

CITY of ALBUQUERQUE

TWENTY FIFTH COUNCIL

COUNCIL BILL NO. R-23-107 ENACTMENT NO. _____

SPONSORED BY: Isaac Benton by request

1 RESOLUTION
2 RELATING TO THE REDEVELOPMENT, LEASING AND SALE OF A
3 METROPOLITAN REDEVELOPMENT PROJECT WITHIN THE DOWNTOWN 2025
4 METROPOLITAN REDEVELOPMENT AREA CONSISTENT WITH THE TERMS OF
5 THE DOWNTOWN 2025 METROPOLITAN REDEVELOPMENT PLAN;
6 APPROVING THE METROPOLITAN REDEVELOPMENT APPLICATION
7 ENTITLED "THE DOWNTOWNER REDEVELOPMENT TAX ABATEMENT
8 APPLICATION"; AUTHORIZING THE ACQUISITION OF LAND AND EXISTING
9 IMPROVEMENTS AND CONSTRUCTION OF A BUILDING WITHIN THE
10 DOWNTOWN 2025 METROPOLITAN REDEVELOPMENT AREA; AUTHORIZING
11 THE DISPOSITION BY LEASE AND SALE OF THE CITY'S INTEREST IN SUCH
12 PROJECT TO ALB. DOWNTOWNER, LLC, ITS SUCCESSORS AND ASSIGNS;
13 AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, IN
14 FORM, AND OTHER DOCUMENTS IN CONNECTION WITH THE PROJECT;
15 MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE
16 PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND
17 REPEALING ALL ACTIONS INCONSISTENT WITH THIS RESOLUTION.

18 WHEREAS, the City of Albuquerque (the "City") is a legally and regularly
19 created, established, organized and existing municipal corporation of the State
20 of New Mexico (the "State"); and

21 WHEREAS, the City desires to promote redevelopment in areas designated
22 as blighted areas so as to promote neighborhood stabilization by providing
23 affordable housing, convenient services, creating new jobs, upgrading area
24 buildings, infrastructure and housing for such areas and to promote public
25 health welfare, safety convenience and prosperity; and

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1 WHEREAS, pursuant to the Metropolitan Redevelopment Code, Sections 3-
2 60A-1 through 3-60A-13 and Sections 3-60A-14 through 3-60A-48, New Mexico
3 Statutes Annotated, 1978 Compilation, as amended (the "Act"), the City is
4 authorized to acquire, whether by construction, purchase, gift or lease, and to
5 finance, sell, lease, or otherwise dispose of, projects as defined in the Act; and

6 WHEREAS, the City Council (the "Council") has adopted an ordinance
7 establishing the Albuquerque Development Commission (the "Development
8 Commission") to review metropolitan redevelopment projects proposed to be
9 owned and leased by the City pursuant to City Resolution No. 16-1985, as
10 amended; and

11 WHEREAS, Alb. Downtowner, LLC, a New Mexico limited liability company
12 (together with its successors and assigns, the "Company") has presented to
13 the Development Commission and the Council a proposed metropolitan
14 redevelopment project application (the "Plan") whereby the City will, pursuant
15 to the Act, acquire from the Company land and existing improvements located
16 within the City and within the Downtown 2025 Metropolitan Redevelopment Area
17 for redevelopment by the lessee/purchaser thereof for a multi-family project (the
18 "Project") consistent with the Downtown 2025 Metropolitan Redevelopment
19 Plan and the Act; and

20 WHEREAS, under the Company's proposal, the City will effectuate the
21 transfer and sale of real property with the Company related to the Project, as
22 authorized under this Resolution (this "Resolution"); and

23 WHEREAS, under the Company's proposal, after the City's acquisition of the
24 Property through a special warranty deed or quitclaim deed (the "Deed"), the
25 City and the Company will enter into a Lease Agreement (the "Lease"), pursuant
26 to which the Company will lease and agree to purchase the land and
27 improvements comprising the Project from the City, and the Company shall
28 comply with the obligations incurred pursuant to the provisions of the Lease
29 and this Resolution; and

30 WHEREAS, the Albuquerque Development Commission has reviewed the
31 Plan, has held a public hearing on the Plan and Project, has determined that the
32 Company has complied with Resolution No. 16-1985, as amended, and has

1 recommended approval of the Plan and Project by the Council based on the
2 following findings:

3 1. The Project removes blighted conditions and meets the goals
4 of the Downtown 2025 Metropolitan Redevelopment Area Plan by adding more
5 housing, renovating a blighted property, and contributing to a walkable and
6 vibrant atmosphere in the Downtown core;

7 2. The Project meets the design criteria by creating an
8 aesthetically pleasing project that provides variation in color, texture, and scale,
9 and modulates the building elevation and façade; and

10 3. The Applicant has demonstrated sufficient experience to
11 reasonably complete the Project; and

12 WHEREAS, the Plan and Project meets the objectives of the Act and will
13 benefit the City's efforts to revitalize the Downtown 2025 Metropolitan
14 Redevelopment Area of the City; and

15 WHEREAS, the Plan has been filed with the City Clerk and presented to the
16 Council; and

17 WHEREAS, the Council has held a public hearing on the Plan and the Project;
18 and

19 WHEREAS, the form of the Lease has been filed with the City Clerk and
20 presented to the Council (the Lease and Deed are collectively referred to in the
21 Resolution as the "Project Documents"); and

22 WHEREAS, the Council has determined that it is in the best interest of the
23 City to approve the Project and to execute and deliver the Project Documents,
24 and other documents related thereto; and

25 WHEREAS, the City is authorized to execute the Project Documents, in form,
26 under the Act and this Resolution, and has concluded that it is desirable at this
27 time to approve the Project which constitutes a valid public purpose.

28 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
29 ALBUQUERQUE:

30 Section 1. RATIFICATION. All actions not inconsistent with the provisions of
31 this Resolution previously taken by the Council and the officials of the City
32 directed toward approval of the Plan and the Project should be approved and
33 the same hereby are ratified, approved and confirmed.

1 Section 2. FINDINGS. The Council, after a public hearing, hereby declares
2 that it has considered all relevant information presented to it relating to the Plan
3 and the Project and hereby finds and determines that approval of the Plan and
4 the Project, and the execution of the Project Documents, pursuant to this
5 Resolution are necessary and advisable and in the interest of and will promote
6 the public health, safety, morals, convenience, education, economy and welfare
7 of the City and the residents of the City. The Council finds that:

8 (1) The Plan and the proposed activities under the Plan aid in the
9 elimination or prevention of slum or blight;

10 (2) The Plan conforms to the general plan for the City as a whole and the
11 terms of the Downtown 2025 Metropolitan Redevelopment Plan;

12 (3) The Plan affords maximum opportunity consistent with the needs of
13 the community for the rehabilitation or redevelopment of the area by private
14 enterprise or persons, and the objectives of the Plan justify the proposed
15 activities as public purposes and needs;

16 (4) The developer of the Project property is the Company; and

17 (5) The Project property comprises of 207-unit multi-family mixed
18 use community on 0.8 acres located near First and Silver SW in central
19 Albuquerque, New Mexico, all within the Downtown 2025 Metropolitan
20 Redevelopment Area.

21 Section 3. THE PROJECT. The City shall acquire the Project for the purposes
22 hereinabove described, and the Project shall be located at all times within the
23 corporate limits of the City and within the Downtown 2025 Metropolitan
24 Redevelopment Area.

25 Section 4. PLAN APPROVAL.

26 A. The Plan in the form on deposit in the office of the City Clerk is hereby
27 approved in all respects.

28 The Company shall comply with provisions outlined in the Downtowner
29 Development & Disposition Agreement, as approved by City Council.

30 Section 5. AUTHORIZATION OF OFFICERS; APPROVAL OF DOCUMENTS;
31 ACTIONS TO BE TAKEN.

1 A. The form, terms and provisions of the Project Documents in the form
2 on deposit in the office of the City Clerk are in all respects approved, authorized
3 and confirmed.

4 B. The Mayor or Chief Administrative Officer of the City is authorized to
5 execute and deliver in the name and on behalf of the City, and the City Clerk or
6 Deputy City Clerk is hereby authorized to attest, as necessary, the Project
7 Documents with such changes therein as are not inconsistent with this
8 Resolution.

9 C. The Mayor, Chief Administrative Officer, Treasurer and City Clerk are
10 further authorized to execute, authenticate and deliver such certifications,
11 instruments, documents, letters and other agreements and to do such other
12 acts and things as are necessary or appropriate to consummate the
13 transactions contemplated by the Project Documents and the Plan.

14 D. The officers of the City shall take such action as is necessary to
15 effectuate the provisions of the Project Documents and shall take such action
16 as is necessary in conformity with the Act for the Project and for carrying out
17 other transactions as contemplated by this Resolution and the Project
18 Documents.

19 E. The Project Documents shall not be executed until Construction of the
20 Project is complete, as exemplified by a final Certificate of Occupancy, or prior
21 at the sole discretion of the City. The Project Documents must be entered into
22 and effective within three years of the date of this Resolution.

23 Section 6. LEASE TERM. The Lease term shall not exceed seven years.

24 Section 7. FINDINGS REGARDING PROPERTY TAX ABATEMENT AND
25 OTHER MATTERS. The Council makes the following determinations and
26 findings:

27 A. The Company is committed to provide fair consideration under the
28 Lease through planned improvements to the Project pursuant to the Project
29 Documents and the Act and comply with the terms of the Lease.

30 B. It shall not be necessary to deposit any amount in a controlled account
31 for the maintenance of the Project property.

1 C. The Lease requires that the Company maintain the Project property in
2 good repair and condition (excepting reasonable wear and tear) and carry all
3 proper insurance with respect to the Project property.

4 D. In accordance with Section 7-36-3.1, NMSA 1978, as amended and
5 supplemented, the Project property shall be exempt from property taxation on
6 the improvements to the Project for the shorter of the period of time in which
7 the City owns the Project or December 31 of the year in which the seventh
8 anniversary of the acquisition of the Project property by the City will occur.

9 Section 8. LIMITED OBLIGATIONS. Nothing contained in the Resolution or in
10 the Project Documents or any other instrument shall be construed as obligating
11 the City (except with respect to the Project property as provided in the Project
12 Documents), nor as incurring a pecuniary liability or a charge upon the general
13 credit of the City or against its taxing power, nor shall the breach of any
14 agreement contained in this Resolution, the Project Documents or any other
15 instrument be construed as obligating the City (except with respect to the
16 Project property as provided in the Project Documents), nor as incurring a
17 pecuniary liability or a charge upon the general credit of the City or against its
18 taxing power, the City having no power to pay out of its general funds, or
19 otherwise contribute any part of the costs of constructing or furnishing the
20 Project property.

21 Section 9. APPROVAL OF INDEMNIFICATION. The Council specifically
22 approves the provisions of the Lease relating to indemnification which provide
23 that the Company shall indemnify and hold harmless the City and its City
24 Councilors, officials, members, officers, employees and agents against liability
25 to the Company, or to any third parties that may be asserted against the City or
26 its City Councilors, officials, members, officers, employees or agents with
27 respect to the City's ownership of the Project property and arising from the
28 condition of the Project property or the acquisition, construction and operation
29 of the Project property by the Company, except to the extent Section 56-7-1,
30 New Mexico Statutes Annotated, 1978 Compilation, applies, and except claims
31 for any loss or damage arising out of or resulting from the gross negligence or
32 willful misconduct of the City or any member, officer, employee or agent of the
33 City.

1 Section 10. REPEALER. All bylaws, orders, resolutions and ordinances, or
2 parts thereof, inconsistent with this Resolution are repealed by this Resolution
3 but only to the extent of that inconsistency. This repealer shall not be construed
4 to revive any bylaw, order, resolution or ordinance, or part thereof, previously
5 repealed.

6 Section 11. SEVERABILITY. If any section, paragraph, clause or provision of
7 this Resolution shall for any reason be held to be invalid or unenforceable, the
8 invalidity or unenforceability of that section, paragraph, clause or provision
9 shall not affect any of the remaining provisions of this Resolution.

10 Section 12. INCORPORATION. Sections 2, 3, 5, and 6 shall be incorporated
11 in and made part of the City of Albuquerque, New Mexico Code of Resolutions
12 in Chapter 1 (Land Use), Article 9 (Land Acquisitions, Exchanges, and
13 Donations).

14 Section 13. EFFECTIVE DATE. This Resolution shall take effect five days
15 after publication by title and general summary.

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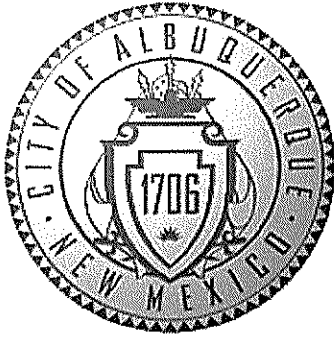
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CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

January 9, 2022

TO: Pat Davis, President, City Council

FROM: Timothy M. Keller, Mayor

SUBJECT: RELATING TO THE REDEVELOPMENT, LEASING AND SALE OF A METROPOLITAN REDEVELOPMENT PROJECT WITHIN THE DOWNTOWN 2025 METROPOLITAN REDEVELOPMENT AREA CONSISTENT WITH THE TERMS OF THE DOWNTOWN 2025 METROPOLITAN REDEVELOPMENT PLAN; APPROVING THE METROPOLITAN REDEVELOPMENT APPLICATION ENTITLED "THE DOWNTOWNER REDEVELOPMENT TAX ABATEMENT APPLICATION"; AUTHORIZING THE ACQUISITION OF LAND AND EXISTING IMPROVEMENTS AND CONSTRUCTION OF A BUILDING WITHIN THE DOWNTOWN 2025 METROPOLITAN REDEVELOPMENT AREA; AUTHORIZING THE DISPOSITION BY LEASE AND SALE OF THE CITY'S INTEREST IN SUCH PROJECT TO ALB. DOWNTOWNER, LLC, ITS SUCCESSORS AND ASSIGNS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, IN FORM, AND OTHER DOCUMENTS IN CONNECTION WITH THE PROJECT; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS RESOLUTION.

Rembe Properties, in collaboration with Insight Construction and Mullen Heller Architecture as Alb Downtowner Properties, LLC ("Applicant"), has applied for a Redevelopment Tax Abatement ("RTA") for their upcoming project "the Downtowner". Located along the future Rail Trail at 1st and Silver (101 Silver Ave SW), the Applicant will build a multi-story mixed-use multifamily property offering eleven live-work units, 208 dwelling units, and a neighborhood cafe ("Project"). The lease form to implement the tax abatement is attached as Appendix A. The full Redevelopment Tax Abatement application, which includes floorplan, site plan, and conceptual renderings, is attached as Appendix B.

The City currently owns the lot, so existing annual property tax amount due on the property is \$0 (2022 assessed value). The Applicant is presumed to pay \$0 as their Payment in Lieu of Taxes, or PILT. Following completion of the Project, the increased property tax amount is estimated to be \$235,201. With the approval and issuance of the RTA, the estimated annual amount of the

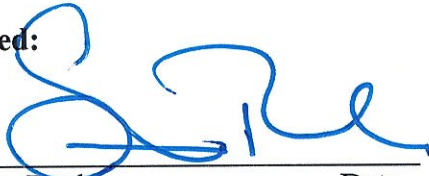
property tax abated on the Project would be \$235,201 annually, or \$1,646,407 over a period of 7 years.

On November 30, 2022, the Albuquerque Development Commission recommended to City Council the approval of the Downtowner Redevelopment Tax Abatement based on the following findings:

- MRA found the Project meets all requirements outlined in the Redevelopment Tax Abatement PILOT Program:
 - The Project removes blighted conditions and meets the goals of the Downtown 2025 Metropolitan Redevelopment Area Plan by adding more housing, renovating a blighted property, and contributing to a walkable and vibrant atmosphere in the Downtown core;
 - The Project meets the design criteria by creating an aesthetically pleasing project that provides variation in color, texture, and scale, and modulates the building elevation and façade;
 - The Applicant has demonstrated sufficient experience to reasonably complete the Project.

RELATING TO THE REDEVELOPMENT, LEASING AND SALE OF A METROPOLITAN REDEVELOPMENT PROJECT WITHIN THE DOWNTOWN 2025 METROPOLITAN REDEVELOPMENT AREA CONSISTENT WITH THE TERMS OF THE DOWNTOWN 2025 METROPOLITAN REDEVELOPMENT PLAN; APPROVING THE METROPOLITAN REDEVELOPMENT APPLICATION ENTITLED "THE DOWNTOWNER REDEVELOPMENT TAX ABATEMENT APPLICATION"; AUTHORIZING THE ACQUISITION OF LAND AND EXISTING IMPROVEMENTS AND CONSTRUCTION OF A BUILDING WITHIN THE DOWNTOWN 2025 METROPOLITAN REDEVELOPMENT AREA; AUTHORIZING THE DISPOSITION BY LEASE AND SALE OF THE CITY'S INTEREST IN SUCH PROJECT TO ALB. DOWNTOWNER, LLC, ITS SUCCESSORS AND ASSIGNS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, IN FORM, AND OTHER DOCUMENTS IN CONNECTION WITH THE PROJECT; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS RESOLUTION.

Approved:



Lawrence Rael
Chief Administrative Officer

Date

Approved as to Legal Form:

DocuSigned by:
Lauren Keefe

1/30/2023 | 3:16 PM MST

City Attorney

Date

Recommended:

DocuSigned by:
Terry Brunner

1/24/2023 | 5:44 PM MST

Terry Brunner
Director

Date

Cover Analysis

1. **What is it?** This resolution will approve a Redevelopment Tax Abatement for Alb. Downtowner, LLC on currently vacant, MRA-owned land on 1st and Silver Ave SW, Albuquerque NM 87102. The 7-year tax abatement will enable the development of a multistory housing project, adding 207 housing units to the Downtown 2025 Metropolitan Redevelopment Area.
2. **What will this piece of legislation do?** As provided for in Metropolitan Redevelopment Statute, this resolution will allow the City to take title to the property and lease the property back to the developer for a seven-year period, during which the property will be exempt from property taxes. The applicant will continue to pay a payment-in-lieu-of-taxes to Bernalillo County equivalent to the current property tax amount. The estimated annual amount of the property tax abated is \$235,201 for a term of 7 years, totaling \$1,646,407.
3. **Why is this project needed?** An explicit goal of the Downtown 2025 Metropolitan Redevelopment Plan is to add more housing units to the Downtown core. The delivery of new downtown housing projects has been jeopardized by rapidly escalating construction costs. This project is needed because it leverages public funding to drive the private development of a project that will transform a blighted property into a vibrant housing project, improving the public realm and providing more housing choices.
4. **How much will it cost and what is the funding source?** There is no fiscal impact to the City. The City will continue to receive the current property tax amount.
5. **Is there a revenue source associated with this contract? If so, what level of income is projected?** Following the 7-year tax abatement period, the property taxes generated at the property are anticipated to increase from \$0 to \$235,201, of which, the City will receive its property tax share.
6. **What will happen if the project is not approved?** The project will not be financially viable, jeopardizing the removal of blight and threatening the delivery of additional housing units to the Downtown core.
7. **Is this service already provided by another entity?** No.

FISCAL IMPACT ANALYSIS

TITLE: Downtowner Redevelopment Tax Abatement

R: O:

FUND:275

DEPT: MRA

☒ No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.

☐ (If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	2023	Fiscal Years 2024	2025	Total
Base Salary/Wages				-
Fringe Benefits at				-
Subtotal Personnel	-	-	-	-
Operating Expenses		-		-
Property		-	-	-
Indirect Costs	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -
<input type="checkbox"/> Estimated revenues not affected				
<input checked="" type="checkbox"/> Estimated revenue impact				
Revenue from program				0
Amount of Grant		-	-	
City Cash Match				
City Inkind Match				
City IDOH	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	\$ -

These estimates do not include any adjustment for inflation.

* Range if not easily quantifiable.

