

DRAINAGE COVENANT

9/17/08

This Drainage Covenant ("Covenant"), between KB HOME New Mexico, Inc. ("Owner"), whose address is 6330 Riverside Plaza Lane, NW, Suite 200, Albuquerque, NM 87120 and the City of Albuquerque, New Mexico, a municipal corporation ("City"), whose address is P.O. Box 1293, Albuquerque, New Mexico 87103, is made in Albuquerque, Bernalillo County, New Mexico and is entered into as of the date Owner signs this Covenant.

1. Recital. Owner is the owner of certain real property described as:

Ponds #1, #4, #5, #6 and #7

*A portion of Parcel 4, Anderson Heights, Unit 1,
recorded in the Bernalillo County Clerk's office 5/4/2006, Book 2005C, Page 138;*

Ponds #2, #3 and #8

*A portion of Parcel 6A, Anderson Heights, Unit 9,
recorded in the Bernalillo County Clerk's office 10/9/2007, Book 2007C, Page 0291;*

Pond #9

*Lots 62-66, Block 1 and portions of Lots 59-63, Block 5, Anderson Heights, Unit 9,
recorded in the Bernalillo County Clerk's office 10/9/2007, Book 2007C, Page 0291;*

Pond #10

*Lots 11-16, Block 2, Anderson Heights, Unit 9,
recorded in the Bernalillo County Clerk's office 10/9/2007, Book 2007C, Page 0291*

in Bernalillo County, New Mexico (the "Property"). (Give legal description and filing information).

Pursuant to City ordinances, regulations and other applicable laws, the Owner is required to construct and maintain certain drainage facilities ("Drainage Facility") on the Property, and the parties wish to enter into this Covenant to establish the obligations and responsibilities of the parties.

2. Description and Construction of Drainage Facilities. Owner shall construct the following Drainage Facility within the Property at Owner's sole expense in accordance with the standard plans and specifications approved by the City pursuant to Drainage File No. N8 / D3B

Ten (10) retention ponds and nine (9) berms

The Drainage Facility is more particularly described in the attached Exhibit A. The Owner will not permit the Drainage Facility to constitute a hazard to the health or safety of the general public.

3. Maintenance of Drainage Facility. The Owner will maintain the Drainage Facility at the Owner's cost in accordance with the approved Drainage Report and plans.

4. City's Right of Entry. The City has the right to enter upon the Property at any time



and perform whatever inspection, maintenance or repair of the Drainage Facility it deems appropriate, without liability to the Owner.

5. Demand for Construction or Repair. The City may send written notice ("Notice") to the Owner requiring the Owner to construct or repair the Drainage Facility within thirty (30) days ("Deadline") of receipt of the Notice, as provided in Section 11, and the Owner will comply promptly with the requirements of the Notice. The Owner will perform all required work by the Deadline, at Owner's sole expense.

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

7. Liability of City for Repair after Notice or as a Result of Emergency. The City shall not be liable to the Owner for any damages resulting from the City's maintenance or repair following Notice to the Owner as required in this Covenant or in an emergency unless the damages are the result of the reckless conduct or gross negligence of the City

8. Indemnification. The Owner agrees to indemnify and save the City, its officials, agents and employees harmless from all claims, actions, suits and proceedings arising out of, or resulting from the Owner's negligent maintenance, construction, repair or use of the Drainage Facility. To the extent, if at all, Section 56-7-1 NMSA 1978 is applicable to this Covenant, this Covenant 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 Owner or its agents or employees; or (2) the giving of or the failure to give directions or instructions by the Owner, where such giving or failure to give directions or instructions is the primary cause of bodily injury to persons or damage to property.

9. Cancellation of Agreement and Release of Covenant. This Covenant may be released if the Drainage Facility is no longer required for the protection of the public health, safety and welfare by the City filing a "Notice of Release" with the Bernalillo County Clerk. The Notice of Release must be signed by the City's Chief Administrative Officer or his designee, and the approval of the City Hydrologist must be endorsed thereon.

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

11. Notice. For purposes of giving formal written notice to the Owner, Owner's address is:

*KB HOME New Mexico, Inc.
6330 Riverside Plaza Lane NW, Suite 200
Albuquerque, NM 87120*

Notice may be given to the Owner 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 Owner within three (3) days after the Notice is mailed if there is no actual evidence of receipt. The Owner may change Owner's address by giving written notice of the change by Certified Mail-Return Receipt Requested, to City Hydrologist, P.O. Box 1293, Albuquerque, New Mexico 87103.

