

**DEL REY
METROPOLITAN REDEVELOPMENT
PROJECT PLAN
ADC # 06-01**



**METROPOLITAN REDEVELOPMENT AGENCY
PLANNING DEPARTMENT
CITY OF ALBUQUERQUE, NM
MAY 2006**

CITY of ALBUQUERQUE

SIXTEENTH COUNCIL

COUNCIL BILL NO. F/S O-05-147 ENACTMENT NO. _____

SPONSORED BY: Brad Winter

1 ORDINANCE
2 DESIGNATING THE DEL REY METROPOLITAN REDEVELOPMENT AREA,
3 MAKING FINDINGS AND DETERMINATIONS PURSUANT TO THE
4 METROPOLITAN REDEVELOPMENT CODE, CAUSING A METROPOLITAN
5 REDEVELOPMENT PLAN TO BE PREPARED FOR THE DEL REY
6 METROPOLITAN REDEVELOPMENT AREA, SPECIFYING CONDITIONS FOR
7 THE REDEVELOPMENT OF THE AREA
8 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
9 ALBUQUERQUE:

10 Section 1. FINDINGS.

11 A. Section 3-60A-8 NMSA 1978 of the Metropolitan Redevelopment Code
12 (Sections 3-60A-1 through 3-60A-48 NMSA 1978) states: "A municipality shall
13 not prepare a metropolitan redevelopment plan for an area unless the
14 governing body by resolution has determined the area to be a slum area or a
15 blighted area, or a combination thereof, and designated the area as
16 appropriate for a metropolitan redevelopment project".

17 B. The City Council considers the area from the intersection of
18 Louisiana Boulevard and Santa Monica Avenue north on Louisiana Boulevard
19 to Derickson Avenue, west on Derickson Avenue to San Pedro Drive, south on
20 San Pedro Drive to Santa Monica Avenue, and east on Santa Monica Avenue
21 to Louisiana Boulevard, as shown in Exhibit A which is attached to this
22 Ordinance and incorporated herein by reference to be appropriate for a
23 metropolitan redevelopment project.

24 C. The City Council finds that the owners of the 409-lot Del Rey Mobile
25 Home Park, in preparation for the sale of the property to a private developer,

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1 have for several months encouraged existing tenants to find other
2 accommodations; and

3 D. The City Council finds that the Del Rey Mobile Home Park now has
4 fewer than 125 of its 409 lots leased.

5 E. The City Council finds that the City and the area near the Del Rey
6 Mobile Home Park are at risk of losing a large number of affordable dwellings
7 at a time when the local housing market is producing upward pressure on
8 residential housing prices.

9 F. The City Council finds that an opportunity exists to redevelop the Del
10 Rey Mobile Home Park property to preserve affordable housing opportunities
11 in the area and meet the needs of the existing property owners.

12 G. Certain aspects of the sale of the Del Rey Mobile Home Park,
13 including the owner's timeline for selling the property and the effect on
14 existing tenants if the property is sold, require City action regarding the
15 Metropolitan Redevelopment Area to take place more quickly than usual.

16 H. The Metropolitan Redevelopment Code, 3-60A-1, et seq. NMSA 1978,
17 confers a number of redevelopment powers on the City Council, including,
18 among others, the power to designate areas to be appropriate for
19 redevelopment.

20 I. The Metropolitan Redevelopment Code, 3-60A-1, et seq. NMSA 1978,
21 provides that the City Council may directly exercise its metropolitan
22 redevelopment project powers or it may delegate the exercise of many of
23 these redevelopment powers to a metropolitan redevelopment agency.

24 J. The City Council, by Ordinance 54 of 1979, delegated the power to
25 create redevelopment plans, to the Metropolitan Redevelopment Agency.

26 K. The City Council may, in the exercise of its powers and if it
27 determines it to be in the public interest, suspend that delegation of this
28 redevelopment power in this particular instance due to the pressing need for
29 timely action, the clear conformity of conditions within the Del Rey Mobile
30 Home Park with the terms of the Metropolitan Redevelopment Code, and the
31 public purposes of preserving affordable housing and protecting the
32 community within the Park.

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1 L. The City Council finds that, with regard to the Del Rey Metropolitan
2 Redevelopment Area, it is in the public interest to suspend the delegation of
3 the redevelopment power to designate an area to be appropriate for
4 redevelopment and to exercise that power itself.