Number of Positions created

COMMENTS: Revenues will be recognized in FY26 - \$23,520.10 each year for 7 years= \$164,641.70

COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:

PREPARED BY:

FISCAL ANALYST

APPROVED:

DocuSigned by:

Terry Brunner 1/24/2023 | 5:44 PM MST

DIRECTOR (date)

REVIEWED BY:

DocuSigned by:

Jennifer Brokaw 1/30/2023 | 3:03 PM MST

EXECUTIVE BUDGET ANALYST

DocuSigned by:

Lauren M. L. Davis 1/24/2023 | 7:58 PM MST

BUDGET OFFICER (date)

DocuSigned by:

Christine Bay 1/30/2023 | 3:14 PM MST

CITY ECONOMIST

Exhibit A

Pending approval

ADC Meeting Minutes



ALBUQUERQUE DEVELOPMENT COMMISSION

PRESENT

Mona Ghattas
Fred Mondragon (arrived at 2:06pm)
Bill Miera
Joaquin Baca

ABSENT

Action Summary

Wednesday, November 30, 2022 2:00 P.M.

Due to COVID-19 this meeting is a Public Zoom Video Conference

Members of the public may attend via the web at this address: <https://cabq.zoom.us/j/82207851987>
or by calling the following number: 1 301 715 8592 and entering Meeting ID: 822 0785 1987

1. Call to Order

2:03 p.m.

2. Changes and/or Additions to the Agenda

Interim Chair Ghattas welcomed our new Commissioner, Joaquin Baca.

3. Approval of Minutes for September 23, 2022 Meeting

Commissioner Mondragon requested an update to Case #2022-19 Universal Hydrogen Co. LEDA to note that his vote was abstained.

A motion was made to approve the September 23, 2022 Action Summary by Commissioner Miera. Commissioner Baca seconded the motion. Motion carried 3-0.

4. Announcements / General Public Comments (for items not on the agenda)

Sarah Allen provided an update on the Mayor's appointment of ADC Chair and Vice-Chair.

5. MRA Director's Report

Ciaran Lithgow provided an update on the Downtown Storefront Activation Grant Program and the Housing Request for Expressions of Interest (RFEI).

6. New Agenda Items

A. Case #2022-20 The Downtowner Development & Disposition Agreement

Motion: Based on the findings in the staff report, the ADC recommends to the City Council approval, in form, of the Development & Disposition Agreement with Alb. Downtowner, LLC, for the development of the Downtowner housing project. Motion made by Commissioner Mondragon. Commissioner Miera seconded the motion. Motion carried 4-0.

Findings:

- The MRA issued a Request for Proposals #03-2020 on July 30th, 2020 soliciting proposals for development of the MRA-owned lot on 1st and Silver. Rembe Urban Design & Development was the sole respondent to

Pending approval

the RFP, and on September 16, 2021 the Albuquerque Development Commission recommended MRA staff proceed with negotiating a mutually agreeable Development & Disposition Agreement.

- On September 23, 2021, MRA issued a Request for Proposals #01-2021, soliciting proposals for housing projects in the Downtown and Railroad Metropolitan Redevelopment Areas. MRA received two responses to RFP #01-2022, of which Rembe Urban Design & Development was a respondent, and which the ADC recommended that the MRA staff proceed with negotiations with REMBE Urban Design and Development on the proposed Downtown Project at First and Silver and to return to the ADC to present the negotiated development agreement.
- A mutually-agreed Development & Disposition Agreement was negotiated between the parties to meet the Downtown 2025 Metropolitan Redevelopment Plan by:
 - “Promoting high density housing within the Downtown Core” by adding 207 units at a high dwelling unit density; and,
 - “Enhancing the pedestrian character of the public realm (streets, sidewalks, plazas, etc.)” by developing a vacant lot, activating the street level with live-work units, and adding aesthetically pleasing streetscaping.

B. Case #2022-21 The Downtowner Redevelopment Tax Abatement

Motion: Based on the findings in the staff report, the ADC recommends to the City Council approval, in form, of the Redevelopment Tax Abatement with Rembe Properties/Alb. Downtowner, LLC, for the development of The Downtowner. Motion made by Commissioner Mondragon. Commissioner Baca seconded the motion. Motion carried 4-0.

Findings:

- MRA found the Project meets all requirements outlined in the Redevelopment Tax Abatement PILOT Program:
 - The Project removes blighted conditions and meets the goals of the Downtown 2025 Metropolitan Redevelopment Area Plan by adding more housing, renovating a blighted property, and contributing to a walkable and vibrant atmosphere in the Downtown core;
 - The Project meets the design criteria by creating an aesthetically pleasing project that provides variation in color, texture, and scale, and modulates the building elevation and façade;
 - The Applicant has demonstrated sufficient experience to reasonably complete the Project.

7. Adjournment 2:39 p.m.



Exhibit B

ADC Staff Report



Tim Keller, Mayor

November 15, 2022

To: Albuquerque Development Commission

From: Ciaran Lithgow, Redevelopment Project Manager

Subject: The Downtowner – Redevelopment Tax Abatement Application – Case #2022-21

Executive Summary. Rembe Properties, in collaboration with Insight Construction and Mullen Heller Architecture as Alb Downtowner Properties, LLC ("Applicant"), has applied for a Redevelopment Tax Abatement ("RTA") for their upcoming project the Downtowner. Located along the future Rail Trail at 1st and Silver (101 Silver Ave SW), the Applicant will build a multi-story mixed-use multifamily property offering eleven live-work units and between 150 – 207 dwelling units and a neighborhood cafe ("Project"). Floorplan, site plan, and conceptual renderings are included at the end of the Staff Report. The full application is attached as Exhibit A.

Value of RTA. The City currently owns the lot, so existing annual property tax amount due on the property, is \$0 (2022 assessed value). The Applicant is presumed to pay \$0 as their Payment in Lieu of Taxes, or PILT. Following completion of the Project, the increased property tax amount is estimated to be \$235,201. With the approval and issuance of the RTA, the estimated annual amount of the property tax abated on the Project would be \$235,201 annually, or \$1,646,407 over a period of 7 years.

The total value of the Tax Abatement over the term of 7 years is Projected to be \$1,481,766 (taxes abated minus annual MR fees).

Detailed Report of Application. The following section details how the project meets the RTA Threshold Criteria and Evaluation Criteria.

RTA Threshold Criteria

Criteria	Staff Evaluation
MR Area. Projects must be located in a Metropolitan Redevelopment Area with an Approved Metropolitan Redevelopment Plan.	The project is located in the Downtown Metropolitan Redevelopment Area, which has adopted the Downtown 2025 Redevelopment Plan.
Site Control. Applicant must have site control.	ADC previously recommended The Downtowner for selection for RFP #03-2020, which awards the applicant with MRA-owned land at 101 Silver SW if an agreeable Development Agreement is reached.
Minimum Project Size. The scope of the Project must meet <u>one</u> of the following criteria: <ul style="list-style-type: none"> Total hard construction cost is at least \$2M OR	The Project meets two of the minimum project sizes: <ul style="list-style-type: none"> Total project cost is \$46M The project adds at least 161 housing units.



<ul style="list-style-type: none"> • A minimum of eight additional (new or converted space from a different use) residential units are created; OR • A minimum of 15,000 sq. ft. of commercial space is created or put into active use (If space is put into active use, it must be currently vacant). 	
Community Benefit. A Project must achieve a minimum Community Benefit score of 100 based on the Community Benefit Matrix in Appendix B.	The project scores 115 points. See the Community Benefits Matrix below for details.

Community Benefit Criteria	Points Earned
Sustainability	
<u>Efficient Unit Sizes.</u> Multifamily projects offer least 50% of units at 600 usable square feet or smaller.	25
Economic Development	
<u>Generates Gross Receipts Taxes.</u> Small pockets of retail can be especially impactful. Retail space will trigger occupancy requirements within the first years of completion in the lease agreement.	
At least 1,000 square feet of interior retail space (for rent to commercial user and not to be used as residential leasing or amenity space)	15
<u>Adds Density.</u> Projects in MRA are in areas of change. MR areas should maximize the allowable density to create vibrant urban districts.	
The Project adds density above 100 dwelling units/acre (270 DU/AC)	35
Community Benefits	
<u>Enhanced Streetscape.</u> Building structure or restaurant/bar patio edge is aligned to minimum front setback outlined in IDO zoning requirements.	10
<u>Rooftop or Elevated Deck.</u> Project includes an outdoor deck on the second floor or higher. Deck must be at least 500sf. Deck must be available for use by public patrons such as hotel guests/restaurant or bar patrons/office users (dependent on building type). Rooftop decks available exclusive for residential users do not qualify.	10
Diverse/Local Team	
Developer is a local business	10
General contractor is a local business	10
Total Points Earned	115



RTA Evaluation Criteria

☒ **Criteria A: Removal of Blighted Conditions and Conformance with Metropolitan Redevelopment Area Plan.** The applicant must demonstrate that the Project meets the relevant Metropolitan Redevelopment Plan goals.

- **Project results in the removal of slum or blighted conditions.** The Project develops a vacant lot across the street from the Alvarado Transit Center, adding street-level activity through the addition of a café and 11 live-work units.
- **Project furthers the goals and objectives of the adopted Metropolitan Redevelopment Area Plan.** The Project is located in the Downtown 2025 Metropolitan Redevelopment Area and meets the Plan goals by:
 - , "Promoting high density housing within the Downtown Core" by adding housing at a dwelling unit density of 270 dwelling units per acre (DU/AC), above the minimum target 50 DU/AC identified in the plan; and,
 - "Enhancing the pedestrian character of the public realm (streets, sidewalks, plazas, etc.)" by developing a vacant lot, activating the street level with live-work units, and adding aesthetically pleasing streetscaping.
- **Demolition of viable buildings has been/will be avoided.** There are no structures on site.
- **Relocation of existing residents and businesses has been/will be avoided.** No existing businesses or residents will be displaced.

☒ **Criteria B: Design.** RTA Projects shall meet the following enhanced design criteria to ensure high quality Projects that are recognized as exemplary:

☒ Buildings shall have exterior building materials and colors which are aesthetically pleasing and compatible with the overall site plan. Construction material shall provide variation in color, texture, and scale; *and*

☒ Each building elevation that faces a street or will be visible from adjacent streets/trails at full site plan buildout shall be modulated. The wall and foundation line shall be offset at intervals so that there is at least one offset every 100 feet of wall length that varies the depth of the building wall by a minimum of 6 feet. Offsets shall comprise at least 10 percent of the length of the elevation, for at least 40 percent of the building height.

OR

☐ If Projects cannot meet the enhanced design criteria above, applicants can propose other compensating design elements that ensure a high-quality Project

☒ **Criteria C: Applicant Experience.** Applicant must demonstrate a record of financing, constructing, and managing Projects of this type and size, and has provided convincing evidence that the Project will be completed.

The Applicant has demonstrated experience in several other development and redevelopment projects including The Franz at Country Club Plaza (81 units) and the



Bricklight District (63 units). Jay Rembe has developed and managed several large (50+ unit) multifamily projects and delivered over 150,000 square feet of retail. The architect and construction partners (Mullen Heller Architects and Insight Construction) have similarly demonstrated experiences in multifamily development projects.

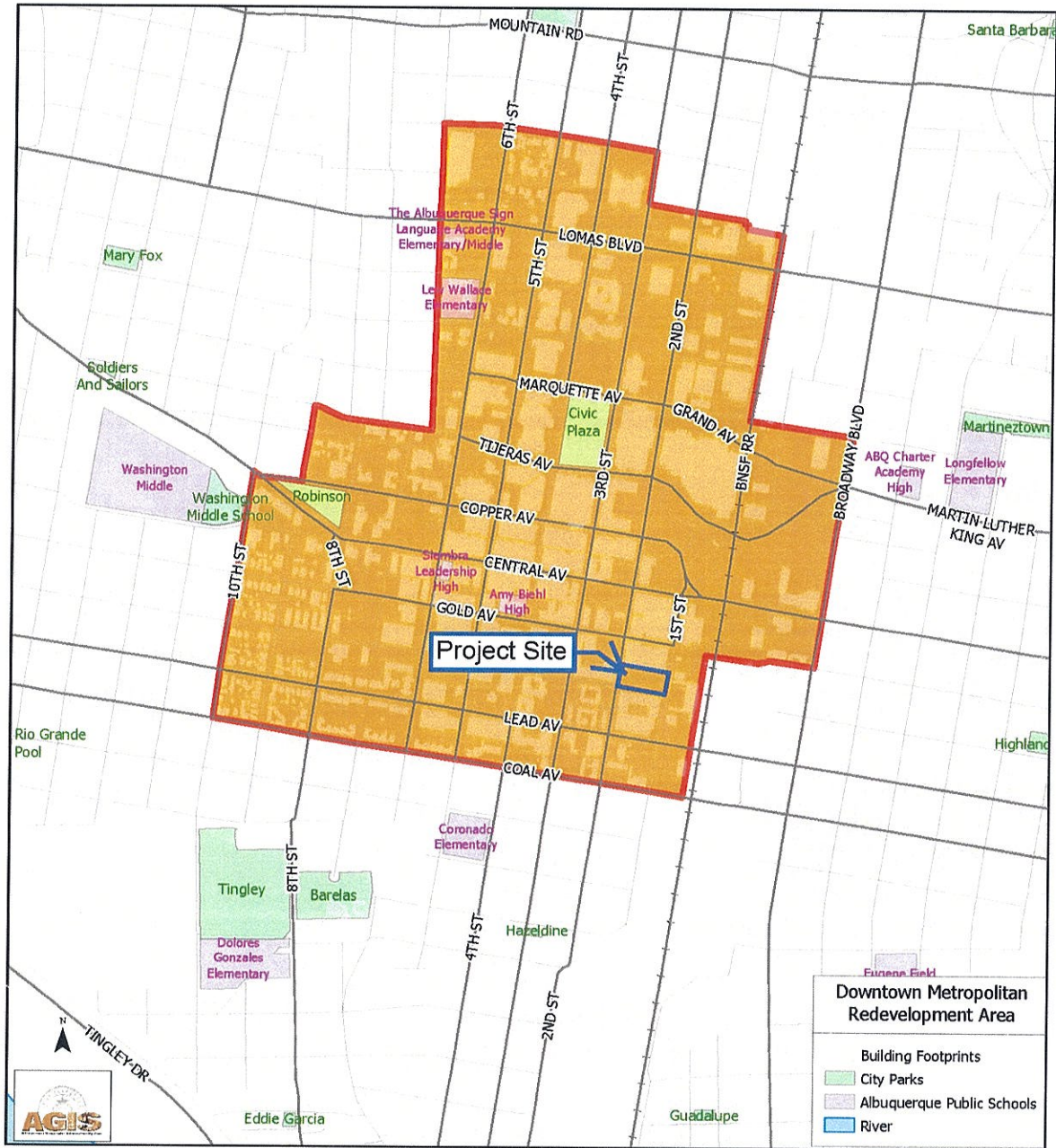
Findings:

- MRA found the Project meets all requirements outlined in the Redevelopment Tax Abatement PILOT Program:
 - The Project removes blighted conditions and meets the goals of the Downtown 2025 Metropolitan Redevelopment Area Plan by adding more housing, renovating a blighted property, and contributing to a walkable and vibrant atmosphere in the Downtown core;
 - The Project meets the design criteria by creating an aesthetically pleasing project that provides variation in color, texture, and scale, and modulates the building elevation and façade;
 - The Applicant has demonstrated sufficient experience to reasonably complete the Project.

Recommended Motion: Based on the findings in the staff report, the ADC recommends to City Council approval, in form, of the Redevelopment Tax Abatement with Rembe Properties/Alb. Downtowner, LLC, for the development of The Downtowner.

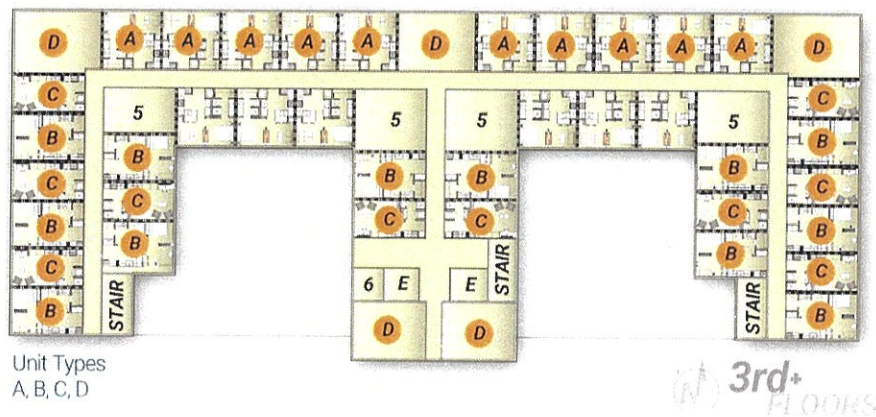
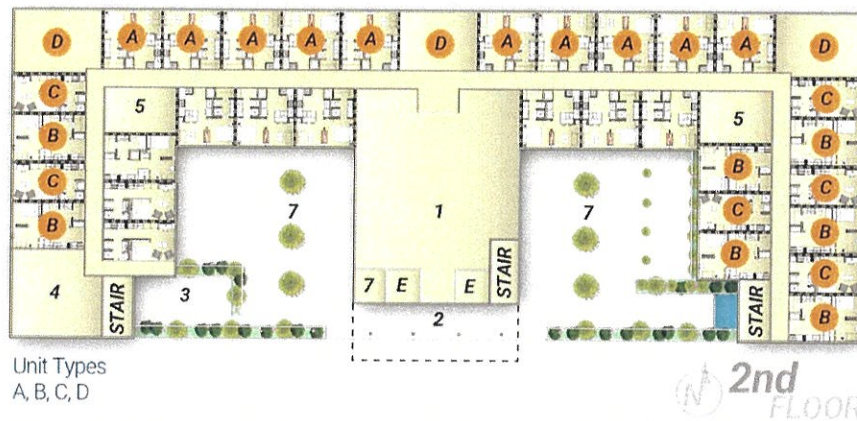
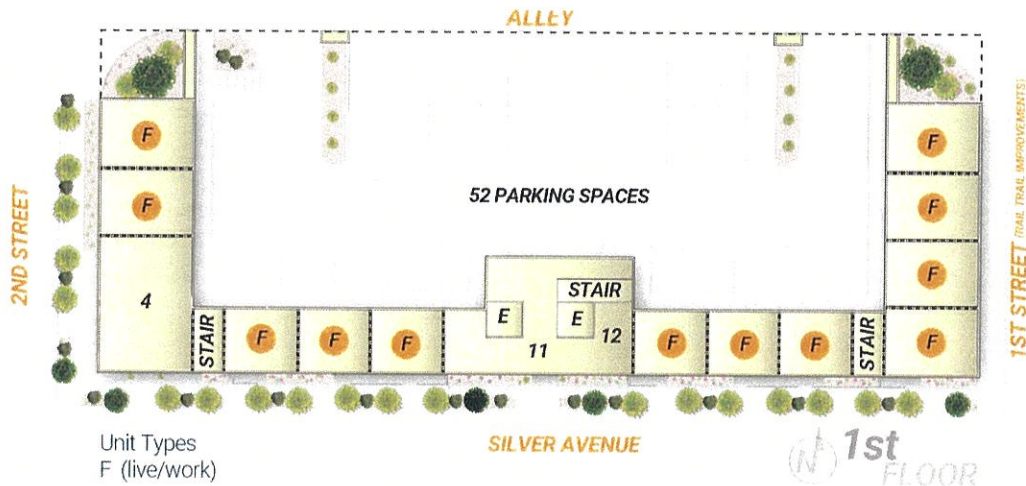


LOCATION MAP





SITE PLAN & FLOOR PLANS



- | | | |
|----------------------|---------------|---------------------------|
| 1 community room/gym | 4 cafe | 7 outdoor living |
| 2 overlook deck | 5 storage | 8 community lounge & mail |
| 3 cafe patio | 6 maintenance | 9 leasing |



CONCEPTUAL RENDERINGS (COLOR PALATE NOT FINALIZED)



