C5	54.34'	34.00'	34.95'	48.74'	S54°50'34"E	91°34'20"
C6	53.70'	35.00'	33.75'	48.59'	S34°53'59"W	87°54'45"
C7	174.08'	7435.34'	87.05'	174.08'	S81°13'24"W	1°20'29"
C8	26.97'	34.00'	14.24'	26.27'	N28°24'07"W	45°27'03"
C9	40.26'	34.00'	22.87'	37.95'	N23°17'52"E	67°51'11"
C10	102.72'	55.00'	74.33'	88.43'	N54°05'20"E	107°00'14"

GRAPHIC SCALE

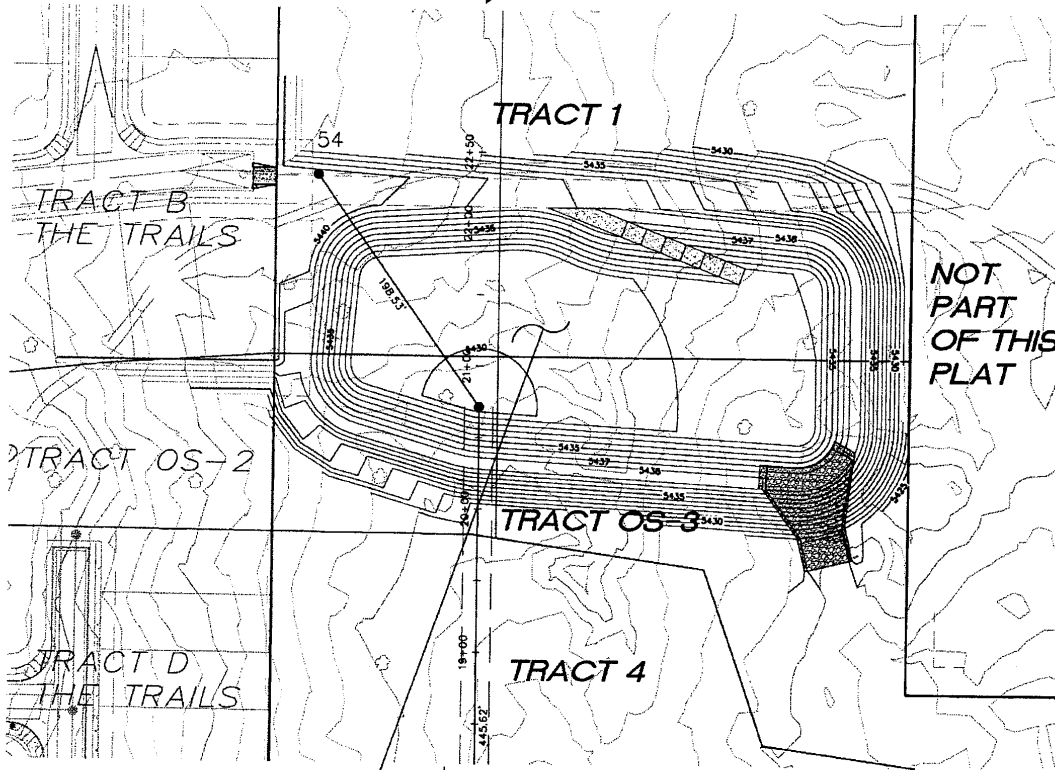


(IN FEET)
1 inch = 100 ft.

N

EXHIBIT B DRAINAGE EASEMENT within BULK LAND PLAT, THE TRAILS UNIT II CITY OF ALBUQUERQUE BERNALILLO COUNTY, NEW MEXICO

DM
8/8/05
8-10-05



POND D
MAX STORAGE = 6.85 AC-FT
MAX WSEL = 5431.85
TOP OF POND = 5432
BOTTOM OF POND ELEV = 5425
Q(in) = 183.7 cfs
Q(out) = 21.1 cfs