5 M. Pursuant to Section 3-60A-8 NMSA 1978 of the Metropolitan
6 Redevelopment Code, the Council caused to be published on October 27, 2005
7 and November 1, 2005 in the Albuquerque Journal, a newspaper of general
8 circulation in the metropolitan redevelopment area hereinafter identified, a
9 notice containing a general description of the proposed metropolitan
10 redevelopment area and the date, time and place where the Council will hold
11 public hearings to consider the adoption of this ordinance and announcing
12 that any interested party may appear and speak to the issue of the adoption of
13 this ordinance.

14 Section 2. The Council finds and determines that the area from the
15 intersection of Louisiana Boulevard and Santa Monica Avenue north on
16 Louisiana Boulevard to Derickson Avenue, west on Derickson Avenue to San
17 Pedro Drive, south on San Pedro Drive to Santa Monica Avenue, and east on
18 Santa Monica Avenue to Louisiana Boulevard, as shown in Exhibit A attached
19 to this Ordinance, is, by reason of the predominance of defective or
20 inadequate street layout, faulty lot layout in relation to size, adequacy,
21 accessibility or usefulness, deterioration of site and other improvements,
22 obsolete and impractical planning and platting, which substantially impair and
23 arrest the sound growth and economic well being of the City and the area near
24 the intersection of Louisiana Boulevard and San Antonio Avenue NE and
25 which constitutes an economic and social burden and a menace to the public
26 health, safety, and welfare in its present condition and use, a blighted area
27 that is appropriate for a metropolitan redevelopment project or projects and is
28 hereby designated the Del Rey Metropolitan Redevelopment Area.

29 Section 3. The Council finds that the rehabilitation, conservation,
30 development and redevelopment of and in the Del Rey Metropolitan
31 Redevelopment Area is necessary in the interests of the public health, safety,
32 morals and welfare of the residents of the City. Furthermore, the Council finds
33 that the redevelopment approach to the Del Rey Mobile Home Park as outlined

1 below may serve as a test case and model for use especially in other mobile
2 home park tracts in similar circumstances.

3 Section 4. The Metropolitan Redevelopment Agency shall executive a
4 contract to prepare and shall oversee a Metropolitan Redevelopment Plan for
5 the Del Rey Metropolitan Redevelopment Area which, without limitation, shall
6 seek to eliminate the problems created by the blighted conditions in the area,
7 shall conform to any general plan for the City as a whole, and shall be
8 sufficient to indicate the proposed activities to be carried out or encouraged in
9 the area. The contract shall be overseen by representatives of the Planning
10 Department, Family and Community Services Department, and City Council
11 Services.

12 Section 5. The MRA plan shall address, but not be limited to, the following
13 elements:

14 A. Preservation of at least 100 units of affordable housing either
15 through retaining and upgrading as necessary the existing mobile homes at
16 the Del Rey Park and/or through replacing some or all of these with new
17 housing units.

18 B. Redeveloping and upgrading to modern standards the mobile
19 home park itself by addressing such matters as relocation of the existing
20 mobile homes (within or outside the Del Rey Park), new mobile home lots, new
21 infrastructure (e.g. roads and water and wastewater), small parks and
22 recreational areas, landscaping, and the possible integration of newly-built
23 affordable residential units within the park.

24 C. Mixed income and mixed density housing on other part or parts
25 of the Del Rey Mobile Home Park property with at least 20% of the units
26 affordable at 80% or less of Area Median Income for the owner occupied units
27 and affordable at 60% or less of Area Median income for the rental units
28 (Housing Tract). The plan shall test the feasibility of increasing the
29 percentage of affordable unit as defined above to above 20% of the units.

30 D. Financial feasibility analysis or analyses of the redevelopment
31 project.

32 E. Participation of the residents of the Del Rey Mobile Home Park
33 residents in the MRA planning process.

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1 Section 6. The objectives of the redevelopment plan include the following:

2 A. Preservation of the existing residents of the Del Rey Mobile Home
3 Park affordable housing at or near the present expenditure levels of these
4 residents.

5 B. Small or no subsidies of the redevelopment project using City of
6 Albuquerque funds. Using such mechanisms as follows is allowed, including
7 but not limited to: affordable housing programs of the State and Federal
8 governments; mixed income and mixed use development at market rates on
9 part of the site; and payback provisions for recovering any City funds
10 required.