Exhibit C

Redevelopment Tax Abatement Application

Rembe Properties

In collaboration with
Insight Construction and Mullen Heller Architecture



Redevelopment tax abatement
2022 PILOT Program

October 14, 2022



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METROPOLITAN REDEVELOPMENT TAX ABATEMENT APPLICATION FORM

Name of Project The Downtowner

Location of Project First and Silver

Legal Description of All Parcels

Tract 1, Silver Gardens Subdivision

Bernalillo County UPC Code of all Parcels

101405724835526801

Applicant Name Rembe Properties, LLC

Contact Person Jay Rembe

Address 1716 Central SW, Suite A, Albuquerque, NM 87104

Telephone 505-243-0188 (o) 505-453-7164 (c)

Email rembe@rembedesign.com

Amount of Fee Submitted \$2,000.00

Total Project Square Footage 161,640

Building Construction Type IIIA, Sprinkled

Estimated Building Permit Valuation (please include formula and methodology)

\$14,824,461.85 per CABQ Building Plan Review Fee Estimator in H. Appendix

Form of Documented Site Control included in Application

- ☐ Warranty deed
- ☒ Option to purchase (expires no sooner than 4month from application date) The City of Albuquerque owns the property. Our Team was awarded the development of the property by the ABQ Development Commission on Sept 21, 2021. We will take control of the site and begin its development as soon as negotiations between our team and the MRA are complete.
- ☐ Long term lease (at least 50 years)

Total project cost \$50,000,000

Number of additional residential units created by project 219

Total square feet of commercial space 1,900

Appendix B: Redevelopment Tax Abatement Community Benefit Matrix

Sustainability		Maximum Points Available per Subcategory	Points Earned by Applicant	What to submit with application and at building permit if qualifying for these points
Reuse of Existing Structures.	can only get points in one line item	30		W/ Application: conceptual site plan with calculation @ Building Permit: confirm on site plan
25% of project footprint utilizes existing structures		20		
50% of project footprint utilizes existing structures		30		
Project includes on-site Electronic Vehicle charging stations. 8% of parking spaces EVSE installed		15	15	W/ Application: narrative statement @ Building Permit: confirm on site plan
On-Site Solar	can only get points in one line item	50		
Roof top is built to be solar-ready with necessary electrical infrastructure and structural support		20		W/ Application: calculation letter by professional electrical engineer @ Building Permit: reconfirmation letter by professional electrical engineer
On-site generated renewable energy meets at least 20% of building's anticipated energy needs		50		W/ Application: calculation letter by professional electrical engineer @ Building Permit: reconfirmation letter by professional electrical engineer
Integrate Net Zero Water and Energy approaches in the construction and operation of the building.		75		
Connect to reuse or non-potable water service lines. ABCWUA non-potable and reuse rate is offered at a 20% discount as compared to potable water. Buildings that already have connections to non-potable water service lines or are mandated to connect to reuse service lines required by ABCWUA are ineligible to receive points. https://www.abcwua.org/customer-service/new-service-applications/		15		W/ application: Submit letter from ABCWUA confirming availability statement or serviceability letter for non-potable water service lines. @ Building Permit: Contractor to submit for tapping permit (for routine connections when extensions are not required)
Project is designed to maximize passive solar gain in winter while mitigating excessive solar gain in the summer. Design interventions can include window treatment, window overhangs, shutters, building and window orientation, etc.		10		W/ Application: elevations and site plan. Short narrative description of how the building design addresses passive solar. @ Building Permit: confirm on elevations and site plan
Project includes cool surface treatments, such as cool pavements, or cool treatment applied to surface parking/top level of parking garage (if applicable)		10		W/ Application: roof and pavement plan @ Building Permit: confirm roof and pavement plan
Roof-top garden covers at least 15% of rooftop area		10		W/ Application: roof plan @ Building Permit: confirm on roof plan
For redevelopment/retrofits only: install high efficiency WaterSense-labeled fixtures and water efficient equipment: 1.28 GPF toilets, 0.5 gpf urinals, 1.5 gpm showers, 2.0 gpm showerheads and washing machines with an integrated Water Factor (IWF) of 3.0 or less. Refer to EPA WaterSense at Work: Best Management Practices for Commercial and Institutional Facilities		10		W/ application: submit ABCWUA Water Smart CPR application (requires inspection) @ Building Permit: approved ABCWUA Water Smart CPR application (requires inspection)
For redevelopment/retrofits only: Transform up to 80% of high water use spray irrigated turf areas with a desert-friendly xeriscape that includes select drought-tolerant plants and climate-ready trees, as well as passive water harvesting and drip irrigation methods. Refer to ABCWUA Xeriscaping: the complete how to guide		10		W/ application: submit ABCWUA Water Smart CPR application (requires inspection) @ Building Permit: approved ABCWUA Water Smart CPR application (requires inspection)
For redevelopment/retrofits only: Update cooling mechanical systems with control meters to help monitor water use and implement mechanism to improve the tower's water quality and increase cycles of concentration and/or install a recirculation system that will reuse cooling water instead of discharging it. Refer to EPA WaterSense at Work: Best Management Practices for Commercial and Institutional Facilities		10		W/ application: submit ABCWUA Xeriscape rebate application (requires inspection) @ Building Permit: approved ABCWUA Xeriscape rebate application (requires inspection)
Sustainable Development Patterns		40		
Encourages Alternative Transportation. Two of the following are met: 1. Site Plan includes a dedicated ride share loading space 2. Project includes interior bike storage with one space for 60% of residential units and at least 200 sq. ft. dedicated space for bicycle maintenance 3. Parking ratio is less than 1.2 per unit (multi-family) or 2.1,000 (commercial) 4. Project provides at least one dedicated carshare vehicle per 200 units		15		W/ application: site plan with parking calculations and dedicated ride share loading space; narrative statement regarding bike parking and carshare vehicle @ Building Permit: Site verifying parking spaces, floor plan with bike space, agreement with ride share company (or other)
Efficient Unit Sizes. Multifamily projects offer least 50% of units at 600 usable square feet or smaller.		25	25	W/ application: submit floorplans delineating unit sizes and calculation of unit types by size @ Building Permit: confirm unit sizes.
Subtotal		210	25	

Economic		Maximum Points Available per Subcategory	Points Earned by Applicant	What to submit with application and at building permit if qualifying for these points
Generates Gross Receipts Taxes. Small pockets of retail can be especially impactful. Retail space will trigger occupancy requirements within the first years of completion in the lease agreement				W/ Application: site plan/floor plans with calculation @ Building Permit: confirm on site plan with calculation
At least 1,000 square feet of interior retail space (for rent to commercial user and not to be used as residential leasing or amenity space)		15	15	
Creates missing-middle development. Medium-size infill projects create an exciting feature to the urban core. Small sized projects get a boost in the scoring system and are not expected to provide the same level of amenities as larger project.	can only get points in one line item	25		Use Building Permit Data Multiplier to Calculate Construction Value
Estimated Project Construction Cost				
\$8M - \$11.99M		15		
\$12M - \$7.99M		20		
\$10M - \$3.99M		25		
Adds Density. Projects in MRA are in areas of change. MRTA projects areas should maximize the allowable density to create vibrant urban districts	can only get points in one line item	35		W/ Application: provide site plan with calculation @ Building Permit: confirm on site plan with calculation
Mixed Use and Residential Projects				

Appendix B: Redevelopment Tax Abatement Community Benefit Matrix

15-19 99 dwelling units/acre	15		
20-49 99 dwelling units/acre	20		
50-99 99 dwelling units/acre	25		
100+ dwelling units/acre	35		35
Projects without Residential Uses			
Floor Area Ratio > 2	25		
Floor Area Ratio > 3	35		
Subtotal		75	50

Community Benefits		Maximum Points Available per Subcategory	Points Earned by Applicant	What to submit with application and at building permit if qualifying for these points
Historic Preservation Project protects and preserves historic structures, districts, trees, objects or designed landscapes from deterioration or destruction. Building or landscape being preserved must be officially recognized by the City of Albuquerque, State of New Mexico, or listed in the National Register of Historic Places.	20	20		W/ Application: Documentation of historic registration and description of how the abatement will be preserved through the project.
Enhanced Streetscape		25		W/ Application: provide site plan/landscape plan B/ Building Permit: confirm on site/landscape plan
Building structure or restaurant/bar patio edge is aligned to minimum front setback outlined in IDO zoning requirements.	10		10	W/ Application: provide site plan/landscape plan B/ Building Permit: confirm on site/landscape plan
Include two of the following enhanced streetscape improvements: -Widened sidewalks by at least 2 feet above IDO minimum along arterial streets. -Increased landscape planting requirements (by at least 20%) in public areas. -Providing a bus shelter -3 pieces of urban furniture components -Pedestrian-scale lighting along arterial sidewalk -Other streetscape amenity as approved by MRA	15			W/ Application: provide site plan/landscape plan, and include description of which streetscape improvements are being met B/ Building Permit: confirm on site/landscape plan
Public Space Amenity	can only get points in one line item	30		
On-site public space at least 500 contiguous sq. ft. such as a pocket park, plaza, playground, or performance area. Public space shall be accessible to the public generally 9-5, five days per week.	20			W/ Application: provide site plan and explanation of IDO usable open space minimum requirements. B/ Building Permit: confirm on site plan
On-site public space at least 1000 contiguous sq. ft. such as a pocket park, plaza, playground, community garden, or performance area. Public space shall be accessible to the public 9-5, five days per week.	30			W/ Application: provide site plan and explanation of IDO usable open space minimum requirements. B/ Building Permit: confirm on site plan
Culture & Art Project includes a mural that is at least 150 sq. ft. or other significant artistic feature such as large sculpture, artistic lighting, etc. Art must be located within prominent public view.	15	15		W/ Application: provide site plan B/ Building Permit: confirm on site plan
Rooftop or Elevated Deck Project includes an outdoor deck on the second floor or higher. Deck must be at least 500sf. Deck must be available for use by public patrons such as hotel guests/restaurant or bar patrons/office users (dependent on building type). Rooftop decks available exclusive for residential users does not qualify.	10	10	10	W/ Application: provide site plan/landscape plan B/ Building Permit: confirm on site/landscape plan
Affordable Housing At least 60% of units are affordable to households <80% AMI & project is being funded and monitored for compliance by governmental entity other than MRA.	40	40		Application: documentation from MFA, FCS that project is affordable
Subtotal		140	20	

Diverse/Local Team		Maximum Points Available per Subcategory	Points Earned by Applicant	What to submit with application and at building permit if qualifying for these points
Diverse and/or Local Team Structures		50		
Legal applicant entity is a minority, LGBTQ+, veteran, or women-owned business	15			Application: Applicable third party certification
Legal applicant entity is a local business	10		10	Application: W-9 self-certification; business license
General Contractor is a minority, LGBTQ+, veteran, or women-owned	15			Application: Applicable third party certification
General Contractor is a local businesses	10		10	Application: W-9 self-certification; business license
Subtotal		50	20	

	Minimum Required	Total Points Available	Total Points Earned
TOTAL POINTS	100	475	115

C. PROJECT INFORMATION

1. Description of Proposed Development

MEET THE DOWNTOWNER

The Downtowner will be a collaborative public and private partnership creating a mixed-used project that will be the state's most dense and one of its most dynamic.

The Downtowner will offer 219 compact, thoughtfully-designed residential units, twelve of which will be live/work units opening onto the street. A two-story café will anchor the southwest corner of the building. Two large roof decks, for the residents and café patrons' use is located on the second floor, connected by interior common spaces, providing a central gathering space. This six-story 'E' shaped building will open to Silver Avenue to the south, responding to the existing surrounding buildings and engaging the streetscape below.

The café, on the street level, will have outdoor bistro seating, reminiscent of the cafés that activate the streets of many European cities. This commercial use will provide a symbiotic relationship with the existing corner grocery store across the street; it will promote community engagement and enhance the greater neighborhood experience.

One of the primary goals of this project is to cater to residents who are committed to sustainability through the use of alternative methods of transportation. Whether residents choose bicycles, ride sharing, or public transportation, The Downtowner will incentivize and encourage these alternative means. This site is at the convergence of multiple transportation options, with the city's bus system at the forefront. Additionally, the Central Avenue corridor is home to multiple work and entertainment options, making it an attractive location. The Downtowner is uniquely positioned to house more than 200 individuals who will utilize the ART system and other buses that travel Central Avenue and surrounding streets.

A potential gamechanger for Downtown, which is becoming closer to a reality, is the Rail Trail. When the Downtowner first began to take shape, the Rail Trail wasn't thought to impact the project significantly. It is now clear that The Downtowner and the Rail Trail will have a symbiotic relationship with one another. For example, while the café is still indicated on the southwest corner of the property, it can move to the east end of the property where it could be a dynamic stop along the Rail Trail. Also, we envision the artists' studios (live/work units) that line The Downtowner's ground floor, directly engaging the Rail Trail and pulling those along it to Silver Ave and experience more of the cultural offerings of downtown. We, along with the City, are excited about the possibilities that the density The Downtowner will offer in proximity with The Rail Trail.

Due to the COVID-19 pandemic, many of us are working from home. It appears that this may be more permanent than thought a year ago. While it may take longer for municipal parking regulations to catch up with how the world has changed, private developers can provide alternatives much quicker to respond to these trends. The Downtowner will be on this leading edge.

THE DOWNTOWNER KEY FEATURES

161,970
square feet

6
Stories

207
Dwelling Units

12
Live/work Units

2
Courtyard Decks

1
Neighborhood Cafe

Ground Level Structured
Parking

50
Parking Spaces

\$46m
Project Budget

\$34.5m
Construction Cost

2. Existing Site Conditions

Currently, the site is vacant – ripe for redevelopment. The City owns the property. Our team was awarded the development of the property by the Albuquerque Development Commission on September 21, 2021. We are ready to take control of the site and begin its development as soon as negotiations between our team and the MRA are complete.

3. Entitlements

The property is currently zoned MX-FB. It is located within the Downtown 2025 Metropolitan Redevelopment (MR) Plan area and designated as the Downtown Center and within an Area of Change, per the Comprehensive Plan. It is also located within several designated comprehensive Plan corridors, including the Alvarado Transit Center Station (a Premium Transit (PT) Station), Central Avenue Major Transit Corridor, and 2nd Street Major Transit Corridor, which provides additional building height allowances.

The Downtowner is required to go through the DRB process, where we will address the requirements of the MX-FB zone, as well as the various overlay plans. We do not anticipate any additional right-of-way dedications, or any variances needed as the project moves through the DRB process.

D. COMMUNITY BENEFIT SUMMARY

1. Sustainability

Encourages Alternative Transportation

The total number of parking spaces required for this project is 0 as there is no parking requirement in the current zoning of the property. However, the total number of spaces provided is 50, which is a ratio of less than .25 cars/dwelling unit. To supplement the vehicular parking, The Downtowner will provide other options that support alternate means of transportation:

- State-of-the-art and secure bicycle storage will be provided on each level of the building, with one bicycle space per dwelling unit, which exceeds IDO requirements.
- One electric vehicle charging station will be provided.

Efficient Unit Size

The Downtowner will house 219 residential and live/work units with well-designed common areas and community spaces, elevating the residents' experience. So how do we deliver so much in a small unit? Initially, we tried designing 'micro' units that required built-in furniture to maximize the space. Although we were excited to deliver these 'micro' units, we felt we would potentially be forcing a lifestyle on residents by not allowing for personal furniture and flexible arrangements. So, for six months, our team developed 'as-near-to-perfect-as-possible' small unit plans through iterations of three-unit sizes to accommodate urban apartment furniture. Of the 219 residential units in The Downtowner, 184, or 85%, are under 600 square feet.

2. Economic

Density

The Downtowner contains 219 residential units, including twelve live/work units, which translates to 273 dwelling units/acre.

Generated Gross Receipts Tax

The Downtowner will generate gross receipts taxes in approximately the amount of \$3,130,000.

Rooftop or Elevated Deck

The southwest corner of the project will be designed to house a two-story café with outdoor tables to engage the street. The ±1,900sf two-story space will activate the corner and serve as a community asset. It will open to a 500sf private patio on The Downtowner's community deck on the second floor, allowing amenities on the deck to be available to the café patrons, as well.

This corner space will promote a sense of community and enhance the customer and neighborhood experience.

3. Community Benefits

- Economic growth for local businesses in the area due to the increase of residents

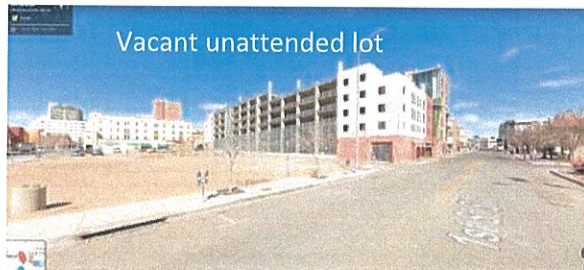
4. Diverse/Local Team

- General Contractor is a local business
- Architect is a local business

E. EVALUATION CRITERIA 1. REMOVAL OF BLIGHTED CONDITIONS AND CONFORMANCE WITH METROPOLITAN REDEVELOPMENT AREA PLAN.

1. PROJECT RESULTS IN REMOVAL OF SLUM CONDITIONS

It is crucial that the City takes action to get rid of blight in the downtown area. Like unoccupied buildings, the empty lot near 1st Street and Silver Avenue attracts troublemakers and encourages many to camp, loiter, use drugs, fight and leave behind trash that must finally be cleaned up by the City. This vacant parcel is dangerous, ugly and not safe, and it does nothing to improve our downtown. In turn, this is having a negative effect on Downtown's ability to attract quality companies and more housing opportunities. Our team is confident that, once finished, The Downtowner will not only provide much-needed additional housing options for middle-class employees and local artists but will also operate as a catalyst to draw in more economic investment and permanent residents to support nearby establishments like the grocery store. We know the Downtowner will do its part to help remove the blight by making the area more safe, pedestrian friendly, active, and dynamic.



2. PROJECTS FURTHERS THE GOALS OF THE MRA PLAN

The proposal for 219 residential units, including twelve live/work units is consistent with the goals and policies of the Downtown 2025 MR Plan. It also meets allowable uses of the MX-FB-UD subzone contained in the IDO with construction of a high-density, 6-story building with ground floor parking wrapped with live/work units and five floors of residential units above.

The project incorporates the following elements that make it consistent with the MX-FB-UD subzone:

- Two decks totaling 7,800 square feet will be built on the second floor, exceeding the minimum 5% Usable Open Space requirement.
- The building will occupy and exceed the required minimum of 60% of the front property line within the required 10-foot maximum front setback, starting at the corner of Silver Avenue (front façade) and 2nd Street.
- The street-facing façade articulation that will incorporate variations in height, setback, and materials a minimum of every 20 feet to 50 feet of façade length on the ground floor and every 50 feet to 100 feet of façade length on the upper floors.

- The 'Urban Residential Frontage' facades facing 1st Street and Silver Avenue will contain a minimum of 40% of their surface in transparent windows and/or doors, with the lower edge of windowsills no taller than 30 inches above the finished floor of the building, and 30% of its surface in windows/doors on the upper floors. A similar level of articulation, materials, and detailing will be provided on the 1st Street façade.
- The structured parking will be wrapped with residential units along the 1st Street and Silver Avenue facades, with controlled access from 1st Street and the alley. Parking also will be available along the alley. Bicycle storage will be incorporated into the building on the second floor and above.
- Landscaped areas will meet or exceed the required 5% of the net lot area, with street trees along Silver Avenue, 1st and 2nd Streets.

3. DEMOLITION OF BUILDINGS

Currently, the site is vacant. No buildings will be demolished for the redevelopment of The Downtowner.

4. RELOCATION OF BUSINESSES/RESIDENTS

The site is currently vacant so no businesses or residents will be dislocated by the project.

F. EVALUATION CRITERIA 2: DESIGN

The Downtowner is much more than a building, it is a catalyst to develop this vacant corner and invigorate new life into this area of downtown. Despite the past encouraging efforts of the Imperial, Casitas de Colores, and Silver Gardens developers, the intersection of 1st Street and Silver Avenue can be quite problematic. The corner currently invites a mixture of downtown residents, daytime professionals, and people experiencing homelessness.