**WILSON
& COMPANY**

2600 THE AMERICAN ROAD S.E.
SUITE 100
RIO RANCHO, NEW MEXICO
87124
(505) 898-8021

CITY OF ALBUQUERQUE
PUBLIC WORKS DEPARTMENT
ENGINEERING GROUP

EXHIBIT "B"

POND D 8/8/05 DM 8-10-05

DESIGN	S.J.S	WCEA NO. X4218008	DATE MARCH 2005
DRAWN	D.D	PROJECT NO.	SHEET NO.
CHECK	S.J.S	730084	1 OF 1



Mary Herrera

Bern. Co. AGRE

R 27.00

2005127387

6323436

Page: 10 of 10

08/31/2005 02:15P

Bk-A102 Pg-7016

2122

COA# - 730084
POND F # 5D G
TRACT 4

EASEMENT
(Drainage)

Grant of Easement, between The Trails, LLC, a Nevada limited liability company ("Grantor"), whose address is 3077 E. Warm Springs Road, Las Vegas, Nevada, 89120, and the City of Albuquerque, a New Mexico municipal corporation ("City"), whose address is P.O. Box 1293, Albuquerque, New Mexico, 87103.

Grantor grants to the City an easement ("Easement") in, over, upon and across the real property described on Exhibit "A" attached hereto ("Property") for the construction, installation, maintenance, repair, modification, replacement and operation of drainage facilities and areas, including without limitation drainage ponds, together with the right to remove trees, bushes, undergrowth and any other obstacles upon the Property if the City determines they interfere with the appropriate use of this Easement.

In the event Grantor constructs any improvements ("Improvements") within the Easement, the City has the right to enter upon Grantors property at any time and perform whatever inspection, installation, maintenance, repair, modification or removal ("Work") it deems appropriate without liability to the City. If the Work effects any Improvements or encroachments made by the Grantor, the City will not be financially or otherwise responsible for rebuilding or repairing the Improvements or encroachments. If in the opinion of the City, the Work to be performed by the City could endanger the structural integrity or otherwise damage the Improvements or encroachments, the Grantor shall, at its own expense, take whatever protective measures are required to safeguard the Improvements or encroachments.

Grantor covenants and warrants that Grantor is the owner in fee simple of the Property, that Grantor has a good lawful right to convey the Property or any part thereof and that Grantor will forever warrant and defend the title to the Property against all claims from all persons or entities.

The grant and other provisions of this Easement constitute covenants running with the Property for the benefit of the City and its successors and assigns until terminated.

This Easement shall not be effective until approved by the City Engineer for the City in the signature block below.

WITNESS its hand and seal this _____ day of May, 2005.

GRANTOR:

THE TRAILS, LLC, a Nevada limited liability company

By: The Longford Group, Inc., a Nevada corporation,
Its Manager

By: David A. Murtagh

David A. Murtagh

Its: Division President

Dated: May 16, 2005

APPROVED:

Richard Dourte

Print Name: Richard Dourte

City Engineer

Dated: 8-26-05

vje 8/26/05

Trails\Unit 2\Tracts 4 & 6\Perm Drainage



Mary Herrera

Bern. Co. EASE

R 21.00

2005127382

6323431

Page: 1 of 7

08/31/2005 02:12P

Bk-A102 Pg-7011

CORPORATION

STATE OF NEW MEXICO)
)ss
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on the 16th day of May, 2005, by David A. Murtagh, Division President of Longford Group, Inc., a Nevada corporation, as manager of The Trails, LLC, a Nevada limited liability company.

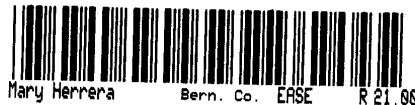
Donna Lawson
Notary Public

My Commission Expires:

12-1-08



OFFICIAL SEAL
DONNA LAWSON
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires 12-1-08



