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AGREEMENT AND COVENANT

This Agreement and Covenant ("Agreement"), between the City of Albuquerque, New Mexico ("City") and Silver Leaf Ventures, LLC, a New Mexico limited liability company, ("User") is made in Albuquerque, New Mexico and is entered into as of the date of recording this Agreement with the Bernalillo County Clerk.

1. Recitals.

WHEREAS, Bosque School ("Bosque"), a New Mexico non-profit corporation is the owner of certain real property described as Tract 9, North Andalucia at La Luz, as the same is shown and designated on the plat thereof, filed in the office of the County Clerk, Bernalillo County, New Mexico on October 13, 2005, in Plat Book 2005c, Folio 342 (the "Bosque Property"); and

WHEREAS, Silver Leaf Ventures, LLC, a New Mexico limited liability company ("Silver Leaf" or "User") is the owner and developer of certain real property adjacent to the Bosque Property described as Tracts 1, 2 and 3, North Andalucia at La Luz, as the same is shown and designated on the plat thereof, filed in the office of the County Clerk, Bernalillo County, New Mexico on October 12, 2005, in Plat Book 2005c, Folio 342 (the "Silver Leaf Property" or "User's Property"); and

WHEREAS, as a condition to the City approval of the site development plan of the Silver Leaf Property; Silver Leaf has requested that Bosque School locate a drainage improvement on the Bosque Property and allow Silver Leaf to enter the Bosque Property to maintain the drainage improvement; and

WHEREAS, by execution of this Agreement and Covenant, Bosque has agreed to locate the drainage improvement on the Bosque Property and grant Silver Leaf a license to enter the Bosque Property to maintain the drainage improvements and perform its obligations under this Agreement and Covenant.

WHEREAS, the City is the owner of a certain easement ("City's Easement" or "City's Property") within the Bosque Property, and more particularly described as:

Document # 2006180367
Bk. A127 Pg. 9870

Document 2006180368
Bk 127 Pg. 9871

WHEREAS, Silver Leaf wishes to construct upon, improve or repair and to maintain the following drainage improvement ("Improvement") on the City's Property (or already has done so):

A sketch of the proposed or existing Improvement is attached as Exhibit A and made a part of this Agreement.

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



2006180370
6567934
Page: 1 of 6
11/30/2006 04:33P
Bk-A127 Pg-9873

THEREFORE:

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 E12/D15D 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 or Bosque's use of Bosque'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. In the event this Agreement is cancelled, the City's Easement may be vacated by application to the City's



Mary Herrera

Bern. Co. AGRE

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2006180370
6567934
Page: 2 of 6
11/30/2006 04:33P
Bk-A127 Pg-9873

Development Review Board or successor body.

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. For purposes of giving formal written notice to the User, with a copy to Bosque, User's address is:

Silver Leaf Ventures LLC
5321 Menaul Blvd. NE
Albuquerque, NM 87110

and Bosque's address is:

Bosque School
Attn: Head of School
4000 Learning Road NW
Albuquerque, NM 87120

Notice may be given to the User either in person or by mailing the notice by regular U.S. mail, postage paid. Notice will be considered to have been received by the User within three (3) days after the notice is mailed if there is no actual evidence of receipt. The User may change User's address by 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 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. Liability of City. The User and Bosque understand and agree that the City shall not be liable to User or Bosque or their respective heirs, successors or assigns, or to any third parties for any damages resulting from Users failure to construct, maintain, or repair the Improvement.

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



above.

14. 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.

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

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

17. 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.

18. 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.

19. Recitals. The recitals are a material part of this Agreement and are incorporated herein for all purposes.

CITY OF ALBUQUERQUE:

By: [Signature]

Bruce J. Perlman, Ph.D.

Chief Administrative Officer

Dated: 11-30-06

AGREED TO:

Bosque School:

By: Andrew Wooden

Name: ANDREW WOODEN

Title: HEAD OF SCHOOL

Dated: 11-15-06

USER: SILVER LEAF VENTURES, LLC

By: [Signature]

Name: Peggy Deska's Lycow

Title: Manager

Dated: 11/15/06

REVIEWED BY:

[Signature]

City Engineer

CITY'S ACKNOWLEDGMENT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

This instrument was acknowledged before me on this 30th day of



Richard D. Court
November, 2006 by Bruce J. Perlman, Ph.D., Chief Administrative Officer for the
City of Albuquerque, a New Mexico municipal corporation, on behalf of the corporation.

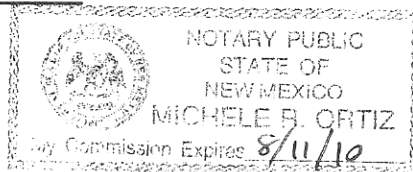
(SEAL)

My Commission Expires:
11-25-2007

Notary Public
Gloria D. Saavedra

USER'S ACKNOWLEDGMENT

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

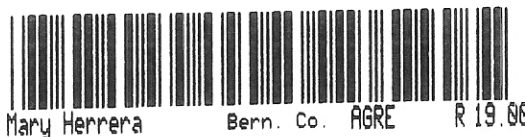


This instrument was acknowledged before me on November 15, 2006 by
Peggy Daskalos-Lycon, on behalf of Silver Leaf Ventures LLC.

(SEAL)

My Commission Expires:
8/11/10

Notary Public
Michele R Ortiz



2006180370
6567934
Page: 5 of 6
11/30/2006 04:33P
Bk-A127 Pg-9873

EXHIBIT 'A'

Page 1 of 1

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DRAINAGE
COVER
POND DETAIL

DATE: 11/30/2006
BY: [Signature]
SCALE: 1"=10'

Bosque School Drainage Study
SEC Coors and Montano
Albuquerque, New Mexico

Bokor
Perich
Sabatini
1111 1st Street NE
Albuquerque, NM 87106
Tel: 505-243-1111
Fax: 505-243-1112
www.bokor.com



SCALE 1"=10'

ROAD NW

TRACT 9
Minimum Finished
Floor Elevation
4975.50

POND 'A' - Volume = 7.20 Acre-Feet



Mary Herrera

Bern. Co. AGRE

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2006180370
6567934
Page: 6 of 6
11/30/2006 04:33P
Bk-A127 Pg-9873