The Downtowner will bring with it high-design and 24-7 activity, emphasizing the "pedestrian first" and "eyes-on-the-street" mentalities. The increased density of the building, offering 219 residential units, will not only bring more people to this corner, but energy and vitality to further enliven, enrich, and empower Albuquerque's downtown. The Downtowner takes inspiration from a cross-pollination of contemporary massing, crisp lines, and a color palette specific to the energy of downtown. Configured as a six-story podium building, the project will incorporate an 18' high ground level to include a corner neighborhood café, building entrance with lobby, a variety of live-work units, and related parking.

The live-work units are essential to the program of the building, providing both active storefronts to engage the street, but also continuous occupation of the ground level, day and night. To emphasize the base of the building, robust materials of cast-in-place concrete and metal panels will blend with a vast array of glazing. The glazing will serve as a medium, connecting the activity of the interior of the building to the energy of the street. Ample storefront will advertise everything from the savory offerings of the café to the individual gallery, retail, and professional spaces of the live/work units. Each of the live/work units will be raised 18" above the ground level to allow for entry stoops creating a friendly 'porch', further engaging the street level.

Ample street trees and landscaped parkway strips introduce a variety of textures and scales to soften the hardscape and create a welcoming, walkable atmosphere. Parking and services are accessed from the alley adjacent to the existing Gold Avenue parking structure. The overall ground-level design creates a streetscape focused on elevating the pedestrian experience, most notably addressing the future Rail Trail on the east side of the building.

The building comes alive as you move vertically to the second floor, where the interior community spaces, café patio, and two large community decks afford nearly half of the building footprint and sit perched above, and projecting over, the street below. Albuquerque offers one of the most desirable climates, with nearly 300 days of beautiful sunshine. The Downtowner provides a community deck unparalleled by any other project in town, complete with a shaded overlook balcony and outdoor living rooms. Interior community amenities are centrally located to access both exterior roof decks, including an entertainer's kitchenette, dining area, living room, raised gaming area, an internet café, and a handful of coworking/study rooms. Residential units located on this floor wrap the central community hub and decks, providing both privacy and access to this amazing exterior amenity.

G. EVALUATION CRITERIA 3. APPLICANT EXPERIENCE.

G. Experience

PROPOSED SECTION G

HISTORY OF PROJECT TEAM WORKING TOGETHER

We are keenly aware of the importance of this project – ensuring a successful relationship between the City and developer, being a catalyst for economic growth downtown, creating a financially viable housing project, and setting the standard for future public private developments.

This development team devoted to The Downtowner has been working together for more than 15 years. During that time, we have created memorable infill projects, all of which have a housing component.

As a developer, owner and manager, Jay has been intimately involved in the entitlement, design, development, financing, management, leasing and marketing with every one of his projects through his company, Rembe Urban Design + Development, formed in 2003. This includes the development and property management of the Bricklight District, home to Bricklight Courtyards, that includes twenty-three properties with retail, office and 63 urban apartment units; Country Club Plaza with over 121,000 square feet of retail, office and 81 urban apartment units, and more.

The projects on the following pages demonstrate our team's successful collaborations in Albuquerque. Most have the same development team – developer, architect and contractor. We have established a genuine rapport and we always look forward to working together on the next project. We will build upon our past experiences to successfully plan, design, and manage future projects. We like to say, "We learn from our past experiences," and we do.

As we all recognize, a trusted relationship with lending institutions cannot be discounted, particularly in today's challenging economic environment. In September 2020, CBRE Capital Markets led the refinancing efforts of The Franz debt with just over \$8.6 million of non recourse Government Sponsored Enterprise "Fannie Mae" funds. As noted later in this proposal, CBRE will be an important player in the development of The Downtowner.

We are proud of our work and the success of these projects speaks to the collaborative processes we have implemented for all team members from the first design concepts, through financing, construction, up until the doors open for residents.

COUNTRY CLUB PLAZA

BRICKLIGHT

THE STRIDER



CITY OF ALBUQUERQUE MRA DOWNTOWN HOUSING REQUEST FOR PROPOSALS RFP #03-2023 11

G. Experience

Project Experience SECTION G

COUNTRY CLUB PLAZA

Albuquerque, NM

PROJECT RELEVANCE

New Construction, Multi-Family, Site Analysis & Zoning Due-Diligence, Masterplanning, Programming & Pre-Design, Close interaction with user groups, Neighborhood Association (NA) Coordination and City Presentations

PROJECT TEAM

Rembe, MHA, Insight

PROJECT DATA (The Franz)

Building area: 50,319sf (+/-) 58 1-bedroom units
Community rooms & exterior plazas

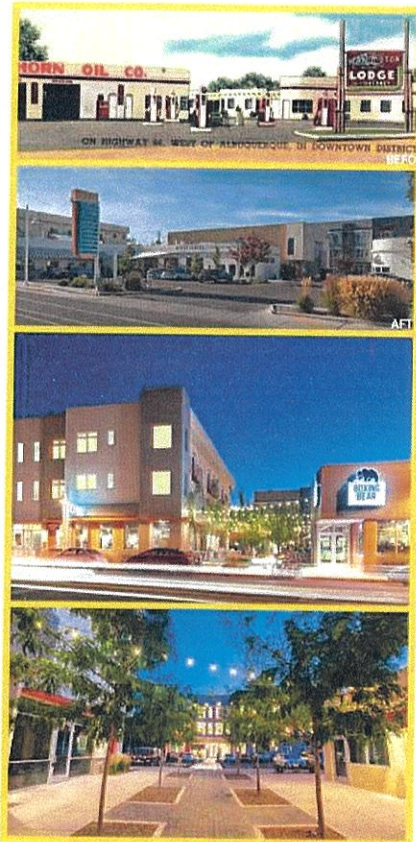
PROJECT DATA (Country Club Lofts)

Building area: 34,932 sf (+/-) 23 1-bedroom units

Country Club Plaza is a 3.3 acre site in the 1700 block of Central Avenue SW that was once home of the Horn Motor Lodge. Given the site's history and potential within the Route 66 corridor, the project's primary goal was to reactivate this stretch of one of the country's most iconic streets, connecting the Downtown and Old Town corridors, and bringing a new commercial identity to this underutilized stretch of road.

Grounded on the principles of revitalization, the project focused its efforts on the adaptive reuse of the three historic buildings on site (the Horn Oil Gas & Service Station buildings and an old auto body shop), and the construction of three new buildings to complement the existing. This mixture of old and new allows for a dynamic mixed-use development capable of generating an environment conducive to robust pedestrian and vehicular activity. Site planning efforts sought to provide ample opportunities for interactions between an array of uses, including retail, restaurants, offices, and residential through the diverse interplay of landscaped walkways and manicured plazas.

Attributes of the site brought challenges, namely, the traffic impact, the environmental implications and hazardous material remediation concerns of developing a long-vacant site (an old gas fueling station), and, most importantly, the required upgrades to the utility infrastructure. The development is anchored by a large central plaza that is flanked by the two main commercial buildings, which house a diverse array of uses including a local brew pub, salon, personal fitness training, and professional offices. These restaurant and retail activities on the ground floor dynamically interact with one another, as the residential functions look down from above.



CITY OF ALBUQUERQUE MRA DOWNTOWN HOUSING REQUEST FOR PROPOSALS 10.17.2017 12

G. Experience

COUNTRY CLUB PLAZA

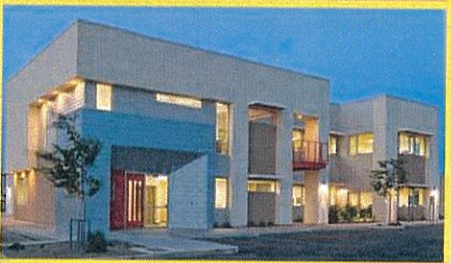
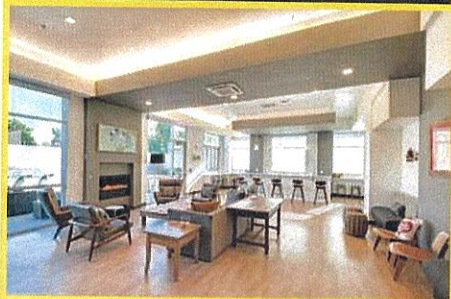
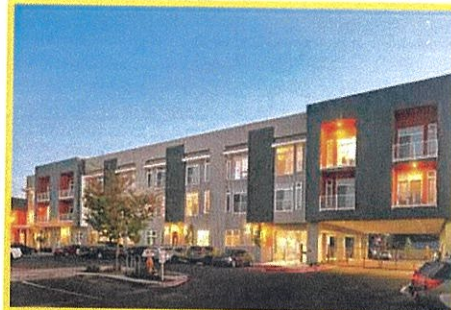
Albuquerque, NM

The third building completed the development, becoming the focal point of the central courtyard and introducing 58 more residential units and a co-working office suite. Throughout the site, additional small patios and courtyards are generated from the interstitial spaces between buildings, and exterior balconies within the office and residential functions engage the site activities happening below in the central plaza.

Development efforts took time. Tremendous effort was spent working with the neighboring residences, finessing the site design to be respectful of their community's cultural and aesthetic values, as well as creating a neighborhood hub capable of enhancing the local quality of life. MHA worked through the City of Albuquerque planning procedures, guiding the project through the Environmental Planning Commission, Design Review Board, and Building Permit processes. We met with the neighborhood associations many times to explain the project and answer questions. We understood the implications this project had on the adjacent community, and we worked to address neighborhood concerns as they arose.

The development was designed and constructed in phases over three years and the work was completed by the same team from start to finish. This approach led to a continuity of design and construction methods and, most importantly, a standardized expectation of quality of work. To keep the project on track, all team members had to think quickly and ensure that all facets of the design were considered in their response: quality, time, money, program, and aesthetics. The team always kept the initial design intention and construction quality expectations at the forefront of their decisions. Ultimately, the team's efforts paid off, yielding an integrated site design that is now home to some of Albuquerque's most up-and-coming businesses.

SECTION G



CITY OF ALBUQUERQUE MRA DOWNTOWN HOUSING REQUEST FOR PROPOSALS REF: 2017-0071 13

G. Experience

REDACTED SECTION G

THE STRIDER

Albuquerque, NM

PROJECT RELEVANCE

New Construction, Multi-Family, Site Analysis & Zoning Due-Diligence, Masterplanning, Programming & Pre-Design, Close interaction with user groups, Sustainability Focus with Fitwell Certification, High-efficiency Unit Design

PROJECT TEAM

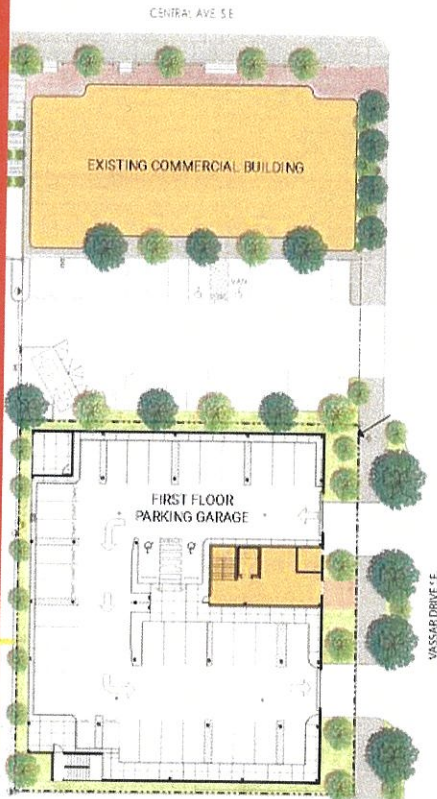
Rempe, MHA, Insight

PROJECT DATA

The Strider forges a new path into the future of multi-family housing and lifestyle opportunities for urban living in Albuquerque. Envisioned on an existing parking lot at 109 Vassar Drive SE, the six-floor Strider marks a significant infill project for multifamily housing, adding 108 high efficiency dwelling units to the urban fabric upon completion. Our team's vision for The Strider focuses on increasing walkability, encouraging public transportation use, and offering new definitions and opportunities of urban wellness.

Arrayed around a second level deck, the project's well designed units range from 325 square feet to 400 square feet, ideal for college students and young professionals seeking dwelling options that encourage live/work/play urban lifestyles.

Following the City's updated Integrated Development Ordinance (IDO), The Strider expresses the urban design vision of the City by maximizing housing infill density and access to public transportation, including the recently re-launched Albuquerque Rapid Transit line along Central Avenue. On the ground floor, a parking garage provides 41 tenant parking spaces, including reserved spaces for carpool and ridesharing, and electric vehicle charging stations. Additionally, The Strider provides ample bicycle storage for each tenant on each residential floor, encouraging cycling as one of the primary means of transportation.



SIMILAR PROJECTS



CITY OF ALBUQUERQUE MRA DOWNTOWN HOUSING REQUEST FOR PROPOSALS 10.11.2021 16

G. Experience

MRA 2014-2017 SECTION G

REMBE URBAN DESIGN + DEVELOPMENT

Rembe Urban Design + Development with its in-house leasing and management firm, Rembe Properties LLC, is an award-winning local infill design and development firm that is focused on providing exceptional urban design in Albuquerque. In the last five years, the firm has primarily focused its efforts on renovating and re-purposing one-of-a-kind, neglected buildings located on Historic Route 66/Central Avenue and in the city's urban center. Part of this effort included larger master-planned, mixed use infill projects that combined the design and development of new buildings in conjunction with re-purposing existing historical buildings on the same site.

"Our passion and interest is to focus on place-making in urban, walkable locations that have a unique history. We want our projects to make a fundamental difference in the neighborhoods they are in. We are not a large firm and prefer to focus on quality rather than quantity because we believe each project deserves our full attention. This attention to detail is what makes our projects so special and rewarding."

Jay Rembe

Rembe Urban Design + Development, CEO & Founder

A native New Mexican, Jay Rembe has over 25 years of experience in the New Mexico commercial and residential real estate industry. He began his career as a commercial real estate broker with CB Commercial in 1993 where he specialized in retail brokerage. In 1997, he joined Maestas and Ward Commercial Real Estate as a partner, where he continued to specialize in tenant/landlord representation and investment opportunities. In 2001, he created Infill Solutions Urban Design and Development which in 2012 merged into Rembe Urban Design + Development.

Through his related development and operating entities, Jay has developed and managed over \$80 million worth of properties since the early 2000's. Many of these properties presented huge challenges; however, with Jay's positive attitude, financial resources, continual grit and "never say never" attitude along with knowing how to assemble the right team for each project, he has created some of the best and well designed buildings in locations that need a boost. He fully recognizes that he can't do it by himself and thus works hard to maintain and foster all of his personal, business, neighborhood and city relationships.

The other big part of Jay's success as developers and owners of many different buildings, is that he chose to manage all of his projects internally rather than hiring a third party management. "From my experience, we will always do a better job because our customers and our projects our priority. It is important to me that me and my people understand our product, understand our customer and we do everything in our power to make their stay with us memorable."

When his firm was smaller, he did most of the management and leasing by himself, however now he continues to add members to make sure he can continue to offer the best service. "Although I may not be doing the day to day management duties, I strategically located my office in the heart of Country Club Plaza so that I can be available to my tenants and to make sure we continue to offer the best service and build community. It is important to me and I recognize you can never rest on your success but rather continue to work on being better."

**JAY'S AFFILIATIONS:**

- Founding board member, ULI New Mexico
- Board chairman of Los Poblanos Inn and Cultural Center
- Qualifying broker at Rembe Properties
- Co-President for West Downtown Business District
- Committee board member for DPM Executive Committee for City of Albuquerque
- Albuquerque Railyard Advisory Board member
- Member of the selection committee for Albuquerque downtown grocery store RFP
- Member of the selection committee for the El Vado Motel on Central Avenue
- Former trustee at Bosque School



CITY OF ALBUQUERQUE MRA DOWNTOWN HOUSING REQUEST FOR PROPOSALS RFP #2014-0001

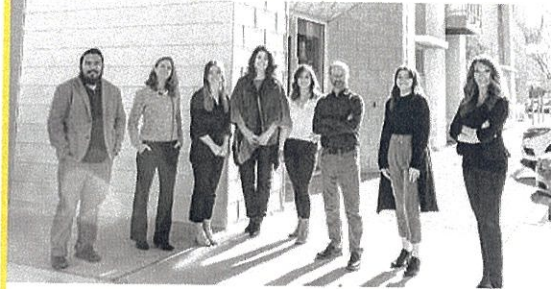
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G. Experience

TEAM RESUME SECTION G

MULLEN HELLER ARCHITECTURE P.C.

Principals	Megan Pavelko Intern Architect
Michele M. Mullen, AIA Principal & President	
Douglas Heller, AIA Principal & Vice President	Lytic Fuentes Intern Architect
Administrative Staff:	Madie Wickstrom Intern Architect
Danielle Welch Business Manager	
Design Staff:	Keenan Boliak-Poling Intern Architect
Antolin Gervacio Intern Architect	



The Mullen Heller team (from left to right):
Astron Chacac, Michele Mullen, Madie Wickstrom, Danielle Welch, Lytic Fuentes, Douglas Heller, Megan Pavelko, Sandy Johnson (not pictured), Keenan Boliak-Poling

MHA RELEVANT PROJECTS WITH
SIMILAR DESIGN COMPONENTS

MULTI-FAMILY

- The Franz (58x1-bedroom units)
- Country Club Lofts (23x1-bedroom units)
- Bricklight Courtyards (46 units)
- Anasazi Residences Downtown (45 units)
- Hope Village (42 units)

MULTI-PURPOSE & COMMUNITY

- Our Lady of Belen Social Hall & Dining Area
- Sandoval County Exhibit Hall & Multi-Purpose Room
- Unitarian Church of Los Alamos Fellowship Hall
- First Unitarian Church of ABQ Social Hall

CITY OF ALBUQUERQUE

- Eastside Animal Shelter Kennel D Renovation
- Various On-Call Improvements since 2015
- Upcoming Gateway Center

BERNALILLO COUNTY

- Route 66 West Central Visitor Center
- Metropolitan Assessment & Treatment (MATO) Detox Center Renovation

Mullen Heller Architecture, PC was established in March 2001. The firm principals are Michele Mullen, AIA and Douglas Heller, AIA. They have extensive experience in a variety of project types in the public and private sector. After moving to Albuquerque in 1992, Doug and Michele practiced with other established firms until 2001. While with those firms, Michele and Doug came to realize that a design practice that was not only talented but also focused on customer service was missing in New Mexico. That became the impetus for starting Mullen Heller Architecture. Michele and Doug's experiences complement each other, as Michele has experience in the public sector, while Doug's experience in the private sector has been focused on fast-paced projects with tight budgets.

"We at Mullen Heller Architecture embrace every client's specific needs to create memorable spaces that enhance the built environment and respect the natural world in which we live."

Mullen Heller Architecture is a collaborative team of energetic architects and critical thinkers who thrive on the challenges of architectural, interior, and site planning design, always with our eye on the beautiful. Our firm has worked with clients in the private and public sectors to craft spaces throughout New Mexico and the Southwest. We have a depth of experience in a variety of project types of all shapes and sizes. We welcome any test to conventional wisdom and relish the opportunity presented by a project with a twist.

TEAM RESUME



CITY OF ALBUQUERQUE MRA DOWNTOWN HOUSING REQUEST FOR PROPOSALS REF: 001-2021

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G. Experience

INSIGHT CONSTRUCTION SECTION G

INSIGHT CONSTRUCTION

Insight Construction is an Albuquerque-based general contracting company that formed in 2008 to serve New Mexico's commercial construction market. Since its founding, Insight has forged strong relationships in Albuquerque and throughout New Mexico with its strong track record of successful projects ranging in size and scope throughout our state.

With specialized experience in medical, industrial, retail and multi-family construction projects, they bring a diverse skill set capable of meeting the demands of each construction project they take on. In addition to project management services, Insight Construction self-performs rough and finish carpentry, millwork and cabinetry, steel erection and fabrication trade work on our projects.