2005127382
6323431
Page: 2 of 7
08/31/2005 02:12P
Bk-A102 Pg-7011

LEGAL DESCRIPTION - Drainage Easement within Tracts 4 and 6, Trails Unit 2

An Easement within that certain parcel of land situate within the Town of Alameda Grant in projected Section 16, Township 11 North, Range 2 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico comprising a Southerly and Westerly portion of Tract 4 and a Northerly portion of Tract 6 of the Trails Unit 2 as the same is shown and designated on the plat entitled "BULK LAND PLAT OF THE TRAILS UNIT 2 (BEING A REPLAT OF TRACTS G AND J, THE TRAILS AND UNPLATTED DEED PARCELS) WITHIN THE TOWN OF ALAMEDA GRANT IN PROJECTED SECTION 16, TOWNSHIP 11 NORTH, RANGE 2 EAST, NEW MEXICO PRINCIPAL MERIDIAN, CITY OF ALBUQUERQUE, BERNALILLO COUNTY, NEW MEXICO", filed in the office of the County Clerk of Bernalillo County, New Mexico, on October 18, 2004 in Plat Book 2004C, Page 332 more particularly described by survey performed by Russ P. Hugg, New Mexico Professional Surveyor Number 9750 using New Mexico State Plane Coordinate System, Central Zone (NAD 27) grid bearings and ground distances as follows:

BEGINNING at the Northwest corner of the easement herein described, a point on the Northerly line of said Tract 4 and a point on the Southerly line of Tract OS-3 of the Trails Unit 2 whence Northwest corner of said Tract 4 (a 5/8" Rebar and cap stamped "L.S. 5978" found in place) bears N 89° 54' 08" W, 132.39 feet distant; Thence running as an easement:

S 89° 54' 08" E , 7.81 feet to a point; Thence,
S 81° 59' 57" E , 17.35 feet to the Northeast corner of the easement herein described; Thence,
S 00° 06' 04" W , 796.29 feet to a point; Thence,
N 80° 17' 52" E , 87.79 feet to a point; Thence,
S 41° 47' 10" E , 40.51 feet to a point; Thence,
N 79° 22' 16" E , 300.71 feet to a point of curvature; Thence,
Southeasterly , 54.34 feet on the arc of a curve to the right (said curve having a radius of 34.00 feet, a central angle of 91° 34' 20" and a chord which bears S 54° 50' 34" E, 48.74 feet) to a point of tangency; Thence,



Mary Herrera

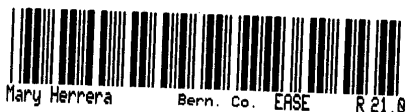
Bern. Co. EASE

R 21.00

2005127382
6323431
Page: 3 of 7
08/31/2005 02:12P
Bk-A102 Pg-7011

Page 2

S 09° 03' 24" E , 143.21 feet to a point of curvature; Thence,
Southwesterly , 53.70 feet on the arc of a curve to the right
(said curve having a radius of 35.00 feet, a
central angle of 87° 54' 45" and a chord which
bears S 34° 53' 59" W, 48.59 feet) to a point
of tangency; Thence,
S 78° 51' 21" W , 146.39 feet to a point of curvature; Thence,
Southwesterly , 174.08 feet on the arc of a curve to the right
(said curve having a radius of 7435.34 feet, a
central angle of 01° 20' 29" and a chord which
bears S 81° 13' 24" W, 174.08 feet) to a non
tangent point on curve; Thence,
S 26° 17' 59" W , 77.49 feet to a point; Thence,
S 86° 29' 46" W , 275.22 feet to a point on the Westerly line of
said Tract 6; Thence,
N 00° 30' 17" E , 23.53 feet along said Westerly line of Tract 6
to the Northwest corner of said Tract 6 (a
5/8" Rebar and cap stamped "L.S. 5978" found
in place); Thence,
S 89° 48' 12" E , 22.84 feet to the Southwest corner of said
Tract 4 (a 5/8" Rebar and cap stamped "L.S.
5978" found in place); Thence,
N 86° 29' 46" E , 236.12 feet to a point; Thence,
N 26° 17' 59" E , 59.03 feet to a point on curve; Thence,
Northwesterly , 26.97 feet on the arc of a curve to the right
(said curve having a radius of 34.00 feet, a
central angle of 45° 27' 03" and a chord which
bears N 28° 24' 07" W, 26.27 feet) to a point
on curve; Thence,
N 05° 40' 36" W , 66.94 feet to a point; Thence,
N 10 37' 44" W , 70.26 feet to a point of curvature; Thence,