11 C. Retention of the existing community of Park residents.

12 Section 7. EXHIBITS. Exhibit A, a map of the area proposed for
13 designation as the Del Rey Metropolitan Redevelopment Area and Exhibit B,
14 the Del Rey Mobile Home Park Metropolitan Redevelopment Area Designation
15 Report, shall be attached to this ordinance and made a formal part of the
16 record thereof.

17 Section 8. SEVERABILITY CLAUSE. If any section, paragraph, sentence,
18 clause, word or phrase of this ordinance is for any reason held to be invalid or
19 unenforceable by any court of competent jurisdiction, such decision shall not
20 affect the validity of the remaining provisions of this ordinance. The Council
21 hereby declares that it would have passed this ordinance and each section,
22 paragraph, sentence, clause, word or phrase thereof irrespective of any
23 provision being declared unconstitutional or otherwise invalid.

24 Section 9. EFFECTIVE DATE. This ordinance shall take effect December
25 19, 2005 after publication by title and general summary.

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1 WHEREAS, the City Council, after notice, has conducted a public hearing
2 pursuant to Subsection 3-60A-8(B) of the Code, after proper notice as required
3 by such subsection; and

4 WHEREAS, the Plan will promote the local health, general welfare, safety,
5 convenience and prosperity of the inhabitants of the City.

6 BE IT ORDAINED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
7 ALBUQUERQUE:

8 SECTION 1. The City Council, after having conducted a public hearing
9 pursuant to the Code, adopts the Del Rey Metropolitan Redevelopment Plan,
10 as attached hereto and incorporated herein.

11 SECTION 2. The City Council, after having conducted a public hearing
12 pursuant to the Code, finds that:

13 A. The Plan proposes activities for the redevelopment of the Del
14 Rey MRA that will aid in the elimination and prevention of slum and blight or
15 conditions, which lead to the development of slum and blight; and

16 B. The Plan does require the relocation of any families and
17 individuals from their dwellings and a method for providing relocation
18 assistance is included in the plan; and

19 C. The Plan conforms to and complements the
20 Albuquerque/Bernalillo County Comprehensive Plan; and

21 D. The Plan affords maximum opportunity consistent with the
22 needs of the community for the rehabilitation or redevelopment of the Del Rey
23 MRA by private enterprise or persons, and the objectives of the Plan justify
24 the proposed activities as public purposes and needs.

25 SECTION 3. This Plan is approved with the following conditions. These
26 changes shall be made to the Del Rey Metropolitan Redevelopment Project
27 Plan as the version of the Plan adopted by the City of Albuquerque.

28 A. A minimum of forty-nine (49) mobile home lots shall be made
29 available to households as provided below (2 @ 55' x 106' and 47 @ 50' x 106')
30 on the same terms as contained in Section 7. "Relocation of Existing Park
31 Residents" of the Metropolitan Redevelopment Plan. The priority order of
32 clients for making these parcels available is as follows, in order: (1) existing
33 Del Rey mobile home park residents, (2) former Del Rey mobile home park

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1 residents, (3) low income households. Other provisions of the Del Rey
2 Metropolitan Redevelopment Project Plan shall be changed to be consistent
3 with this requirement.

4 B. The redevelopment of the entire parcel shall not include a wall
5 along the Santa Monica Ave border of the property.

6 C. The "Centex Letter of Intent Concerning Del Rey", dated April
7 6, 2006, shall be removed from the Del Rey Metropolitan Redevelopment
8 Project Plan.

9 D. A binding agreement between the City of Albuquerque and
10 Centex Homes shall be included as an approved amendment to the
11 Metropolitan Redevelopment Plan. This Metropolitan Redevelopment Plan
12 shall not be considered final until such agreement is executed. City Council
13 shall be a party to this agreement and Council approval is delegated to the
14 Council president. This agreement shall be concluded on or before June 30,
15 2006.

16 E. Centex Homes shall provide a higher level of project amenities
17 within the redevelopment plan for the mobile home portion of the site
18 including, but not limited to, a landscaped common area(s) for residents of the
19 mobile home lots.

20 SECTION 4. All resolutions and ordinances, or parts thereof, in conflict
21 with this ordinance are hereby repealed; this repealer shall not be construed
22 to revive any resolution and or ordinance, or part thereof, heretofore repealed.