Their team of 44 full time employees is dedicated to the common goal of a safe and organized work site, superior workmanship, and of course on time and on budget performance. It is through these individuals that their clients, architects & engineers, subcontractors and suppliers, building inspectors, lenders and all stakeholders experience the highest level of service and dedication to the common goal of the construction build.

Insight Construction was the general contractor for all of the buildings at Country Club Plaza and is currently providing construction estimates for the 90,000sf Strider multi-family project. Additionally, Damian, which with another construction company, serves as the project manager for the Bricklight Courtyards.

LEADERSHIP TEAM

Damian Chimenti, President

GB98 License Holder, LEED AP, OSHA 10, 22 Years in Commercial Construction, BS University of Oregon

David Brown, General Superintendent

GB98 License Holder, OSHA 30, ABC, 33 Years Commercial Construction

DJ Sonnenberg, Senior Project Manager

GB98 License Holder, OSHA 30 28 Years in Commercial Construction

Robert Boulier, Senior Superintendent

GB98 License OSHA 30- 17 Years Commercial Construction

John Rescate, Senior Superintendent

OSHA 30- 28 Years in Commercial Construction

Lisa McClaren, Controller

20 Years in Construction and Financial Related: Waylen Baptist University

TEAM RESUME



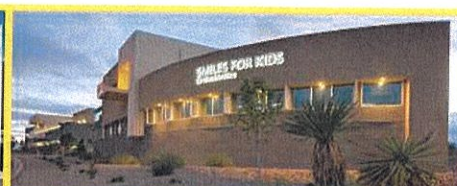
Damian Chimenti

President, Insight Construction

LEED® AP, OSHA 30 Training, CID GB98 License #395449

Damian's drive and determination have taken a small startup construction company and created a multi million dollar construction company in 10 years. With a reputation for excellence in the state of New Mexico, his focus on providing premier customer service at an affordable value has propelled this company to its current success.

Damian has estimated and managed projects ranging in size from a few thousand to over \$10 million. Damian is also a LEED accredited professional, with direct experience on LEED certified projects from planning through contract closeout.



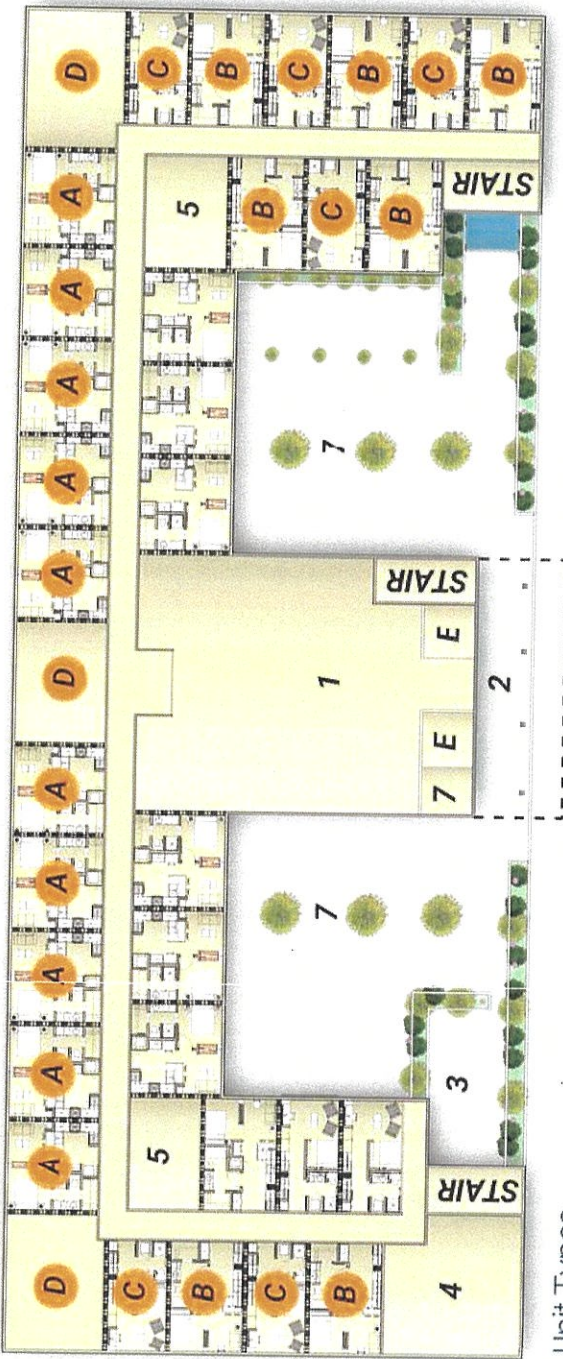
CITY OF ALBUQUERQUE MRA DOWNTOWN HOUSING REQUEST FOR PROPOSALS (RFP) 89-202

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H. Appendix







2nd FLOOR

Unit Types
A, B, C, D

24,730 gross sf
35 total units

- 1 community room/gym
- 2 overlook deck
- 3 cafe patio (500sf)
- 4 cafe
- 5 bike storage
- 6 maintenance
- 7 outdoor living
- 8 community lounge & mail
- 9 leasing
- 10 EV charging station





Unit Types
A, B, C, D

3rd-6th
FLOORS

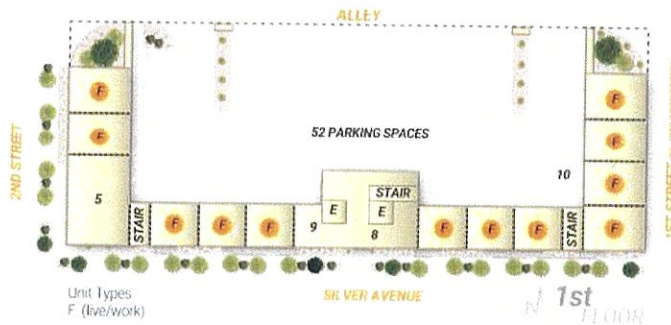
25,940 gross sf
43 total units

- | | | |
|----------------------|---------------------------|------------------------|
| 1 community room/gym | 6 maintenance | 9 leasing |
| 2 overlook deck | 7 outdoor living | 10 EV charging station |
| 3 cafe patio (500sf) | 8 community lounge & mail | |
| 4 cafe | | |
| 5 bike storage | | |

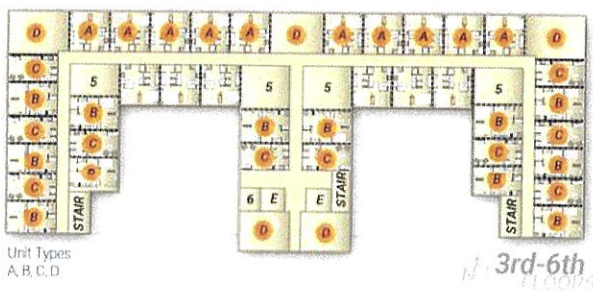
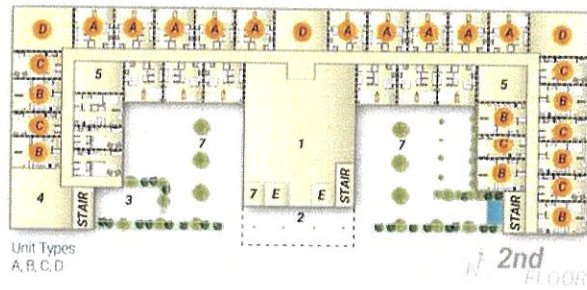


THE DOWNTOWNER

enlivening, enriching, & empowering Albuquerque's downtown



6 floors / 140,570 gross sf
=



219 dwelling units
80 A units
56 B units
48 C units
23 D units
12 F units

1 cafe
12+ coworking



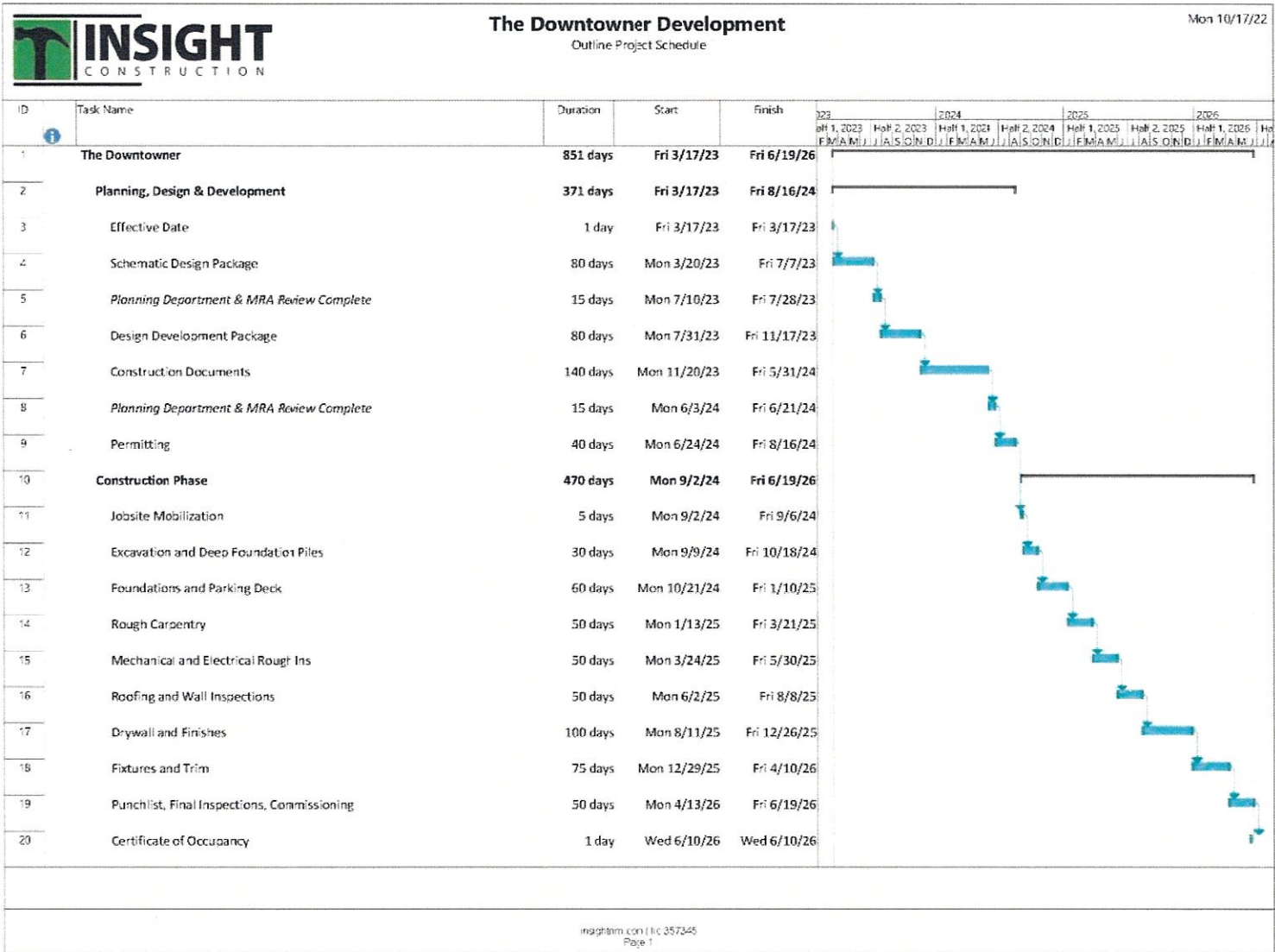


THE DOWNTOWNER

enlivening, enriching & empowering Albuquerque's downtown







Form W-9 (Rev. October 2015) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Mullen Heller Architecture, PC		
2 Business name/disregarded entity name, if different from above Mullen Heller Architecture, PC		
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.		
<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input checked="" type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate		
<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ <small>Notes: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</small>		
<input type="checkbox"/> Other (see instructions) ▶ _____		
4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>		5 Address (number, street, and apt. or suite no.) See instructions. 1718 Central Ave SW Suite D Albuquerque, NM 87104
6 City, state, and ZIP code		Requester's name and address (optional) _____ _____ _____
7 List account number(s) here (optional) _____ _____ _____		
Part I Taxpayer Identification Number (TIN) Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later. Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.		
Social security number _____ - _____ - _____ or Employer identification number _____		Part II Certification Under penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below); and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.
Sign Here	Signature of U.S. person <i>James Heelch</i>	Date <i>10.14.2022</i>
General Instructions Section references are to the Internal Revenue Code unless otherwise noted. Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9 . Purpose of Form An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following: <ul style="list-style-type: none"> • Form 1099-DIV (dividends, including those from stocks or mutual funds) • Form 1099-MISC (various types of income, prizes, awards, or gross proceeds) • Form 1099-B (stock or mutual fund sales and certain other transactions by brokers) • Form 1099-S (proceeds from real estate transactions) • Form 1099-K (merchant card and third party network transactions) • Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition) • Form 1099-C (canceled debt) • Form 1099-A (acquisition or abandonment of secured property) Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN. If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See <i>What is backup withholding</i> , later.		

Form W-9 (Rev. October 2018) Department of the Treasury Internal Revenue Service	Request for Taxpayer Identification Number and Certification ▶ Go to www.irs.gov/FormW9 for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Insight Construction LLC		
2 Business name/disregarded entity name, if different from above		
Print or type. See Specific instructions on page 3.	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Individual sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C-C corporation, S-S corporation, P-Partnership) ▶ _____ <small>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</small> </div> <div style="width: 45%;"> <input type="checkbox"/> C Corporation <input checked="" type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Other (see instructions) ▶ _____ </div> </div>	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3). Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Codes to be correctly maintained outside the line)</small>
5 Address (number, street, and apt. or suite no.) See instructions. PO Box 6653		Requester's name and address (optional)
6 City, state, and ZIP code Albuquerque, NM 87197		
7 List account number(s) here (optional)		
Part I Taxpayer Identification Number (TIN)		
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later. <small>Note: If the account is in more than one name, see the instructions for line 1. Also see <i>What Name and Number To Give the Requester</i> for guidelines on whose number to enter.</small>		
Social security number <div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; width: 100px; height: 20px; margin-bottom: 5px;"></div>		or Employer identification number <div style="border: 1px solid black; width: 150px; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; width: 150px; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; width: 150px; height: 20px; margin-bottom: 5px;"></div>
Part II Certification		
Under penalties of perjury, I certify that: 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and 3. I am a U.S. citizen or other U.S. person (defined below); and 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. <small>Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.</small>		
Sign Here	Signature of U.S. person ▶ <i>Ron McClure</i>	Date ▶ <i>1/27/22</i>
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• Form 1099-DIV (dividends, including those from stocks or mutual funds) • Form 1099-MISC (various types of income, prizes, awards, or gross proceeds) • Form 1099-B (stock or mutual fund sales and certain other transactions by brokers) • Form 1099-S (proceeds from real estate transactions) • Form 1099-K (merchant card and third party network transactions) • Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition) • Form 1099-C (canceled debt) • Form 1099-A (acquisition or abandonment of secured property) Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN. If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See <i>What Is Backup Withholding</i> , later.		

Form W-9
(Rev. November 2017)
Department of the Treasury
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1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above
Rcmbe Properties, LLC

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

☒ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____

☐ Other (see instructions) ► _____

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any) _____
Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
1716 Central SW, Suite A

6 City, state, and ZIP code
Albuquerque, NM 87104

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

--	--	--	--	--	--	--	--	--	--

or
Employer identification number

--	--	--	--	--	--	--	--	--	--

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person ►

Date ►

10/29/2020

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

STATE OF NEW MEXICO

TAXATION AND REVENUE DEPARTMENT

RESIDENT BUSINESS CERTIFICATE

Issued to: MULLEN HELLER ARCHITECTURE, P.C.

DBA: MULLEN HELLER ARCHITECTURE, P.C.
1718 CENTRAL AVE SW STE D
ALBUQUERQUE, NM 87104-1142

Expires: **14-Jan-2024**

Certificate Number:

L0059548080



Stephanie Schardin Clarke
Cabinet Secretary

THIS CERTIFICATE IS NOT TRANSFERABLE

STATE OF NEW MEXICO

TAXATION AND REVENUE DEPARTMENT

RESIDENT CONTRACTOR CERTIFICATE

Issued to: INSIGHT CONSTRUCTION LLC

DBA: INSIGHT CONSTRUCTION LLC
PO BOX 6653
ALBUQUERQUE, NM 87197-6653

Expires: **26-Mar-2024**

Certificate Number:

L1081461168



Stephanie Schardin Clarke
Cabinet Secretary

THIS CERTIFICATE IS NOT TRANSFERABLE

Metropolitan Redevelopment Agency
 City of Albuquerque
 100 Arno St NE Suite B
 Albuquerque, NM 87102



06.24.2022

To: Memo to File

From: Ciaran Lithgow, Project Manager

Subject: Redevelopment Tax Abatement Pre-Application Meeting Summary

MRA staff members Karen Iverson and Ciaran Lithgow met with Jay Rembe and Kenny Meyers, of Rembe Urban Design & Development ("Developer"), on June 23, 2022 to discuss the Redevelopment Tax Abatement ("RTA") program, which could be applicable to two projects in the Developer's pipeline. The first is a 30+ mixed-use multifamily housing project on Central in West Downtown across the street from the Country Club Plaza. The second is the Downtowner project, a 150+ unit mixed-use multifamily project on 1st & Silver, which is under development agreement negotiations with the City.

Due to the ongoing Development Agreement negotiations between MRA and the Developer for the Downtowner, staff is highly familiar with that project, so a majority of the discussion centered around the project in West Downtown. MRA encouraged the Developer to review the Community Benefit Matrix as a part of its design process to ensure they are designing the project to earn the minimum 100 points required if seeking an RTA.

MRA staff described the minimum requirements to be eligible for the RTA and provided an overview of how to fill out the Community Benefits Matrix. Staff also described the general timeline to get the RTA approved:

- Developer submits the RTA application materials to MRA staff.
- MRA staff reviews RTA application and works with Developer to ensure all required materials have been submitted and the package is ready for review by the Albuquerque Development Commission ("ADC"). (4 – 6 weeks)
- MRA staff brings the RTA application to ADC for consideration; Developer is required to attend.
- ADC makes a recommendation to City Council (approve or deny).
- Legislation to approve the RTA is sent to City Council (typically 2 – 3 months). Developer's attendance is encouraged at the relevant sub-committee hearing.
- If approved by City Council, Developer has 3 calendar years from approval to execute the RTA lease.

Staff also described the basic mechanisms of the program:

- Incremental tax abatement is provided for 7 years, and is based on the taxable value of the property the year *prior* to executing the lease agreement. Developer should carefully consider the year it executes the RTA lease in order to achieve maximum value of taxes abated.

Metropolitan Redevelopment Agency
City of Albuquerque
100 Arno St NE Suite B
Albuquerque, NM 87102



- Incremental property tax abatement begins the Tax Year following the date of execution of the lease.
- Payment in lieu of taxes (i.e., the amount of the tax bill due the tax year prior to the date the lease documents are executed) remain due to Bernalillo County through the entire 7 years.
- Developer must also pay a lease fee to the Metropolitan Redevelopment Agency equivalent to 10% of the abated property taxes.

These requirements and timelines are also described in the RTA Instructions available on MRA's website at cabq.gov/mra/incentives.