Mary Herrera

Bern. Co. EASE

R 21.00

2005127382

8323431

Page: 4 of 7

08/31/2005 02:12P

Bk-A102 Pg-7011

Page 3

Northeasterly , 40.26 feet on the arc of a curve to the right
(said curve having a radius of 34.00 feet, a
central angle of $67^{\circ} 51' 11''$ and a chord which
bears $N 23^{\circ} 17' 52'' E$, 37.95 feet) to a point
on curve; Thence,

 $N 41^{\circ} 47' 10'' W$, 14.50 feet to a point; Thence,

 $S 80^{\circ} 17' 52'' W$, 103.64 feet to a point; Thence,

 $N 00^{\circ} 06' 04'' E$, 828.37 feet to the Northwest corner and point
of beginning of the easement herein described.



Mary Herrera

Bern. Co. ERSE

R 21.00

2005127382

6323431

Page: 5 of 7

08/31/2005 02:12P

Bk-R102 Pg-7011

2005127382
 632343 of 7
 Page: 7/2005 02:12P
 08/31/2005 Pg-7811
 Bx-R102 Pg-7811
 R 21.00
 Bern. Co. ERSE
 Mary Herrera

LINE TABLE

LINE	LENGTH	BEARING
L1	132.50'	S89°54'08"E
L2	3.84'	N00°06'04"E
L3	93.66'	N73°25'31"W
L4	40.00'	N52°44'34"W
L5	17.41'	N38°15'47"W
L6	55.85'	N00°06'04"E
L7	88.01'	S00°08'08"W
L8	44.70'	S33°23'38"W
L9	15.54'	S13°17'28"E
L10	56.97'	S76°42'32"W
L11	24.94'	N13°17'28"W
L12	211.06'	N84°29'50"W
L13	7.81'	S89°54'08"E
L14	17.35'	S81°59'57"E
L15	87.79'	N80°17'52"E
L16	40.51'	S41°47'10"E
L17	14.50'	N41°47'10"W
L18	103.64'	S80°17'52"W
L19	77.49'	S26°17'59"W
L20	236.12'	N86°29'46"E
L21	59.03'	N26°17'59"E
L22	70.26'	N10°37'44"W
L23	66.94'	N05°40'36"W
L24	23.53'	N00°30'17"E
L25	22.84'	S89°48'12"E
L26	2.98'	N00°44'07"W
L27	17.63'	N22°30'36"E
L28	75.90'	N00°35'13"E
L29	65.73'	N32°23'17"E
L30	54.97'	N67°48'25"E
L31	70.76'	N39°31'30"E
L32	72.08'	N06°05'21"E
L33	142.48'	N10°37'44"W
L34	136.30'	N83°00'21"E
L35	67.18'	S87°16'51"E
L36	25.26'	S10°52'50"W
L37	61.47'	S87°16'51"E
L38	107.54'	S83°00'21"W
L39	119.52'	S10°37'44"E
L40	83.26'	S06°05'21"W
L42	84.57'	S39°31'30"W
L43	53.28'	S67°48'25"W
L44	63.28'	S32°23'17"W
L45	128.28'	S19°42'27"E
L59	67.61'	N00°16'10"E
L60	100.05'	N89°43'50"W
L61	17.04'	S00°06'04"W
L62	105.00'	N00°06'04"E
L63	105.00'	S00°08'08"W