23 SECTION 5. SEVERABILITY CLAUSE. If any section, paragraph, sentence,
24 clause, word or phrase of this ordinance is for any reason held to be invalid or
25 unenforceable by any court of competent jurisdiction, such decision shall not
26 affect the validity of the remaining provisions of this ordinance. The Council
27 hereby declares that it would have passed this ordinance and each section,
28 paragraph, sentence, clause, word or phrase thereof irrespective of any
29 provision being declared unconstitutional or otherwise invalid.

30 SECTION 6. EFFECTIVE DATE. This ordinance shall take effect five days
31 after publication by title and general summary.

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Exhibit A

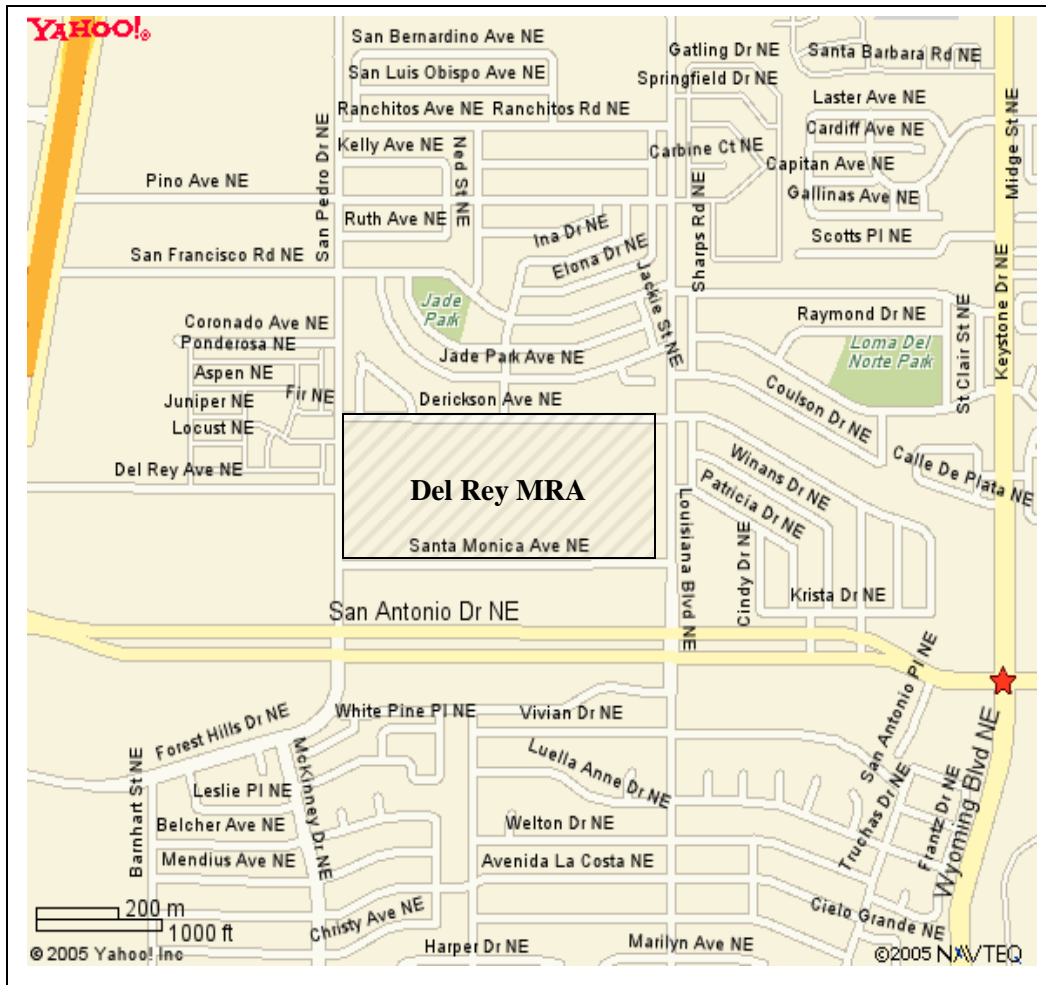


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DEL REY MOBILE HOME
METROPOLITAN REDEVELOPMENT PROJECT PLAN

INTRODUCTION

This Redevelopment Project Plan for the Del Rey Redevelopment Area, “the Plan” has been prepared pursuant to the Metropolitan Redevelopment Code of the State of New Mexico, Section 3-60A-1 to 3-60A-48 N.M.S.A. 1978 and Albuquerque Ordinance 14-8-4-1-1994.

This project plan compliments the policies established for the Area by the Albuquerque Bernalillo County Comprehensive Plan.