10/14/22, 3:30 PM

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PROPERTY ADDRESS AND DESCRIPTION PARCEL

TR 1 FLAT FOR SILVER GARDENS SUBDIVISION CONT
7966 AC

2021

PARCEL NUMBER: 1046074825526801



TREASURER: DEFEALULO
 COUNTY
 PO BOX 627
 ALBUQUERQUE, NM 87103-0627
 (505) 468-7081
 TREASURER'S OFFICE
 E-MAIL: TREAS@DEFECO.ORG

2021 TAX BILL

THIS TAX BILL IS THE
 ONLY NOTICE YOU WILL
 RECEIVE FOR PAYMENT
 OF BOTH INSTALLMENTS
 OF YEAR 2021
 PROPERTY TAX

ASC HB-68

1014057248 3552680
 CITY OF ALBUQUERQUE
 REAL ESTATE OFFICE
 PO BOX 1250
 ALBUQUERQUE, NM 87103-1250

ATAM TAX DISTRICT

PROPERTY	CODE	VALUE	AGENCIES	TAX RATE	NET TAXABLE VALUE	2021 TAX DUE
ASSESSED VALUE LAND		26,300				
ASSESSED VALUE IMPROVEMENTS		0				
ASSESSED VALUE FEES PROP		0				
TAXABLE VALUE LAND		26,300				
TAXABLE VALUE IMPROVEMENTS		0				
TAXABLE VALUE FEES PROP		0				
TOTAL VALUATION		26,300				
STATUTORY EXEMPTION		0				
VETERAN EXEMPTION		0				
NET TAXABLE VALUE		26,300				

1st half payment becomes delinquent after Jan. 10, 2022

2nd half payment becomes delinquent after May 10, 2022

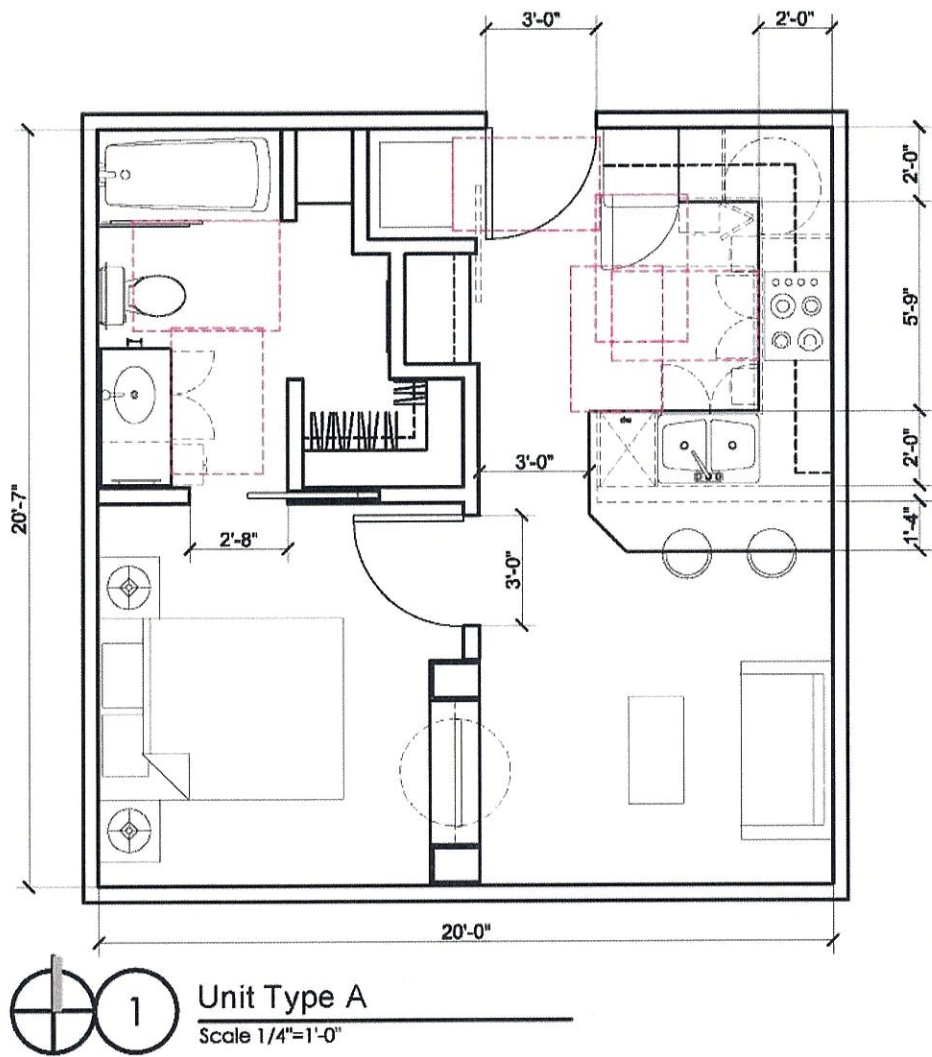
Penalties apply to these dates for each half if on time.

CLICK HERE TO SEE TAX & PAYMENT HISTORY

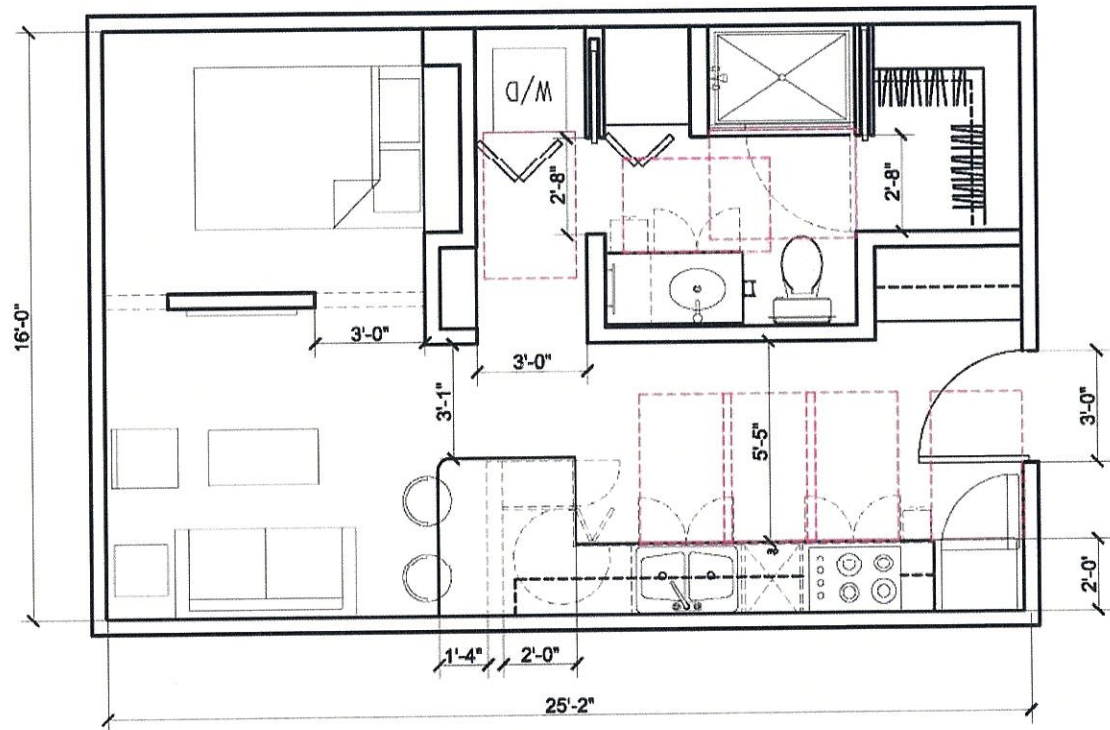
YEAR	TAX	INTEREST	PENALTY	FEES	AMOUNT DUE
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1/1

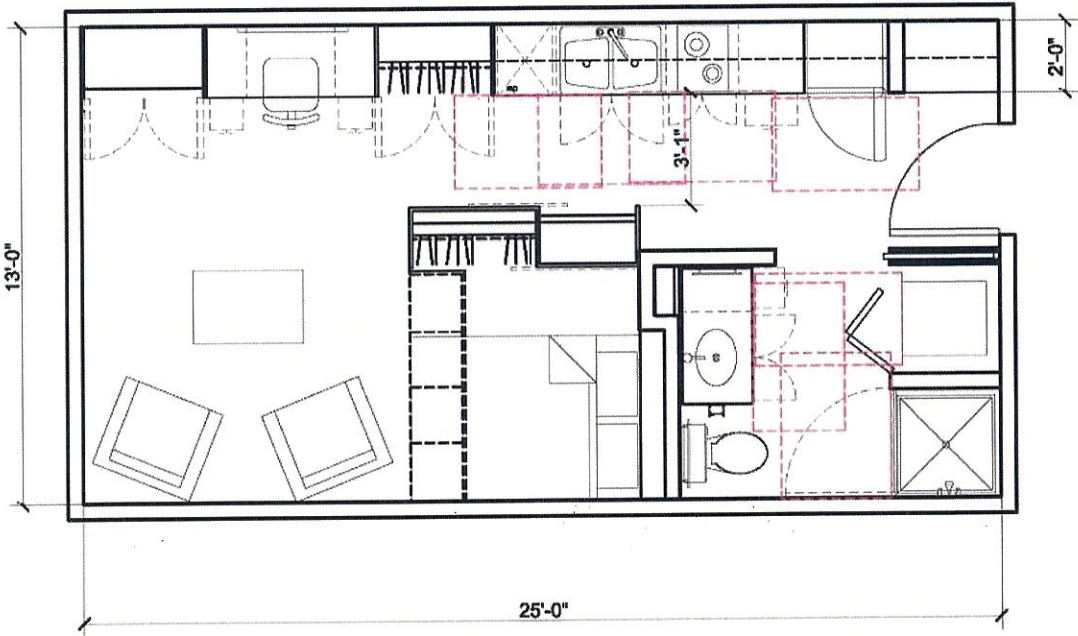


dwelling unit | **TYPE A**
400 square feet



 Unit Type B
Scale 1/4"=1'-0"

dwelling unit | **TYPE B**
375 square feet



Unit Type C
Scale 1/4"=1'-0"

dwelling unit | **TYPE C**
325 square feet

Appendix H: Building Data Valuation

Downtown Square Footages:	Size:	Building Valuation:		Modified Values:	
- Gross Heated Square Footage:	140,570	\$111.35	\$15,652,469.50	\$14,087,122.55	0.90 NM Regional Cost Modifier:
- Parking Garage Square Footage:	21,070	\$34.99	\$737,239.30	\$737,239.30	0.00 Under "Modified Values" says to use \$34.99 and do not apply regional modifier.
	161,640		\$16,389,708.80	\$14,824,461.85	Estimated Building Data Valuation

Exhibit D

Redevleopment Tax Abatement Lease Agreement

CITY OF ALBUQUERQUE, NEW MEXICO,

AND

Alb. Downtowner, LLC
a New Mexico Limited Liability Corporation

LEASE AND PURCHASE AGREEMENT

Dated as of _____, 202__

The CITY OF ALBUQUERQUE, NEW MEXICO, a New Mexico municipal corporation existing under the laws of the State of New Mexico (together with its successors and assigns, the “City”), and Alb. Downtowner, LLC, a New Mexico limited liability company (together with its successors and assigns, the “Company”), as of the Execution Date, agree as follows:

ARTICLE I - RECITALS

Section 1.1 Recitals. The City is authorized under the Metropolitan Redevelopment Code, Sections 3-60A-1 to 3-60A-13 and 3-60A-14 to 3-60A-48 NMSA 1978 (the “Code”), to acquire certain metropolitan redevelopment projects and to lease such projects in order to secure a property tax abatement of up to seven years under Section 7-36-3.1 of the Property Tax Code.

(a) The Company has submitted a proposal (the “Project Plan”) to the Albuquerque Development Commission (the “Development Commission”) for a metropolitan redevelopment project consisting of the construction of a multi-story mixed-use multifamily property offering eleven live-work units, between 150 – 207 dwelling units, and a neighborhood cafe (to be at least 1,000 square feet) (collectively, the “Project”) to be located on 0.7966 acres located on a vacant lot at First and Silver SW in Albuquerque, New Mexico, all within the Downtown 2025 Metropolitan Redevelopment Area (as more specifically described on Exhibit A, the “Project Site”).

(b) The Company intends to invest \$ [REDACTED] over the next [REDACTED] months to redevelop the Project Site, all to the benefit of the Project and the Downtown 2025 Metropolitan Redevelopment Area.

(c) The Project Plan contemplates, among other things, that the City acquire the Project thereby providing the tax abatement under Section 7-36-3.1 NMSA 1978, and to lease, and ultimately sell, the Project Site back to the Company to operate and maintain pursuant to the terms of this Lease and Purchase Agreement (together with all amendments and supplements, this “Lease”).

(d) The Development Commission has reviewed the Project Plan, and after notice has held a public hearing and determined that the Company has complied with the requirements of City Resolution No. 16-1985, as amended, and has recommended approval of the Project Plan to the City Council of the City.

(e) The City has determined that it is desirable to acquire the Project by Council Resolution No. R-[REDACTED], adopted [REDACTED], 202 [REDACTED] (the “Project Resolution”) and under the terms of the Project Resolution has authorized the acquisition of the Project.

(f) After having considered the provisions of the Project Plan and the Company’s proposal to finance the acquisition, renovation, construction and equipping of the Project, the City deems it desirable, in the best interest of its residents and in accordance with the purposes of the Code, to enter into this Lease for the purposes described above.

ARTICLE II- DEFINITIONS AND RULES OF CONSTRUCTION

Section 2.1 Definitions. All words and terms used in this Lease shall have the following meanings:

- (a) “Additional Payments” has the meaning assigned in Section 5.3(b).
- (b) “Administrative Fee” means the annual fee payable to the City from the Company due each December 31 for the term of this Lease as provided in Section 5.3(b) herein.
- (c) “Applicable Environmental Laws” means any applicable law, statute, regulation, order or rule pertaining to health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), and the Resource Conservation and Recovery Act of 1976 (“RCRA”).
- (d) “Authorized City Representative” means the Mayor or Chief Administrative Officer of the City, or any one of the persons at the time designated to act on behalf of the City in a certificate furnished to the Company containing the specimen signatures of such persons and signed on behalf of the City by its Mayor or Chief Administrative Officer.
- (e) “Basic Rent” has the meaning assigned in Section 5.3(a).
- (f) “Business Day” means any day that is not a Saturday or Sunday or a day on which banking institutions in the State or in the city of payment of Rent are authorized or required to close.
- (g) “City” means the City of Albuquerque, New Mexico, a New Mexico municipal corporation.
- (h) “Code” has the meaning assigned in Section 1.1.
- (i) “Company” means Alb. Downtowner, LLC, a New Mexico limited liability company.
- (j) “Eminent Domain” means the taking of title to, or the temporary use of, all or any part of the Project pursuant to eminent domain or condemnation proceedings, or by any settlement or compromise of such proceedings, or any voluntary conveyance of all or any part of the Project during the pendency of, or as a result of a threat of, such proceedings.
- (k) “Event of Default” has the meaning assigned in Section 8.1.
- (l) “Execution Date” means the date of this Lease is executed both the City and the Company.
- (m) “Improvements” means all buildings, structures and other improvements constructed and to be constructed or renovated on the Project Site together with related demolition and site work, all equipment, fixtures and furnishings together with equipment, fixtures and

furnishings that are in replacement thereof due to obsolescence, and all other personal property of any kind that is suitable for use and used as part of the Project.

(n) "Indemnitee" has the meaning assigned in Section 6.3.

(o) "Lease" means this Lease and Purchase Agreement.

(p) "Lender" or "Lenders" means any and all persons or successors in interest thereof (a) lending money or extending credit related to the Project (including any financing lease, monetization of tax benefits, backleverage financing or credit derivative arrangement) to the Company or to an affiliate of the Company including: (i) for the construction, permanent or interim financing or refinancing of the Project; (ii) for working capital or other ordinary business requirements of the Project (including the maintenance, repair, replacement or improvement of the Project); (iii) for any development financing, bridge financing, credit support, credit enhancement or interest rate protection in connection with the Project; (iv) for any capital improvement or replacement related to the Project; or (v) for the purchase of the Project Site and related rights from the Company, and/or (b) participating (directly or indirectly) as an equity investor in the Project primarily in connection with the utilization of applicable federal tax credits or tax depreciation benefits associated with holding an ownership interest in the Project, or (c) participating as a lessor under a lease finance arrangement relating to the Project (which such arrangement shall not be deemed to include this Lease, and which person or persons shall not include Company or any of its affiliates).

(q) "NMSA 1978" means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented.

(r) "Permitted Liens" means, as of the date of delivery of this Lease, the liens and encumbrances shown in Exhibit B, and, as of any particular time, (i) liens for taxes and special assessments, if any, to the extent permitted in Section 4.15, (ii) this Lease and any assignment of lease permitted by this Lease and any supplements thereto, (iii) easements, licenses, rights-of-way and other rights or privileges in the nature of easements permitted in Section 4.11, (iv) mechanics', materialmen's, carriers' and other similar liens to the extent permitted in Section 4.15, (v) liens securing loans or other financing for the Project, (vi) such other liens as are specifically consented to in writing by both the City and the Company, and (vii) such minor defects, irregularities, encumbrances, easements, rights-of way and clouds on title to the Project as normally exist with respect to similar properties and as do not, individually or in the aggregate, materially impair the Project for the purpose for which it is used by the Company or materially detract from the value of the Project.

(s) "Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision.

(t) "Proceeds" when used with respect to any insurance proceeds or any award resulting from, or other amount received in connection with, Eminent Domain, means the gross proceeds from the insurance or such award or other amount.

(u) "Project" means, collectively, the existing improvements on the Project Site, together with all renovations and new construction contemplated thereto under the Project Plan, constructed on the Project Site, all as more specific described in the Project Plan.

(v) "Project Resolution" means the City's Resolution No. R-[REDACTED], adopted [REDACTED], 202__.

(w) "Project Site" means the real property in the City of Albuquerque, Bernalillo County, New Mexico described on Exhibit A.

(x) "Rent" means Basic Rent, any Additional Payments and any other amount payable by the Company under this Lease.

(y) "State" means the State of New Mexico.

(z) "Term" means the period from the Execution Date to the earlier of the date of termination of this Lease or the Termination Date.

(aa) "Termination Date" mean the date seven years from the Execution Date.

Section 2.2 Rules of Construction.

(a) The captions and headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

(b) All references in this Lease to particular articles, sections or exhibits are references to articles or sections of or exhibits to this Lease unless some other reference is established.

ARTICLE III - REPRESENTATIONS

Section 3.1 City Representations. The City represents that, as of the date of delivery of this Lease:

(a) The City is a municipal corporation organized and existing under the laws of the State.

(b) By adoption of the Project Resolution, the City has duly authorized the execution, delivery and performance of this Lease and acquisition of the Project for the purpose of enabling the Company to obtain the tax exemption authorized under Section 7-36-3.1 NMSA 1978, and to support the Company's investment in and improvements to the Project Site to the benefit of the City and its residents, in particular the Downtown 2025 Metropolitan Redevelopment Area.

(c) To the knowledge of the City, without independent investigation, (i) the execution, delivery and performance by the City of the Lease will not conflict with or create a material breach of or a material default under the Code or any other law, rule, regulation or ordinance applicable to the City or the charter of the City or any agreement or instrument to which the City is a party or by which it is bound, and (ii) there is no action, suit, proceeding, inquiry or

investigation by or before any court, public board or body, pending or threatened against the City, which seeks to or does restrain or enjoin the execution and delivery of this Lease or the City's acquisition of the Project.

Section 3.2 Company Representations. The Company represents that, as of the date of delivery of this Lease:

(a) The Company is a limited liability company duly organized and validly existing under the laws of New Mexico, and has duly authorized the execution, delivery and performance of this Lease.

(b) The Company has full right, power and authority to approve the execution, delivery and performance of this Lease and to perform its obligations under this Lease.

(c) The execution, delivery and performance by the Company of this Lease do not and will not conflict with, contravene, violate or constitute a breach of or a default under its articles of organization or operating agreement or any agreement or instrument to which the Company is a party or by which the Company or any of its property is bound or any law, rule, regulation, decree or order applicable to the Company; nor will such execution, delivery, and performance result in the imposition of a lien on any of the Company's properties.

(d) No Event of Default, or event or condition which, with notice or lapse of time or both, would constitute an Event of Default, with respect to the Company has occurred and is continuing.

(e) All necessary authorizations, approvals, consents and other orders of any governmental authority or agency for the execution and delivery by the Company of this Lease have been obtained and are in full force and effect.

(f) There is no action, suit, proceeding at law or in equity by or before any court, public board or body pending or, to the best of the knowledge of the Company, threatened, against or affecting the Company, (i) which seeks to or does restrain or enjoin the execution and delivery of this Lease, (ii) which in any manner questions the validity or enforceability of this Lease, (iii) which questions the authority of the Company to own or operate the Project; or (iv) in which an adverse outcome is probable, and which, if adversely determined, would have a material adverse effect on the Company, the Project or the Company's ability to perform under this Lease.