CURVE TABLE

CURVE	LENGTH	RADIUS	TANGENT	CHORD	CHORD BEARING	DELTA
C5	54.34'	34.00'	34.95'	48.74'	S54°50'34"E	91°34'20"
C6	53.70'	35.00'	33.75'	48.59'	S34°53'59"W	87°54'45"
C7	174.08'	7435.34'	87.05'	174.08'	S81°13'24"W	1°20'29"
C8	26.97'	34.00'	14.24'	26.27'	N28°24'07"W	45°27'03"
C9	40.26'	34.00'	22.87'	37.95'	N23°17'52"E	67°51'11"
C10	102.72'	55.00'	74.33'	88.43'	N54°05'20"E	107°00'14"
C11	79.75'	58.00'	47.63'	73.62'	N39°58'45"E	78°47'03"
C12	52.98'	68.00'	27.92'	51.65'	S78°18'36"E	44°38'17"
C13	27.71'	68.00'	14.05'	27.52'	S22°36'49"E	23°20'54"
C14	82.33'	538.00'	41.25'	82.25'	S15°19'24"E	8°46'05"
C15	419.24'	651.00'	217.18'	412.04'	S88°44'30"W	36°53'54"
C16	46.71'	30.00'	29.59'	42.13'	N44°52'19"E	89°12'19"

SURV  TEK, INC.

Consulting Surveyors

5643 Paradise Blvd. N.W. Albuquerque, New Mexico 87114

Phone: 505-897-3366

Fax: 505-897-3377

050003

PASEO

DEL

NORTE

(Variable width right of way)

Found 5/8" Rebar and cap
stamped "L.S. 5978"30' Private Temporary Slope
Easement granted by
document filed July 15, 2004
Book A80, Page 8752TRACT B
THE TRAILSFound 5/8" Rebar and cap
stamped "L.S. 5978"

TRACT OS-2

Found 5/8" Rebar and cap
stamped "L.S. 5978"TRACT D
THE TRAILS

TRACT 1

UNPLATTED
NOT PART
OF THIS PLATLands of Manuel R. Pili
WARRANTY DEED
filed—January 1, 2000
Book A1, Page 4899

TRACT 4

TRACT 6

40' Slope Easement filed
in Book 91-3, Page 8490Blanket Drainage Easement
granted by document
filed July 15, 2004
Book A80, Page 875040' Private Access and Public
Drainage and Utility Easement
granted by this plat.TRACT OS-3
Drainage EasementBlanket Drainage Easement
granted by document
filed July 15, 2004
Book A80, Page 8750

25' Storm Sewer Easement

Temporary Slope
Easement

Drainage Easement

Set 5/8" Rebar and cap
stamped "L.S. 9750"
(typical all interior corners)

25' Storm Sewer Easement

Scale 1" = 200'

SURV TEK, INC.Consulting Surveyors
5843 Paradise Blvd. N.W. Albuquerque, New Mexico 87114Phone: 505-897-3366
Fax: 505-897-3377

050003

2005127382
6323431
Page: 6 of 7
88/31/2005 02:12P
R 21.90 BK-R102 Pg-7811
Bern. Co. ERSE
Mary Herrera

S

OAKRIDGE
STREET

730084
Pond F

AGREEMENT AND COVENANT
(Drainage)

This Agreement and Covenant ("Agreement") by and among the City of Albuquerque, a New Mexico municipal corporation ("City"), The Trails, LLC, a Nevada limited liability company ("User"), and The Trails Community Association, Inc., a New Mexico non-profit corporation ("Association"), is made in Albuquerque, New Mexico and is entered into as of the date of the recording of this Agreement with the Bernalillo County Clerk.

1. Recitals. The User is the owner of certain real property ("User's Property") located in Bernalillo County, New Mexico, and more particularly described as:

"TRACT 4" and "TRACT 6" of The Trails Unit 2 as the same is shown and designated on the plat entitled "Bulk Land Plat of The Trails Unit 2 (being a replat of Tracts G and J of The Trails and unplatted deed parcels) within the Town of Alameda Grant in Projected Section 16, Township 11 North, Range 2 East, New Mexico Principal Meridian, City of Albuquerque, Bernalillo County, New Mexico," which was filed in the Office of the County Clerk of Bernalillo County, New Mexico, on October 18, 2004 in Book 2004c, Page 332.