The purpose of the Plan is to identify the area. To present a plan for the elimination of the blighting conditions found to exist within the project area as set forth in Ordinance No. O-05-147, Enactment O 2005-069, and to indicate the means by which redevelopment will be carried out.

The Plan may be amended in accordance with the provisions of the New Mexico Metropolitan Redevelopment Code.

PROJECT PLAN AREA

A. Description of Boundaries (Exhibit A)

Beginning at the Southeast corner of the intersection of Louisiana Boulevard and Santa Monica Avenue;

Northerly along the east line of Louisiana Boulevard to the north R.O.W. line of Derickson Avenue thence

Westerly along the north R.O.W. line of Derickson Avenue to the west R.O.W. line of San Pedro Drive; thence

Southerly along the west R.O.W. line of San Pedro Drive to the south R.O.W. line of Santa Monica Avenue; thence

Easterly along the south R.O.W. line of Santa Monica Avenue to the southeast corner of Santa Monica Avenue and Louisiana Boulevard, being the points of beginning. As shown on Exhibit A.

B. Prevailing Conditions

The entire project is contained within the designated Del Rey Metro Redevelopment Area and is currently zoned SU-1 for Mobile Home Park. The Del Rey Mobile Home Park is currently over 80% vacant and grossly under utilized. A reuse plan may require zoning action by the City.

THE PLAN

A. Objectives

The goal of this Plan is to make possible the redevelopment of the project area. The objective of this redevelopment effort is to change the present land uses into higher density residential uses and create a more stable residential community.

B. Process

In order to expedite the implementation of the Plan, the City will work with a Developer and the residents of the redevelopment area.

1. Zoning

The Area is currently zoned SU-1 for a Mobile Home Park.

2. Land Acquisition

The City currently does not plan on purchasing any properties in association with this Plan.

3. Demolition

The Developer will be responsible for the demolition of major improvements such as existing right-of-way, paving, curbs, gutters, infrastructure, and existing structures in the Plan Area.

4. Utilities

The Developer will be responsible for their own negotiations to secure access and usage to existing utilities. Any changes, alterations, or other requirements relating to existing public and private utilities due to this project will be the responsibility of the Developer.

5. Historic Preservation

There are no structures within the project area that are historic or contributing.

6. Mixed Income Housing

The City is committed to developing communities with a mix of households with varying incomes. While the affordability requirement of this plan will have been met by the relocation of the existing Del Rey residents to the lots along Derickson, the Developer shall make an effort to recruit additional low/moderate income residents. The Developer and or his agents shall refer such buyers to existing City, State and Federal Programs that will assist these buyers with their purchase. Should the residents of the Area not be relocated as anticipated in Section 7 of this Plan then the twenty percent (20%) affordability requirement as called for in Section 5-C of Area Designation Ordinance, O-05-147 will apply.

7. Relocation of Existing Park Residents

A minimum of forty-nine (49) mobile home lots on the south side of Derickson shall be made available to households as provided below (2 @ 55' x 106' and 47 @ 50' x 106'). The priority order of clients for making these parcels available is as follows, in order: (1) existing Del Rey mobile home park residents, (2) former Del Rey mobile home park residents, (3) low income households. The minimum size of the lots shall be 45' X 106'. The Developer shall build new infrastructure, water and sewer, and other utilities as required, and hook up the mobile homes to said utilities. The Developer shall also install yard lines. Other improvements shall include sidewalks and drive pads. Included in the purchase price there shall be a Five Thousand Dollar (\$5,000.00) allowance, to be used by the Mobile Home residents to construct pads/foundation for the mobile homes, side yard fencing, or driveways.

The cost to purchase these lots should not be more than \$48,000 for interior lots and \$52,000 for the corner lots. The Developer shall finance the purchase of the lots. Terms for the purchase of the lots shall be as follows:

- Four Hundred Dollars (\$400.00) maximum monthly payments,
- Eight Percent (8.0%) Annual Percentage Rate maximum,
- Twenty-year amortization for the interior lots,
- Twenty-five year amortization for the corner lots, and the
- Mobile Home residents shall not be required to make any down payment or submit to any credit checks.
- The Developer shall pay all costs associated with relocating the existing mobile homes during construction of the project and to the developed lots along Derickson.