12. Term. This Covenant shall continue until terminated by the City pursuant to Section 9 above.

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


14. Entire Agreement. This Covenant 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 regarding this subject matter.

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

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

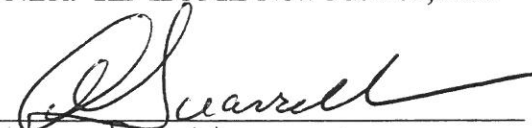
17. Captions. The captions to the sections or paragraphs of this Covenant are not part of this Covenant and will not affect the meaning of construction of any of its provisions.

CITY OF ALBUQUERQUE:
ACCEPTED:

By: 
Ed Adams
Chief Administrative Officer

Dated: 9-17-08

OWNER: **KB HOME New Mexico, Inc.**

By: 
Its: Vice President.. LAND

Dated: 9.8.08

APPROVED:

Karl Dorsch
City Engineer

by 9/12/08

9-10-08

CITY'S ACKNOWLEDGMENT

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

Richard Dourte This instrument was acknowledged before me this 17th day of September, 2008, by
for Ed Adams, Chief Administrative Officer for the City of Albuquerque, a New Mexico municipal
corporation, on behalf of the corporation.

My Commission Expires:

10-07-12

Linda Collins
Notary Public

OWNER'S ACKNOWLEDGMENT

STATE OF New Mexico)
) ss
COUNTY OF Bernalillo)

This instrument was acknowledged before me this 8th day of September, 2008, by A.
Anthony Sciarrillo, Vice President of Land, on behalf of KB HOME New Mexico, Inc..

My Commission Expires:

9.10.12



OFFICIAL SEAL

SUSAN RAGLAND

NOTARY PUBLIC - STATE OF NEW MEXICO

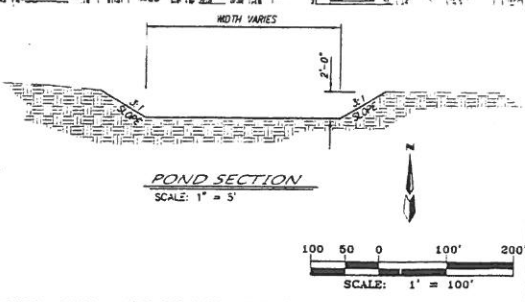
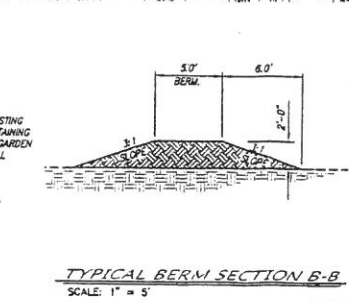
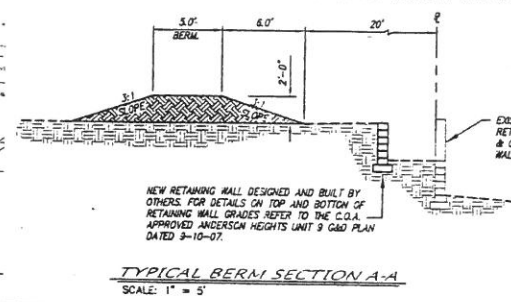
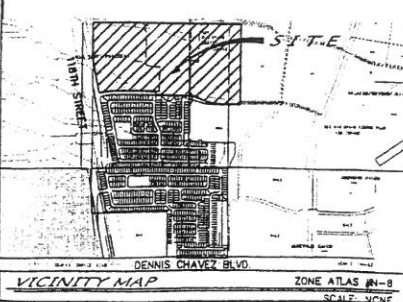
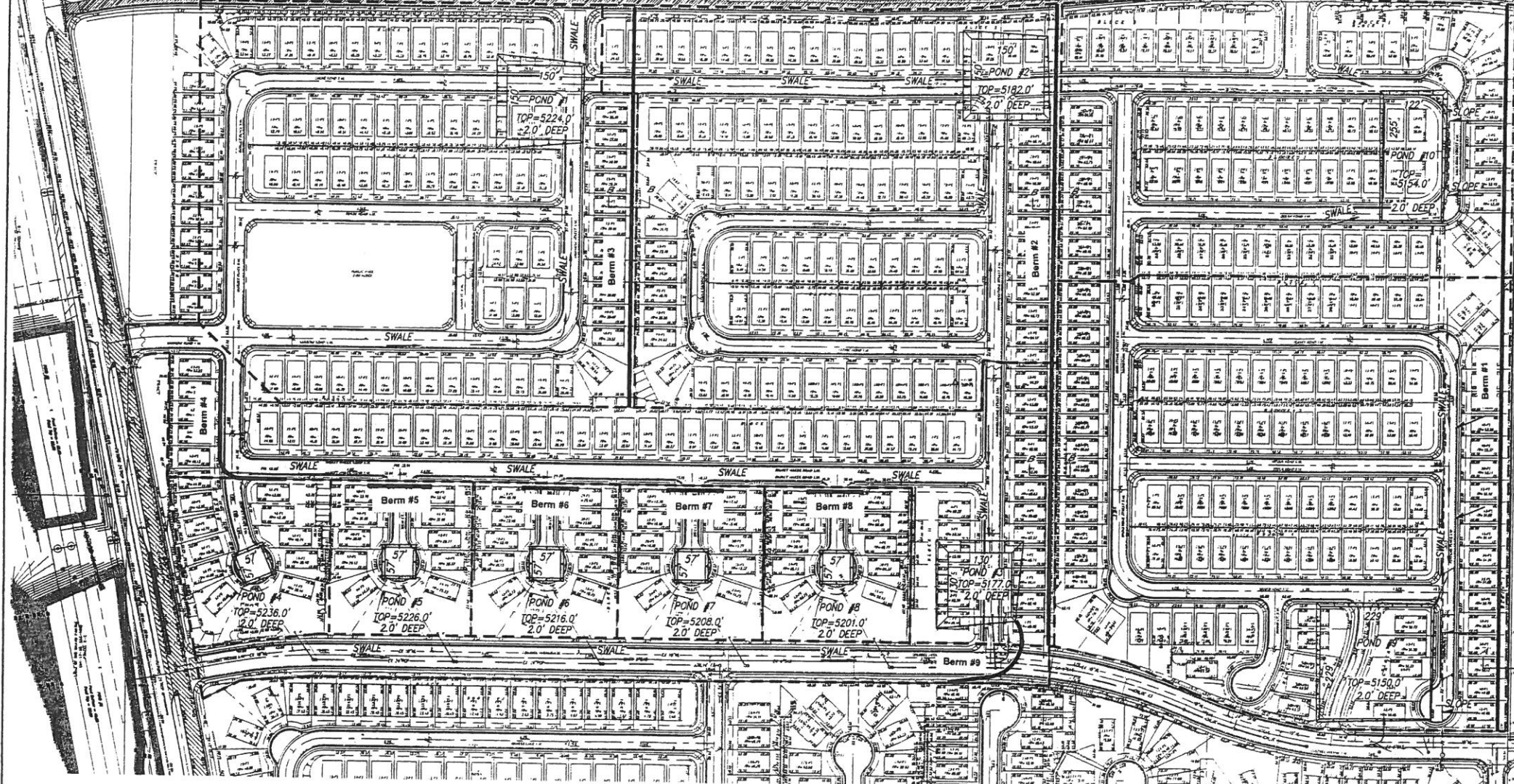
My commission expires: 9.10.12