The City is the owner of certain real property, easement or public right-of-way ("City's Property") in the vicinity of, contiguous to, abutting or within User's Property, and more particularly described in Exhibit A attached hereto and incorporated herein.

The User wishes to construct upon, improve or repair and to maintain drainage facilities and areas, including without limitation drainage ponds, (collectively, "Improvement") on the City's Property (or already has done so), as such Improvement is more particularly depicted on the diagram attached hereto as Exhibit B and incorporated herein.

The City agrees to permit the Improvement to exist on the City's Property provided the User complies with the terms of this Agreement.

2. City Use of City's Property and City Liability. The City has the right to enter upon the City's Property at any time and perform whatever inspection, installation, maintenance, repair, modification or removal ("Work") it deems appropriate without liability to the User. If the Work affects the Improvement the City will not be financially or otherwise responsible for rebuilding or repairing the Improvement. The User promptly will repair the Improvement to the City's satisfaction. The cost of repairing the Improvement will be paid by User.

3. User's Responsibility for Improvement. The User will be solely responsible for constructing, maintaining, repairing and, if required, removing the Improvement, all in accordance with standards required by the City as per the approved Grading and Drainage Plan identified as "Grading and Drainage Report C9-D1" on file at the City Engineer's office. The User will be solely responsible for paying all related costs. The User will not permit the Improvement to constitute a hazard to the health or safety of the general public or to interfere with the City's use of the City's Property. The User will conform with all applicable laws, ordinances and regulations.

4. Use of the Improvement. If the City's Property is a public right-of-way, it shall be open to the use of the general public at all times, subject to reasonable curtailment during periods of construction, maintenance or repair.

5. Demand for Repair, Modification or Removal. The City may send written notice ("Notice") to the User requiring the User to repair, modify or remove the Improvement within thirty (30) days ("Deadline") and the User will comply promptly with the requirements of the Notice. If removal is demanded, the City also may require the User to return the City's Property to its original condition by the Deadline. The User will perform all required work by the Deadline, at User's sole expense.

6. Failure to Perform by User and Emergency Work by City. If the User fails to comply with the terms of the Notice by the Deadline stated, or, if the City determines that an emergency condition exists, the City may perform the work itself. The City then may assess the User for the cost of the work and for any other expenses or damages which result from User's failure to perform. The User agrees promptly to pay the City the amount assessed. If the User fails to pay the City within thirty (30) days after the City gives the User written notice of the amount due, the City may impose a lien against User's Property for the total resulting amount.

7. Cancellation of Agreement and Release of Covenant. This Agreement may be canceled and User's covenants released by the City at will by the City's mailing to the User notice of the City's intention to record a Cancellation and Release with the Bernalillo County Clerk. The Cancellation and Release will be effective thirty (30) days after the date of mailing the notice to the User unless a later date is stated in the notice or the Cancellation and Release. After the effective date, the City will record the Cancellation and Release with the Bernalillo County Clerk.

8. Condemnation. If any part of the User's Property is ever condemned by the City, the User will forego all claims to compensation for any portion of User's structure which encroaches on City Property and for severance damage to the remaining portion of User's structure on User's Property.

9. Assessment. Nothing in this Agreement shall be construed to relieve the User, his heirs, assigns and successors from an assessment against User's Property for improvements to the City Property under a duly authorized and approved Special Assessment District. The parties specifically agree that the value of the Improvement will not reduce the amount assessed by the City.

10. Notice. Written notice required or permitted under this Agreement shall be sent to the parties at the address for such party set forth below:

To User: The Trails, LLC
 c/o Longford Group, Inc.
 3077 E. Warm Springs Road
 Las Vegas, Nevada 89120

To Association: The Trails Community Association, Inc.
 7007 Jefferson Blvd., NE, Suite A
 Albuquerque, New Mexico 87109

Notice may be given to User or Association either in person or by mailing the notice by regular U.S. mail, postage paid. Notice will be considered to have been received within 3 days after the notice is mailed if there is no actual evidence of receipt. The address set forth above may be changed by the relevant party giving written notice of the change by certified mail, return receipt requested, to the City Engineer at P.O. Box 1293, Albuquerque, New Mexico 87103.