During the development of these lots, the residents who choose to relocate to these lots and who have not taken advantage of the current owners' relocation package shall be allowed to remain in the Park. The Park residents who choose to move to the Derickson lots, but make other housing arrangements will have to remove their existing home from the Area prior to the moving of the last resident's home to the lots on Derickson or make other arrangements with the Developer.

8. Conditions for Redevelopment

A. The redevelopment of the entire parcel shall not include a wall along the Santa Monica Ave border of the property.

B. A higher level of project amenities within the redevelopment plan for the mobile home portion of the site including, but not limited to, a landscaped common area(s) for residents of the mobile home lots.

9. Binding Agreement

A binding agreement between the City of Albuquerque and Centex Homes shall be included as an approved amendment to the Metropolitan Redevelopment Plan. This Metropolitan Redevelopment Plan shall not be considered final until such agreement is executed. City Council shall be a party to this agreement and Council approval is delegated to the Council president. This agreement shall be concluded on or before June 30, 2006.

EXHIBITS

CENTEX HOMES

April 6, 2006

5120 Masthead NE
Albuquerque, NM 87109

Phone: 505-761-9606

Fax: 505-761-9850

Ms. Amy Whitling, President
Del Rey Neighborhood Association
Albuquerque, NM

Re: Centex Letter of Intent Concerning Del Rey

Dear Ms. Whitling:

This letter is written to memorialize the discussions between representatives of Centex and representatives of the Del Rey Neighborhood Association ("DRNA") over the past several weeks concerning the future of the Del Rey Mobile Home Park ("the Property"). Also, this letter is intended as a statement of Centex's good faith intentions concerning the Property and the tenants residing on the Property, assuming certain conditions are met.

Centex does not presently own the Property. In fact, Centex is the contract purchaser of the Property; the owner is Equity LifeStyles ("ELS"). Their agreement (the "Purchase Agreement") sets out the terms of the Centex purchase. As the present owner of the Property, ELS has contracts with the current remaining residents of the Property. As you and the other Del Rey residents are aware, ELS has announced its intention to close the Property as a mobile home park, and has instructed tenants to vacate the Property in preparation for new ownership. In connection with the vacation of the Property, ELS has given tenants relocation assistance including cash, new site arrangement assistance, and reimbursement of moving costs ("ELS Tenant Relocation Package").

ELS's attempts to close the Property as a mobile home park have been opposed by the Del Rey residents, and by the City Council of the City of Albuquerque. At this time, ELS, the City, and the Del Rey residents are in litigation, with the parties making various contentions about their respective positions. Centex is not a party to the litigation, nor does it intend to become one.

Centex intends to acquire the Property from ELS in accordance with the Purchase Agreement. Several essential conditions must precede Centex's ability to realize its intended goals in the purchase and redevelopment of the Property, including its good faith intentions concerning the Del Rey residents. We have discussed these conditions with you and other DRNA Board members over the last several weeks, and you are aware of them. These conditions are the following:

1. **With Respect to ELS and Centex:**
 - A. Centex and ELS must agree on, and execute, a proposed amendment to the Purchase Agreement concerning the Property.

- B. Centex and ELS must continue to perform their respective obligations pursuant to the Purchase Agreement, as amended.
- C. Centex must successfully close on the acquisition of the Property from ELS pursuant to the Purchase Agreement.

2. **With Respect to Centex and the City of Albuquerque:**

- A. Centex and the City of Albuquerque must be successful in executing an appropriate development agreement, including, but not limited to, incentives for Centex concerning infill development, impact fee waivers, density bonuses, and affordable housing incentives.
- B. The City of Albuquerque must adopt appropriate amendments to the Del Rey Metropolitan Redevelopment Area legislation specifying, among other things, that the affordable housing requirement in the redevelopment area is the exact number of existing Del Rey tenants who will be offered homesites for sale in the mobile home relocation area along Derickson Street.
- C. The City of Albuquerque must successfully adopt legislation constituting the Del Rey Metropolitan Redevelopment Plan, which Plan is in alignment with the proposed Centex redevelopment of the site.
- D. The City of Albuquerque, including its Environmental Planning Commission (“EPC”) and any other required approval agencies must approve Centex’s proposed site development plan and zoning for the Property without unacceptable findings or conditions. The time for appeal of the City’s approval of the proposed Centex site development plan and zoning must have expired without an appeal having been filed.