(EXHIBIT A ATTACHED)

designed. If there are any questions, contact Eshad Moya at 401-269-
Diane Hölzer, PE 828-2200

17-17-80 40C-163

5' BERM
BASIN BOUNDARY
SHALE LEADER
2.5' BERM



dmg MARK GOODWIN & ASSOCIATES, P.A.
CONSULTING ENGINEERS
P.O. BOX 90808
ALBUQUERQUE, NEW MEXICO 87199
(505) 828-2200, FAX (505) 797-9539

 CITY OF ALBUQUERQUE
PUBLIC WORKS DEPARTMENT

TITLE: INTERIM
GRADING AND DRAINAGE PLAN
ANDERSON HEIGHTS - UNITS 4, 6 & 9

REVIEW COMMITTEE	CITY ENGINEER APPROVAL	DATE	VC DAY/IR	VC DAY/IR

Drainage File: N8/D3B Exhibit "A"

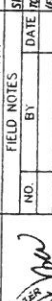
ENGINEER'S SEAL										SURVEY INFORMATION				BENCH MARKS				AS BUILT INFORMATION													
										NO.		BY		DATE		STATION 1+00 IS LOCATED 5.9 MI. SW. OF DOWNTOWN ALBIONVILLE TO REACH STATION FROM INT. OF COORS AND DENNIS CHARTER IN V. (CURRENTLY RHD BRIDGE). CO. S. ON COORS IN 10.02 MI. TO THE STATION WHICH IS ON AN EARTHEN ROAD 162.2' WEST OF THE CENTERLINE OF COORS IN. THE STATION IS A STANDARD ACS 3 1/4" ALUMINUM CAP BURIED TO A PIPE 0.87' ABOVE THE GROUND AND IS STAMPED "3-PIN 1988".		RECORDED BY		DATE											
										NO.		DATE		REMARKS		BY		NO.		DATE		FIELD MEASUREMENT BY		DATE		MICRO-FILM INFORMATION		DATE			
														DESIGN																	
														GAC		DATE		05/07													
				DRWN BY		DATE		05/07																							
				CHKD BY		DATE		05/07																							
PAGE PLAN SITS 4 6 & 9										MS. DAT. FR										MS. DAT. FR											

Exhibit "A"