and association
on 8/18/05
page 10-05

11. Indemnification. The User agrees to defend, indemnify and hold harmless the City, its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties as a result of User's use of the City's Property. To the extent, if at all, Section 56-7-1 NMSA 1978 is applicable to this Agreement, this Agreement to indemnify will not extend to liability, claims, damages, losses or expenses, including attorneys' fees, arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications by the indemnitee, or the agents or employees of the indemnitee; or (2) the giving of or the failure to give direction or instructions by the indemnitee, where such giving or failure to give directions or instructions is the primary cause of bodily injury to persons or damage to property.

12. Term. This Agreement shall continue until revoked by the City pursuant to Section 7 above.

13. Binding on User's Property. The covenants and obligations of the User set forth herein shall be binding on User, his heirs assigns and successors and on User's Property and constitute covenants running with User's Property until released by the City.

14. Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.

15. Changes of Agreement. Changes to this Agreement are not binding unless made in writing, signed by both parties.

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

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

18. Agreement by Association. Association agrees to assume responsibility for each and every one of User's obligations under this Agreement at such time as User assigns or otherwise transfers its responsibilities hereunder to Association.

CITY OF ALBUQUERQUE:

USER:

THE TRAILS LLC, a Nevada limited liability company

By: Longford Group, Inc., a Nevada corporation, Its Manager

By: [Signature]
Chief Administrative Officer

By: [Signature]
David A. Murtagh, Division President

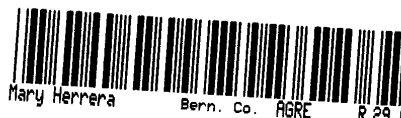
Dated: 8-20-05

Dated: May 9, 2005

vje 8/18/05

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

Trails\Unit 2\Tracts 4 & 6\Drainage



2005127383
8323432
Page: 3 of 11
08/31/2005 02:12P

[CONTINUED SIGNATURE PAGE TO AGREEMENT AND COVENANT]

ASSOCIATION:

The Trails Community Association, Inc., a New Mexico
non-profit corporation

By: Tracy Murphy
Tracy Murphy, President

Dated: May 9, 2005

APPROVED:

Bill D... 7-7-05
City Engineer

Dated: 8-26-05 WJ 8/26/05

CITY'S ACKNOWLEDGMENT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on August 26, 2005,
by Richard Dourte for, Chief Administrative Officer for the City of
Albuquerque, a New Mexico municipal corporation, on behalf of the corporation.

Gloria W. Saavedra
Notary Public
My Commission Expires:
11-25-2007

2005127383
6323432
Page: 4 of 11
08/31/2005 02:12P
BK-A102 Pg-7012
Mary Herrera Bern. Co. AGRE R 29.00

USER'S ACKNOWLEDGMENT

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

This instrument was acknowledged before me on May 9th, 2005, by David A. Murtagh, Division President of Longford Group, Inc., a Nevada corporation, as manager of The Trails, LLC, a Nevada limited liability company.

Donna Lawson
Notary Public

My Commission Expires: 12-1-08



OFFICIAL SEAL
DONNA LAWSON
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 12-1-08

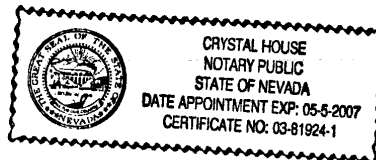
ASSOCIATION'S ACKNOWLEDGMENT

STATE OF ~~NEVADA~~ NEVADA)
) ss.
COUNTY OF ~~CLARK~~ CLARK)

This instrument was acknowledged before me on May 17, 2005, by Tracy Murphy, President of The Trails Community Association, Inc., a New Mexico non-profit corporation.

Crystal House
Notary Public

My Commission Expires: 6/5/07



Mary Herrera

Bern. Co. AGRE

R 29.00

2005127383
6323432
Page: 5 of 11
08/31/2005 02:12P
Bk-R102 Pg-7012