(g) The Company has not received any notice of an alleged violation and is not in violation of any zoning, land use, environmental or other similar law or regulation applicable to the Project Site.

(h) The location, construction, occupancy, operation and use of the Project does not violate any applicable law, statute, ordinance, rule, regulation, order or determination of any governmental authority (or other body exercising similar functions), or any restrictive covenant or deed restriction (recorded or otherwise) affecting the Project, including, without limitation, all applicable zoning ordinances and building codes, flood disaster laws and health and environmental laws and regulations.

(i) The Project Site is not the subject of any existing, pending or threatened investigation or inquiry by any governmental authority or subject to any remediation obligations under any Applicable Environmental Laws, and the Company is not aware of any basis for such investigation, inquiry or obligation.

(j) No representation made by the Company in this Lease and no statement made by the Company in any information, material or report furnished to the City in connection with the transactions contemplated by this Lease contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(k) The Company is not in default in the payment of the principal of or interest on any indebtedness for borrowed money or in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued.

(l) The Company has the economic ability to meet all of the financial obligations imposed upon the Company under this Lease and as related to the proposed improvements to the Project Site as outlined in the Project Plan.

(m) The Company will operate or to cause the Project to be operated to the expiration or sooner termination of the Term.

(n) The Project will be located inside the corporate limits of the City.

All representations of the Company contained in this Lease or in any certificate or other instrument delivered by the Company pursuant to this Lease will survive the execution and delivery of this Lease and the termination of this Lease, as representations of facts existing as of the date of execution and delivery of the instrument containing such representation.

ARTICLE IV- THE PROJECT

Section 4.1 Acquisition, Renovation, Construction, Equipping and Completion.

(a) On or prior to the date of execution of this Lease, the Company has conveyed the Project or caused the Project to be conveyed to the City, by special warranty deed and such other transfer or conveyance documents, including a bill of sale, as appropriate, to vest good title thereto in the City. The City agrees to cooperate with the Company, at the sole expense of the Company, in the Company's efforts to take all necessary steps to cause the records of the Bernalillo County Assessor's office to reflect on or before the Execution Date, the acquisition and ownership of the Project by the City in order to permit the Project to be exempt from property taxation pursuant to Section 7-36-3.1 NMSA 1978.

(b) The Company will not allow any contractor, subcontractor, materialman or laborer with respect to the Project to remain unpaid, and will take all actions or cause to be taken all actions necessary to prevent liens by such parties being filed against the Project. If the Company makes any payment pursuant to this Section, it will not be entitled to reimbursement or reduction of the Rent.

Section 4.2 Plans and Specifications; Changes.

(a) The Company will not make any changes that will change the nature of the Project as a qualified “project” as contemplated by the Code.

(b) The Company shall have the sole responsibility for the construction of the Project and for procurement from the appropriate State, county, municipal and other authorities and corporations, connection or reconnection and discharge arrangements for the supply of gas, electricity and other utilities for the operation of the Project.

Section 4.3 No Warranty. THE COMPONENTS OF THE PROJECT HAVE BEEN DESIGNATED AND SELECTED BY THE COMPANY. THE CITY HAS NOT MADE AN INSPECTION OF ANY PORTION OF THE PROJECT. THE CITY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS, IMPLIED OR OTHERWISE, WITH RESPECT TO ANY PORTION OF THE PROJECT OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY OF THE SAME, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN THE SAME. THE PROJECT IS A PRIVATE ENTERPRISE OF THE COMPANY AND IS NOT, AND SHALL NOT BE DEEMED, A PUBLIC PROJECT OF CITY. ALL RISKS INCIDENT TO THE PROJECT ARE TO BE BORNE BY THE COMPANY. THE CITY WILL HAVE NO LIABILITY WITH REGARD TO OR ARISING OUT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN ANY PORTION OF THE PROJECT, WHETHER PATENT OR LATENT. THE PROVISIONS OF THIS SECTION 4.3 HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE CITY, EXPRESS OR IMPLIED TO THE EXTENT ALLOWED BY LAW, WITH RESPECT TO ANY PORTION OF THE PROJECT, WHETHER ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREFTER IN EFFECT.

Section 4.4 Assessment in the Company’s Name. Upon termination of this Lease (on or before Termination Date), the Company will take all necessary action to have the Project assessed for property tax purposes in the name of the Company, and the Company will pay all ad valorem taxes imposed on the Project from and after the date of termination. The Project shall be conveyed to the Company to accomplish such assessment. The provisions of Article IX of this Lease govern the manner and form of any such conveyance. Notwithstanding the foregoing, if the Company fails to take all necessary action to have the Project assessed for property tax purposes in the name of the Company on or before the date of termination, the City may execute, deliver and cause to be recorded, at the expense of the Company, a statutory form quitclaim deed and other transfer or conveyance documents conveying the Project to the Company.

Section 4.5 Compliance with Law. The Company will obtain or cause to be obtained all necessary permits and approvals for the operation and maintenance of the Project, will comply with all lawful requirements of any governmental body, agency or department regarding the use or condition of the Project and will cause the Project, upon completion, to comply with all applicable zoning and planning ordinances, building codes, restrictive covenants, environmental laws and regulations, and all other applicable laws, ordinances, statutes, rules and regulations

relating to the Project. The Company may in good faith contest the validity or the applicability of any such requirement. During the period of such contest and any related appeal, this Section 4.5 will be deemed satisfied with respect to the requirement so contested.

Section 4.6 Nuisance Not Permitted. The Company will not permit or suffer its agents, employees, invitees (including building contractors and subcontractors), guests or other visitors to commit a nuisance on or about the Project or itself commit a nuisance in connection with its use or occupancy of the Project.

Section 4.7 Taxes and Utility Charges. The Company will pay, as and when due, (i) all taxes, assessments, governmental and other charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project, including property taxes as required under Section 3-60A-13.1 NMSA 1978, as amended, (ii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by any lien on the Project. The Company may, in good faith, contest the amount or validity of any such levy, tax, assessment or other charge by appropriate legal proceedings, provided that such contest does not, in the reasonable judgment of the City, materially and adversely affect the interest or rights of the City. During the period of such contest and any related appeal, this Section 4.7 will be deemed satisfied with respect to any such levy, tax, assessment or other charge so contested. Notwithstanding the foregoing or anything else herein to the contrary, it is understood and agreed that the Project is exempt from property taxes and assessments during the Term of this Lease pursuant to Section 3-60A-13 of the Code and only those payments in lieu of property taxes and assessments calculated, due and payable in accordance with Section 3-60A-13.1 of the Code, and the Administrative Fee, shall be payable during the Term of this Lease.

Section 4.8 Maintenance. The City will not be under any obligation to, and will not, operate, maintain or repair the Project. During the Term, the Company will, at its own expense, keep the Project in safe repair and in such operating condition as is needed for its operations and make all necessary repairs and replacements to the Project as determined in the Company's sole discretion (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen), provided that such repairs and replacements do not change the nature of the Project as a qualified "project" under the Code.

Section 4.9 Replacement and Removal of Project Property. The Company may replace or remove any equipment, fixtures or furnishings constituting a part of the Project, or make any structural changes or additions to the Project, provided that such replacement, removal, change or addition will not change the nature of the Project as a qualified "project" as contemplated by the Code. Upon request of the Company, the City will deliver to the Company, at the sole expense of the Company, appropriate instruments evidencing the acquisition by the Company of title to any machinery, equipment or fixtures permitted by this Section 4.9 to be so replaced or removed. The provisions of Article IX govern the delivery and form of any such instruments.

Section 4.10 Environmental Matters.

(a) To the extent that the Project will house petroleum or any petroleum products, asbestos, urea formaldehyde foam insulation or any other chemical, material or

substance, exposure to which may or could pose a health hazard, the possession and use of such materials will be in accordance with law, including all Applicable Environmental Laws.

(b) To the extent that the use which the Company makes or intends to make of the Project will result in the manufacture, treatment, refining, transportation, generation, storage, disposal or other release or presence of any hazardous substance or solid waste on or to the Project, such use will be in accordance with law, including all Applicable Environmental Laws. For purposes of this Lease, the terms "hazardous substance" and "release" will have the meanings specified in CERCLA, and the term "disposal" (or "disposed") will have the meaning specified in RCRA; provided, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning will apply subsequent to the effective date of such amendment, and provided further, to the extent that the laws of the State establish a meaning for "hazardous substance," "release," or "disposal" which is broader than that specified in either CERCLA or RCRA, such broader meaning will apply; and provided further, that the term "hazardous substance" will also include those listed in the U.S. Department of Transportation Table (49 C.F.R. 172.101) and amendments thereto from time to time.

(c) The Company will promptly notify the City of any material violation or alleged material violation of any Applicable Environmental Laws pertaining to the Project relating to matters in subsections (a) and (b) above, of which the Company becomes aware.

Section 4.11 Easements. The Company may at any time or times grant easements, licenses, rights-of-way and other rights or privileges in the nature of easements with respect to any part of the Project and (ii) the Company may release existing interests, easements, licenses, rights-of-way and other rights or privileges with or without consideration, provided that no such grant or release shall materially and adversely affect the value, operation or utility of the Project. The City will, at the Company's expense, reasonably cooperate with the execution of required instruments in connection with the grant and release of such easements, licenses, rights-of-way and other rights and privileges. The Company understands that the City has a policy and practice which must be complied with prior to the City executing a grant or release of an easement, license, right-of-way or any other right or privilege in the nature of an easement, and, to the extent that such policy and practice is applied consistently by the City to all properties owned by the City under the Code, the Company agrees to comply with such policy and practice of the City in existence at the time of the grant or release.

Section 4.12 Eminent Domain; Damage; Destruction. The Company will give prompt notice to the City of any material damage to or destruction of the Project. If either the City or the Company receives notice of the proposed taking of all or any part of the Project by Eminent Domain, it will give prompt notice to the other. Any such notice will describe generally the nature and extent of such damage, destruction, taking or proposed taking. The Proceeds resulting from the exercise of Eminent Domain with respect to or from any damage to or destruction of all or any portion of the Project will be paid to the Company.

Section 4.13 Insurance. The Company will keep the Project continuously insured against such risks and in such amounts, with such deductible provisions, as are customary in connection with the operation of facilities of the type and size comparable to the Project as reasonably determined by the Company. Each casualty insurance policy will show the Company

as loss payee and City as an additional insured and each public liability insurance policy will show the Company as insured and City as an additional insured, for each policy as the respective interests of such parties may appear. Such insurance may, to the extent permitted under applicable law, be provided by blanket policies maintained by the Company, by a captive insurance company controlled by the Company or through self-insurance. Such insurance will include general liability insurance against liability for (i) claims for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition of the Project, and (ii) liability with respect to the Project under the workers' compensation laws of the State (unless the Company has complied with the requirements of the laws of the State for self-insurance).

Section 4.14 Access and Inspection. During the Term, the Company will, upon 48-hour prior notice, give the City and their duly authorized agents, during regular business hours, (i) such rights of access to the Project as may be reasonably necessary to inspect the progress and condition of the Project and (ii) the right of entry onto the Project for any purpose contemplated by this Lease. The Company will execute, acknowledge and deliver all such further documents, including any deed or easement, and do all such other acts and things as may be necessary in order to grant to the City such rights of access and entry. During the Term, such rights of access and entry will not be terminated, curtailed or otherwise limited by any sale, assignment, lease or other transfer of the Project by the Company to any other Person.

Section 4.15 Liens. The Company will not suffer any liens to exist on the Project other than Permitted Liens. The Company will notify the City of the existence of any lien, other than a Permitted Lien, on the Project within 30 days after such lien attaches. The Company may, in good faith, contest the validity of any lien on the Project, provided that such contest does not, in the reasonable judgment of the City, materially and adversely affect the interest or rights of the City. During the period of such contest and any related appeal, this Section 4.15 will be deemed satisfied with respect to the lien so contested.

Section 4.16 Use of Project. The Company will use the Project, or cause the Project to be used, continuously during the Term so as to constitute a "project" within the meaning of the Code as in effect on the date of execution and delivery of this Lease. A failure by the Company to comply with this requirement may result in the City taking all steps necessary to have the Project conveyed to the Company and assessed for property tax purposes in the name of the Company from and after 30 days after the failure to comply first occurs. As used in the first sentence of this Section 4.16 "continuously" means regularly and on a schedule consistent with that of similar facilities in the southwestern United States. Temporary cessation of operations for maintenance, during reasonable periods for the repair or replacement of facilities damaged or destroyed, resulting from labor disputes or because of excess inventories or short-term slack demand, or under similar circumstances will not constitute a failure by the Company to comply with this Section 4.16.

Section 4.17 Reserved.

ARTICLE V - LEASE; TERM; POSSESSION; RENT.

Section 5.1 Lease of the Project; Term. In consideration of the payment of Rent and the Company's improvements to the Project Site consistent with the Project Plan, the City leases the Project to the Company for the Term.

Section 5.2 Quiet Enjoyment. The City will not take any action, other than pursuant to Section 4.12 or Article VII, and so long as the Company is not otherwise in default under this Lease, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project during the Term (except as necessary with respect to Eminent Domain for public projects and purposes) and will, at the request of the Company and at the Company's expense, to the extent that it is lawfully necessary and the City may lawfully do so, join in any legal action in which the Company asserts its right to such possession and enjoyment.

Section 5.3 Basic Rent, Administrative Fee and Additional Payments.

(a) The Company will pay to the City, such amounts at such times as are necessary to make all payments under this Lease as and when due (the "Basic Rent"). The Basic Rent, and the Company's consideration to the City under the terms of this Lease, is determined based to the Company's investment of \$ [REDACTED] in the Project consistent with the Project Plan. The Basic Rent, i.e. the Company's investment of \$ [REDACTED], shall be amortized annually over the seven-year term of the property tax abatement pursuant to Section 3-60A-13 of the Code. The Company shall also annually remit to the City payments in lieu of property taxes and assessments calculated, due and payable in accordance with Section 3-60A-13.1 of the Code.

(b) The Company shall annually, on or before December 31, pay to the City an Administrative Fee equal to 10% of the abated property taxes on the Project for the pending taxable year.

(c) The Company will also make payments to or on behalf of the City, for all reasonable out-of-pocket costs and expenses (including, but not limited to, counsel fees and expenses) incurred by the City in connection with the administration of or default under this Lease promptly on demand of the City, and provided the City may, prior to incurring such costs and expenses, request an advance payment of or indemnity against payment of such costs and expenses (the "Additional Payments").

Section 5.4 Obligation Unconditional.

(a) Except to the extent that the City releases the Company from liability pursuant to Section 7.2, (i) the obligation of the Company to pay Rent and to perform its other obligations under this Lease shall be absolute and unconditional and shall not be subject to diminution by set off, counterclaim, abatement or otherwise, whether as a result of Eminent Domain with respect to, damage to or destruction of or removal of all or any portion of the Project or any other event or condition, and (ii) the Company will not suspend or discontinue payment of the Rent or fail to perform all of its obligations under this Lease and will not terminate this Lease prior to the expiration of the Term for any cause.

(b) In the event the City fails to perform any of its obligations under this Lease, the Company may institute such action against the City as the Company may deem necessary to compel such performance. The Company may also, at its own cost and expense and in its own

name or, if legally necessary, in the name of the City, prosecute or defend any action or proceeding or take any other action involving third parties which the Company deems reasonably necessary in order to secure or protect its title to its right of possession, occupancy and use of the Project. In such event, if no Event of Default has occurred and is continuing, the City will cooperate with the Company, so long as it is not the adverse party, upon receipt of indemnity satisfactory to the City against any out-of-pocket costs, expense (including counsel fees and expenses) or liability the City may incur or suffer as a result of or in connection with such cooperation.

Section 5.5 Net Lease. This Lease will be deemed and construed to be a “net lease”. The Company will pay all applicable insurance, utilities and taxes, in accordance with Sections 4.7 and 4.13.

ARTICLE VI - SPECIAL COVENANTS

Section 6.1 Recording and Filing; Further Assurances. The City and the Company will, at the expense of the Company, take all actions that at the time are and from time to time may be reasonably necessary to perfect, preserve, protect and secure the interest of the City in and to the Rent and in the Project including, without limitation, the recordation of this Lease, the filing of financing statements and continuation statements and the execution, acknowledgment, delivery, filing and recordation of any other necessary agreements and instruments.

Section 6.2 Claims. The Company will pay and discharge and will indemnify and hold harmless the City from (a) any lien or charge upon payments by the Company to, or for the account of, the City under this Lease and (b) any taxes, assessments, impositions and other charges in respect of the Project. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges, are sought to be imposed, the City will give prompt notice to the Company, and the Company will have the sole right and duty to assume the defense of the same and will have the power to litigate, compromise or settle the same.

Section 6.3 Release and Indemnification.

(a) The Company acknowledges that the City is acting as a conduit in this transaction at the request of the Company in order to enable the Company to take advantage of certain tax benefits. The Company releases the City from, agrees that the City will not be liable for, and indemnifies the City against, all liabilities, claims, costs and expenses imposed upon, incurred or asserted against the City on account of: (i) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by any cause whatsoever pertaining to the construction, maintenance, operation and use of the Project; (ii) the inaccuracy of any representation by the Company (regardless of whether the Company was aware of such inaccuracy at the time the representation was made) or any breach or default on the part of the Company in the performance of any representation, covenant or agreement of the Company under this Lease, or any related document, or arising from any acts or failure to act by the Company, or any of its agents, contractors, servants, employees or licensees; (iii) the Company's failure to comply with any requirements of this Lease; (iv) any other loss, claim, damage, penalty, liability, disbursement, litigation expenses and attorneys' fees or court costs arising out of or in any way relating to the execution or performance of this Lease or any other cause whatsoever pertaining to the Project, and (v) any claim, action or proceeding brought with respect to the matters set forth in (i), (ii), (iii)

and (iv) above; provided that no release or indemnity is given under this Section 6.3(a)(i) through (iv) due to exercise by the City of its police powers or in its performance of any essential governmental function other than governmental functions related to the Code, and provided further that there shall be excluded from the scope of this release and indemnity any liability, claims, costs and expenses imposed upon, incurred or asserted against the City resulting from or arising out of the willful misconduct or negligence of the Indemnitees or any Indemnatee (as the terms "Indemnitees" or any "Indemnatee" are defined below).

(b) Notwithstanding the fact that it is the intention of the parties that the City shall not incur pecuniary liability by reason of the execution of this Lease or the undertakings of the City hereunder, by reason of any act required of the City by this Lease, or the performance of any act related to this Lease requested of the City by the Company or the City's position as owner, lessor, assignor and seller of the Project, nevertheless, if the City shall incur any such pecuniary liability or the same is claimed or sought, excepting any such liability arising out of the exercise by the City of its police powers or its performance of any essential governmental function other than governmental functions related to the Code, and any such liability resulting from the willful misconduct or negligence of the City or any of its agents or employees, then in such event, the Company shall indemnify and hold harmless the City against all claims by or on behalf of any person arising out of the same and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the City, the Company will defend the City in any such action or proceeding.

(c) In case any action or proceeding is brought against the City, in respect of which indemnity may be sought hereunder, the City will give notice of the action or proceeding to the Company, and the Company, upon receipt of that notice, will have the obligation and the right to assume the defense of the action or proceeding; provided that failure of the City to provide such notice will not relieve the Company from any of its obligations under this Section unless that failure prejudices the defense of the action or proceeding by the Company, in which case the liability of the Company under this Section shall be reduced only by an amount equal to the amount of the loss sustained by the Company solely as a result of such failure to notify.

