

MEMORANDUM OF UNDERSTANDING

DATED: November 14, 2018 (“Effective Date”)

BETWEEN: Village of Los Ranchos de Albuquerque
6718 Rio Grande Blvd NW
Los Ranchos, NM 87107

AND: Palindrome Communities, LLC
412 NW 5th Avenue, Suite 200
Portland, OR 97209

RECITALS

The parties to this Memorandum of Understanding (“**MOU**”) are the Village of Los Ranchos de Albuquerque (the “**Village**”), and Palindrome Communities, LLC, a Nevada limited liability company (the “**Developer**”) (together, the “**Parties**” and individually, a “**Party**”).

The Village issued a Request for Proposals #2018-4-2 (the “**RFP**”) for the redevelopment of land generally located at the southeast corner of Osuna Road and 4th Street, Los Ranchos, New Mexico. The RFP was dated April 16, 2018.

The subject land is commonly described as +/- 12.14 acres, more particularly depicted in the RFP (the “**Property**”).

A Village evaluation committee was convened to review the RFP proposals and recommend proposal(s) that met the vision and principles of the RFP.

The Developer was selected by the Village evaluation committee as the most qualified of the respondents for the redevelopment of the Property.

The purpose of this MOU is to designate Developer as the Village Center developer, summarize certain current understandings, expectations, and intent of the Village and Developer as a framework for negotiating a binding development agreement (“**Agreement**”) that will promote redevelopment of the Property in a matter acceptable to the Village and Developer. The Agreement will establish the terms for the acquisition, financing, and development of the Property and will be presented to the Board of Trustees of the Village for final approval. Neither the Village nor the Developer will be bound contractually until the Agreement is approved by the Board of Trustees.

INTENT

I. PROJECT. The Project will consist of a mix of residential and commercial developments including a mix of for sale residential units, rental residential units, live-

work units, micro-retail spaces, micro-restaurant spaces, traditional retail and commercial space, Village plaza, community park, amphitheater, and an economic development/educational facility (the "**Project**"). The Developer will have the discretion, in consideration of market demand and conditions and the criteria established in the Agreement, to establish, from time to time, the mix of uses in the Project.

II. TERM. This MOU is effective on the date of execution by both Parties ("**Effective Date**") and will terminate on the earlier of: (a) four (4) months from the Effective Date; (b) the execution of a binding Agreement between the Parties, or (c) either Party exercises its termination right (the earlier of which is the "**Termination Date**"). The term of this MOU commences on the Effective Date and ends on the Termination Date (the "**Term**").

III. EXTENTION. If additional time is required for negotiations, the Parties may extend the Term of this MOU by agreement, implemented through an appropriate amendment to this MOU, prior to its expiration.

IV. TERMINATION. Either party may terminate this MOU at any time. In the event a Party elects to terminate, then that Party shall provide the other Party written notice thereof. In the event of termination, each Party will be solely responsible for their own expenses incurred during the term of this MOU. Unless terminated earlier in accordance with this MOU or extended by agreement by the Parties, this MOU will automatically terminate on the Termination Date.

V. AGREEMENT. During the Term, the Parties intend to negotiate, in good faith, the terms of the Agreement. The Agreement will set forth all terms, provisions, rights and performance obligations regarding the acquisition of the Property, the development and the operation of the Project. The Village agrees to refrain from negotiating with other parties during the Term.

VI. OWNERSHIP. It is anticipated the Property will be sub-divided into separate legal parcels to accommodate each respective component of the Project. The Village will transfer title to each parcel as each parcel is ready to begin construction. The schedule and terms of the ownership transfer will be more fully described in the Agreement.

VII. ACQUISITION OF PROPERTY. The Village will transfer title to the Property in phases to the Developer at a value and upon terms to be mutually agreed upon by the Parties.

VIII. NON-BINDING. This MOU is a statement of the current intent of the Parties and is not a binding legal agreement. To the extent a Party relies on the other during the term of this MOU then such reliance is at the risk of such Party and no relief against the other may be sought.

IX. NO ASSIGNMENT. This MOU may not be assigned without the Village's approval.

X. ADDRESSES FOR CONTACT. The Parties understand that the following addresses may be used for communication and continuing negotiations:

For Village: Mr. Kelly Ward
Village of Los Ranchos de Albuquerque
6718 Rio Grande Blvd NW
Los Ranchos, NM 87107
(505) 344-6582
kward@losranchosnm.gov

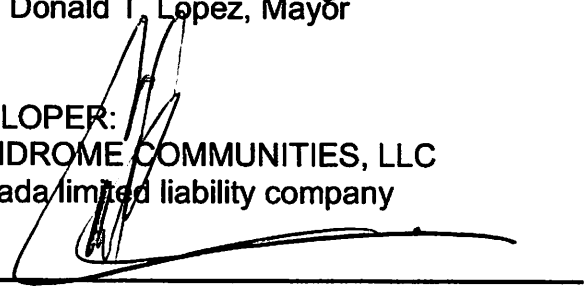
For Developer: Chad Rennaker
Palindrome Communities, LLC
412 NW 5th Avenue, Suite 200
Portland, OR 97209
(503) 752-1393
crennaker@palindromecommunities.com

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding effective this ____ day of November, 2018.

THE VILLAGE OF LOS RANCHOS DE
ALBUQUERQUE

By: 
Donald T. Lopez, Mayor

DEVELOPER:
PALINDROME COMMUNITIES, LLC
a Nevada limited liability company

By: 
Chad Rennaker, President