(d) Except to the extent caused by City, the Company will indemnify, defend and hold harmless the City, from and against all suits, legal or administrative proceedings, demands, losses, liabilities, damages, claims, causes of action, costs and expenses resulting from or in any way connected with the generation, storage, manufacture, refining, release, transportation, treatment, disposal or other presence, in or under the Project, of any hazardous substances (as defined by CERCLA), hazardous wastes (as defined by RCRA), oils, radioactive materials, asbestos in any form or conditions, or any pollutant or contaminant or hazardous, dangerous or toxic chemicals, materials or substances within the meaning of any Applicable Environmental Laws, or any other applicable federal, state or local law, regulation, ordinance or requirement relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or materials, all as now in effect or hereafter from time to time amended.

(e) The indemnifications set forth above are intended to and will include the indemnification of all affected officials, directors, councilors, officers, employees and agents of the City, (together with the City, the "Indemnitees" and each singularly an "Indemnatee"). The

indemnification is intended to and will be enforceable by the City, to the full extent permitted by law.

Section 6.4 Assignment of Warranties. The City will, to the extent possible and at the expense of the Company, transfer and assign to the Company from time to time any and all of the City's rights and interests in and under any warranties obtained in connection with the Project and will give the Company the right to take action in either the City's or Company's name for the enforcement of such warranties.

Section 6.5 Company to Maintain Its Existence. The Company will maintain its corporate existence, and will not dissolve or otherwise dispose of all or substantially all of its assets; provided, however, that the Company may, without violating the agreement contained in this Section, become a domestic corporation or partnership (i.e., a corporation or partnership formed and existing under the laws of one of the states of the United States), consolidate with or merge into a domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States) or another domestic limited liability company, or permit one or more other domestic corporations or domestic limited liability companies to consolidate with or merge into it, or may sell or otherwise transfer to another domestic corporation or domestic limited liability company all or substantially all of its assets as an entirety and thereafter dissolve; provided that (i) the surviving, resulting or transferee corporation or limited liability company expressly assumes in writing all the obligations of the Company contained in this Lease, (ii) the surviving, resulting or transferee corporation or limited liability company has a consolidated net worth (after giving effect to said consolidation, merger or transfer) at least equal to or greater than that of the Company immediately prior to said consolidation, merger or transfer, and (iii) the City reasonably determines that the surviving, resulting or transferee corporation or limited liability company is at least as financially capable as the Company of performing all obligations under this Lease, and the City provides written consent to the release of the Company from such liability. The term "net worth", as used in this Section, shall mean the difference obtained by subtracting total liabilities (not including as a liability any capital or surplus item) from total assets of the Company and all of its subsidiaries.

Section 6.6 Good Standing. The Company will execute, file and record all certificates and other documents and perform such other acts as may be necessary or appropriate to comply with all requirements for the formation, ownership and operation of a limited liability company under the laws of the State of New Mexico.

Section 6.7 Authority of Authorized Representative of City. Whenever under the provisions of this Lease the approval of the City is required or the Company is required to take some action at the request of the City, such approval or such request will be made by an Authorized City Representative unless otherwise specified in this Lease, and the Company will be authorized to act on any such approval or request and the City will have no complaint against the Company as a result of any such action taken.

Section 6.8 Authority of Authorized Representative of Company. Whenever under the provisions of this Lease the approval of the Company is required or the City is required to take some action at the request of the Company, such approval or such request will be made by an Authorized Company Representative unless otherwise specified in this Lease, and the City will be

authorized to act on any such approval or request and the Company will have no complaint against the City as a result of any such action taken.

Section 6.9 Other Instruments. The Company will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers (i) as the City may from time to time reasonably require for better assuring the City's title to or transferring and conveying the Project to the City, and (ii) as the City may from time to time reasonably require in furtherance of the accomplishment of the purposes of this Lease.

Section 6.10 Depreciation, Investment Tax Credit and Other Tax Benefits. The City agrees that any depreciation, investment tax credit or other tax benefits with respect to the Project or any part thereof shall (as between the City and the Company) be made available to the Company, and the City will, if necessary or appropriate in the judgment of counsel to the Company (which counsel may be in-house counsel to the Company), and at the sole expense of the Company, execute any elections, certificates, filings and other documentary assurances reasonably requested by the Company in any effort by the Company to avail itself of any such depreciation, investment tax credit or other tax benefits.

Section 6.11 Subordination. This Lease is hereby made subject, junior and subordinate to any Lender mortgage or deed of trust on the Project and Project Site now or hereafter granted for the benefit of a Lender and to all renewals, modifications, consolidations, replacements and extensions of the Lender mortgage or deed of trust so that all rights of the City and Company under the Lease shall be subject, junior and subordinate to the respective rights of Lender under the mortgage or deed of trust, and to all renewals, modifications, consolidations, replacements and extensions of the Lender mortgage or deed of trust as fully as if each such instrument had been executed, delivered and recorded prior to the execution of this Lease or possession of all or part of the Project or Project Site by the City and Company.

Section 6.12 Reports. Annually, on or before December 31, the Company shall submit to the City a written certification that the Company is in compliance with all the covenants and representations set forth in this Agreement.

ARTICLE VII - ASSIGNMENT, LEASING AND SELLING

Section 7.1 No Other Transfer by City. Except as provided in Sections 4.4 and 8.2, the City will not sell, assign, transfer or convey its rights, title or interests in this Lease or the Project, or its obligations under this Lease.

Section 7.2 Assignment, Lease, Mortgage and Sale by the Company. If the Company is not in default under this Lease, the rights of the Company under this Lease may be assigned, and the rights of the Company in the Project may be assigned, leased, subleased, mortgaged or sold as a whole or in part by the Company. No such assignment, lease, sublease, mortgage or sale will relieve the Company from primary liability for making payments of Rent and for the performance of its other obligations under this Lease to the same extent as though no assignment, lease, sublease, mortgage or sale had been made, unless the City reasonably determines that the Company's transferee is at least as financially capable as the Company of performing all

obligations under this Lease, and the City provides written consent to the release of the Company from such liability. Notwithstanding any provision in this Section 7.2 to the contrary, the Company may not be released from its primary liability to perform under Sections 5.3, 6.3, 8.5 and 10.4 of this Lease, arising prior to the date of the assignment, without the written consent of the City. Any assignee, lessee, sublessee or purchaser of the Company's interest in this Lease or of the Project will assume in writing the obligations of the Company under this Lease to the extent of the interest assigned, leased or sold. The Company will, not less than five Business Days before the effective date of any such assignment, lease, sublease, mortgage or sale, furnish or cause to be furnished to the City a true and complete copy of such proposed assignment, lease, sublease, mortgage or purchase contract, and to the extent applicable, such assumption. On the effective date of any such assignment, lease, sublease, mortgage or sale, the Company will, at the request of the City and at the expense of the Company, deliver to the requesting Party, an opinion of counsel to the Company, which opinion may be provided by the Company's in-house counsel, to the effect that such assignment, lease, sublease, mortgage or sale has been duly authorized by the Company, does not conflict with applicable federal or State law, and does not affect the status of the Project as a "project" under the Code. In the event of an assignment of the Lease arising because of a change of status of the Company provided in Section 6.4, the provisions of Section 6.4 will apply rather than the provisions of this Section 7.2. Notwithstanding anything in this Section to the contrary, residential tenant leases in the ordinary course of business shall not be considered assignments, leases or subleases for the purposes of this Section 7.2.

ARTICLE VIII - EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default Defined. Each of the following events is an "Event of Default":

(a) failure by the Company to make any Rent payment when due, and such failure continues for a period of fifteen Business Days after written notice from the City thereof; or

(b) any representation by or on behalf of the Company contained in the Lease proves misleading in any material respect as of the date of the making or furnishing thereof, and such misrepresentation continues to materially adversely affect the interests of the City following 60 days after written notice, specifying such misrepresentation, stating in detail the material adverse effect on the City, and requesting that its adverse effect be remedied, is given to the Company by the City, or, if such adverse effect cannot reasonably be remedied within 60 days, failure by the Company to commence the remedy within such period and to pursue the same diligently to completion; or

(c) failure by the Company to perform any of its obligations under this Lease, other than the payment of Rent, following 60 days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the City, or, if such failure cannot reasonably be remedied within 60 days, failure by the Company to commence the remedy within such period and to pursue the same diligently to completion; or

(d) the Company files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent, or files any petition or answer seeking or acquiescing in any reorganization,

arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator of the Company or any guarantor of all or any part of the Project, or of any or all of the royalties, revenues, rents, issues or profits thereof, or makes any general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due; or

(e) a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Company seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree remains unvacated and unstayed for an aggregate of 120 days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of the Company or any guarantor of all or any part of the Project, or of any or all of the royalties, revenues, rents, issues or profits thereof, is appointed without the consent or acquiescence of the Company or such guarantor, as applicable, and such appointment remains unvacated and unstayed for an aggregate of 120 days (whether or not consecutive); or

(f) a writ of execution or attachment or any similar process is issued or levied against all or any part of or interest in the Project, or any judgment involving monetary damages is entered against the Company or the City which becomes a lien on the Project or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 120 days after its entry or levy.

(g) the Company is in default under any agreement with Lenders related to the Project, upon the City's receipt of notice from the Lender of such default.

Section 8.2 Remedies on Default.

(a) If an Event of Default occurs and is continuing, the City may, but is not required to, take any one or more of the following remedial steps:

(i) by written notice to the Company declare all such amounts of Rent payable for the remainder of the Term in full, whereupon the same will be immediately due and payable;

(ii) re-enter and take possession of the Project, without terminating this Lease and lease or sublease the Project for the account of the Company, crediting against the Rent required to be paid by the Company the amounts received by the City from any sublessee;

(iii) terminate this Lease, hold the Company liable for all Rent due at the effective date of termination and due until the effective date of subleasing the Project to another, exclude the Company from possession of the Project and lease the Project to another; provided, however, that such termination and exclusion will not impair any remedy granted to the City under this Lease;

(iv) take whatever action at law or in equity may appear necessary or desirable to collect the Rent then due and thereafter to become due or to enforce the performance and observance of any obligation of the Company under this Lease.

(b) If an Event of Default occurs in which City is expressly entitled to, and does, provide notice of default pursuant to Section 8.1 above and the Company does not cure such Event of Default within the time provided above, City may, but shall not be obligated to, provide an additional notice of intent to terminate this Lease (the "City Termination Notice"). If such Event of Default set forth in the City Termination Notice is continuing for 30 days after delivery of the City Termination Notice to the Company, the City may immediately take all steps necessary to have the Project immediately assessed for property tax purposes in the name of the Company from and after the date of the City Termination Notice, the City shall convey the Project to the Company in accordance with Section 9.2 below, and this Lease be terminated as of such date.

(c) If an Event of Default occurs under Section 8.1(g), the City shall immediately provide the City Termination Notice to the Company and the City may immediately take all steps necessary to have the Project immediately assessed for property tax purposes in the name of the Company from and after the date of the City Termination Notice, the City shall convey the Project to the Company in accordance with Section 9.2 below, and this Lease shall be terminated as of such date.

(d) In the enforcement of the remedies provided in this Section, the City will treat all expenses of enforcement, including, without limitation, legal, accounting and advertising fees, as Additional Payments then due and owing. In the exercise of any of the remedies in Section 8.2(a)(i)-(iv) above, the City has the sole right and responsibility for the exercise of such remedies if an Event of Default occurs and is continuing.

Section 8.3 Company to Give Notice of Default. The Company will promptly give notice to the City of the occurrence of any Event of Default of which it has actual knowledge.

Section 8.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City, is intended to be exclusive of any other available remedy or remedies, but each and every such remedy will be cumulative and will be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Article VIII, it will not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 8.5 Agreement to Pay Attorneys' Fees and Expenses. If an Event of Default or an event or condition which, with notice or the lapse of time or both would constitute an Event of Default, has occurred, and the City should employ attorneys or incur other expenses for collection of Rent or the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will on demand therefor pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City in the enforcement of the provisions of this Lease enforceable by such party.

Section 8.6 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.7 Survival of Obligations. Except to the extent that the City releases the Company from liability pursuant to Section 7.1, the Company's obligations hereunder, including, without limitation, its obligations to make payments, will survive any sale of all or any portion of the Project or exercise of any other remedy in accordance with this Article and the Company will continue to pay the payments and perform all other obligations provided herein to the extent necessary to fulfill its obligation hereunder.

Section 8.8 Waiver of Extension, Stay and Appraisal. To the extent permitted by law, the Company will not, during the continuance of any Event of Default hereunder, insist upon, plead or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force which may affect the covenants and terms of performance hereof; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Project, or any part thereof, prior to any sale or sales thereof which may be made pursuant to decree, judgment or other of any court of competent jurisdiction; and the Company, to the extent permitted by law, hereby expressly waives all benefits or advantages of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the City, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted

ARTICLE IX - PURCHASE OF PROJECT

Section 9.1 Purchase of Project. The Company will purchase, and the City will sell, the Project for \$1.00 at the expiration or sooner termination of this Lease (provided that the Rent and all other amounts due hereunder have been fully paid). The Company will give notice to the City specifying the date of closing of such purchase, which will be not less than 15 nor more than 90 days from the date of such notice. At the closing of such purchase, upon payment of the amount due by the Company, the City will, at the expense of the Company, convey the Project to the Company subject to the provisions of Section 9.2. If there is an Event of Default under Sections 8.1(g) and 8.2(c), the City shall immediately transfer the Project to the Company and terminate this Lease.

Section 9.2 Conveyance. At the closing of a purchase pursuant to this Article IX, the City will, upon receipt of the purchase price, as applicable, and at the sole expense of the Company, deliver to the Company documents, including, but not limited to a quitclaim deed and other transfer or conveyance documents, conveying to the Company the City's interest in the Project being purchased, as such Project then exists subject only to: (i) those liens and encumbrances (if any) to which title to the Project was subject when conveyed to the City; (ii) those liens and encumbrances created by the Company or any Person other than the City or to the creation or suffering of which the Company consented; (iii) those liens and encumbrances resulting from the failure of the Company to perform any of its obligations under this Lease; (iv) Permitted Liens other than this Lease; and (v) any other lien arising as a matter of law (except as a result of any general action

against City or arising from any act or omission of City). The Company may purchase the Project and exercise its other rights under this Article IX, whether or not an Event of Default has occurred and is continuing. Within fifteen (15) days after filing, City shall, at its sole costs and expense, cause to be paid or removed any lien or encumbrance against the Project that is created by or filed against City or the property of City and City shall hold the Company harmless from and against any costs or expenses related to or arising from such liens or encumbrances.

ARTICLE X - MISCELLANEOUS

Section 10.1 Amendments. This Lease may be amended or modified only by a writing signed by the City and the Company.

Section 10.2 Limitation of City's Liability.

(a) Except to the extent set forth in Section 9.2 or obligations, costs, expenses or liabilities arising out of the negligence or willful misconduct of City, no agreements or provisions contained herein nor any agreement, covenant or undertaking by the City contained in any document executed by the City in connection with any property of the Company will give rise to any pecuniary liability of the City, its officers and members of its governing body, or constitute a charge against the City's general credit, or will obligate the City financially in any way, except with respect to the funds or property available under the Lease. Except to the extent set forth in Section 9.2 or obligations, costs, expenses or liabilities arising out of the negligence or willful misconduct of City, no failure of the City to comply with any terms, covenants or agreements herein or in any document executed by the City in connection with the Project will subject the City to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the funds available hereunder. None of the provisions of this Lease will require the City to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder unless it will first have been adequately indemnified to its satisfaction against the cost, expense or liability which might be incurred thereby. Nothing herein will preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the City for any failure to comply with any term, conditions, covenant or agreement herein; provided that no costs, expenses or other monetary relief will be recoverable from the City except as may be payable from the funds available hereunder.

(b) No covenant, obligation or agreement in this Lease shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the City or the governing body of the City in other than his official capacity, and neither the members of that governing body nor any official executing the Lease shall be liable personally or shall be subject to any personal liability or accountability by reason of the covenants, obligations or agreements of the City contained in this Lease.

Section 10.3 No Violation of Public Policies Regarding Indemnity. If a court of competent jurisdiction determines that the provisions of Section 56-7-1 NMSA 1978 are applicable to the Lease or any claim arising under the Lease, then any agreement to indemnify contained in the Lease shall be limited as provided by Section 56-7-1.

Section 10.4 Administrative Fees, Attorneys' Fees and Costs. The Company will reimburse the City, upon demand, for all reasonable costs and expenses, including without limitation attorneys' fees, paid or incurred by the City in connection with (i) the discussion, negotiation, preparation, approval, execution and delivery of this Lease, and the documents and instruments related hereto or thereto; (ii) any amendments or modifications to any of the foregoing documents, instruments or agreements and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modifications; and (iii) the enforcement by the City during the term hereof or thereafter of any of the rights or remedies of the City hereunder or under the foregoing documents, or any document, instrument or agreement related hereto or thereto, including, without limitation, reasonable costs and expenses of collection in connection with an Event of Default, whether or not suit is filed with respect thereto.

Section 10.5 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the City, the Company, and their respective successors and assigns.

Section 10.6 Severability. In the event any provisions of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.7 Recording. This Lease and every assignment and modification hereof, or an appropriate and sufficient memorandum thereof, shall be recorded in the office of the County Clerk of Bernalillo County, New Mexico.

Section 10.8 No Waiver. No waiver of any breach of any covenant or agreement contained herein shall operate as a waiver of any subsequent breach of the same covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

Section 10.9 Non-Merger. The provisions of this Lease shall survive the conveyance of the Project to the City, the reconveyance of the Project to the Company, and all other performances hereunder, and shall not be deemed merged in any deed or other instrument or document delivered hereunder.

Section 10.10 Execution in Counterparts. This Lease may be executed in multiple counterparts, all of which taken together will constitute one instrument.

Section 10.11 Notices. Any notice, demand, direction, request, consent, report or other instrument authorized or required to be executed, given or filed (excluding Uniform Commercial Code filings, recordings and other governmental filings) will be in writing and will be deemed to have been sufficiently sent for all purposes when delivered by hand delivery, by recognized overnight delivery service or by registered or certified mail, postage prepaid, addressed as follows:

If to the City:

City of Albuquerque
One Civic Plaza NW, 11th Floor

Albuquerque, NM 87102
Attn: City Clerk

With a copy to:

City of Albuquerque - Legal Department
One Civic Plaza NW, 4th Floor
Albuquerque, NM 87102
Attention: City Attorney

With a copy to:

City of Albuquerque
PO Box 1293
Albuquerque 87103
Attn: Metropolitan Redevelopment Agency

If to the Company:

Jay Rembe
Alb. Downtowner, LLC
1716 Central Avenue SW Suite A
Albuquerque, NM 87104

With a copy to:

Christopher Pacheco
Spangler, Pacheco & Werbelow PA
333 Rio Rancho Dr. Suite 401
Rio Rancho, New Mexico 87124

Notices shall be effective upon receipt. Any Party may, by notice to each of the other Parties, designate any further or different addresses to which subsequent notices, certificates or other communications are to be sent.

Section 10.12 Applicable Law. The validity, construction and effect of this Lease will be governed by the law of the State applicable to agreements made and to be performed in the State, without regard or effect given to conflict of laws or rules which would require the application of the laws of any other jurisdiction.

[Signature Page Follows]

IN WITNESS WHEREOF, the City and the Company have executed this Lease as of the Execution Date.

CITY OF ALBUQUERQUE, NEW MEXICO

By: _____

Date: _____

Name: Lawrence Rael

Title: Chief Administrative Officer

State of New Mexico)
) ss.
County of Bernalillo)

This instrument was acknowledged before me on [____], 202__ by Lawrence Rael as Chief Administrative Officer of the City of Albuquerque, New Mexico, a New Mexico municipal corporation.

Notary Public

My commission expires: _____

Alb. Downtowner, LLC

By: _____

Name: _____

Title: _____

Date: _____

State of New Mexico)
) ss.
County of Bernalillo)

This instrument was acknowledged before me on _____, 202__ by _____,
as _____ of Alb. Downtowner, LLC, a New Mexico limited liability corporation.

Notary Public

My commission expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROJECT SITE

Tract 1 of Block 29 Plat for Silver Gardens Subdivision, containing approximately 0.7966 acres, filed for record in Bernalillo County in Book 2008C page 0264 on December 17th, 2008.

EXHIBIT B

PERMITTED LIENS