3. **With Respect to Centex and the Del Rey residents and DRNA:**

- A. Centex and the DRNA, including the Del Rey residents, must successfully conclude their on-going discussions concerning the relocation of Del Rey residents to the Derickson Street property.
- B. The DRNA and the Del Rey residents, commit to fully support the proposed site plan, zoning, development agreement, and Metropolitan Redevelopment Plan. The DRNA will communicate its support of these plans, in being physically present, and in oral presentations, to the government of the City of Albuquerque, including, but not limited to, the City Council and administrative agencies.
- C. Neither the DRNA, nor any other party may appeal or otherwise challenge the passage or adoption of any of the items set forth in items 2. A, B, C, or D.

Assuming that all the foregoing conditions have been met, and subject to the successful completion of the on-going planning meetings and discussions with Del Rey residents, Centex intends to offer the Del Rey residents who remain on the Property the following:

1. Centex will design and submit for approval a residential subdivision of site built homes, which will create a limited number of lots suitable for the placement of manufactured homes along the Derickson Street boundary of the Property.
2. Existing Del Rey residents, who have not accepted an ELS Tenant Relocation Package or otherwise vacated the Property, shall be provided with an opportunity to purchase from Centex a fee simple interest in one manufactured home lot on Derickson for a personal, owner occupied residence (such individual person is called a "Derickson Lot Purchaser").
3. The manufactured home lots on Derickson ("Derickson Lots" or individual lot "Derickson Lot") will be rectangular in shape, and will be configured as shown in the proposed design enclosed with this letter as Exhibit A.
4. The Derickson Lots shall each be of a size and configuration that a site built home may be constructed on any lot. It is Centex's expectation that the City of Albuquerque will approve the Derickson Lots for placement of manufactured homes, and will not prohibit the construction of a site built home on any Derickson Lot, should the Derickson Lot Purchaser choose to do so.
5. The Derickson Lots will each be not smaller than forty five feet (45') wide by one hundred six feet (106') deep. Two Derickson Lots, on the east and west ends of the Derickson Lots development, will be slightly larger corner lots ("Derickson Corner Lots"). Lot sizes may vary depending upon final plat approval.
6. Each Derickson Lot and Derickson Corner Lot will be fully served by the following permanent utility fixtures: water, sewer, electric, gas, and telephone. Additionally, Centex shall provide to each Derickson Lot and each Derickson Corner Lot an allowance of up to Five Thousand Dollars (\$5,000.00) per lot for construction of the following improvements: a concrete pad, a concrete or asphalt driveway, and a side yard fence.
7. The purchase price of each Derickson Lot shall be \$48,000. The purchase price of the Derickson Corner Lots shall be \$52,000. (In the event the final plat contains lots of different sizes, the lot prices will be adjusted accordingly)
8. A Derickson Lot Purchaser, as defined above, may enter into a purchase agreement with Centex for the purchase of a Derickson Lot or a Derickson Corner Lot.
9. Centex will offer any and all Derickson Lot Purchasers, as part of a purchase agreement for a Derickson Lot, a financial package to include financing of the entire purchase price with no down payment, no credit qualifying, no financing costs, and no prepayment penalties. The financial package offered by Centex will be offered and secured with, at the purchaser's choice, either a standard form New Mexico Real Estate Contract, a note and mortgage, or a note and deed of trust.
10. The financial package offered by Centex will be calculated such that the monthly payments of principal and interest of a Derickson Lot for any Derickson Lot Purchaser shall not exceed Four Hundred Dollars (\$400.00). This monthly payment amount does not include taxes, insurance, utilities, or

mobile home payments, if any, which are the sole responsibility of each Derickson Lot Purchaser. It is anticipated that the term of each New Mexico Real Estate Contract will be approximately 20 years (25 years for corner lots), and the interest rate payable will not be in excess of 8%.

11. Any Derickson Lot Purchaser may, at their option, pay the purchase price at closing, and obtain alternative financing with any individual or entity, and may secure any debt with the placement of a mortgage or deed of trust on their individual Derickson Lot.
12. For each Derickson Lot Purchaser desiring to move their existing manufactured home onto their Derickson Lot, Centex will pay the reasonable costs of moving the existing manufactured home to the new Derickson Lot. Centex shall hire a moving company skilled and experienced at the relocation of manufactured houses, in consultation with, and with the approval of, the DRNA. Such moving company is referred to herein as the "Selected Moving Company". Centex shall require the Selected Moving Company to secure and keep in force such liability insurance as will reasonably protect Centex and any residents from acts of gross negligence or intentional misconduct. Such reasonable costs of moving an existing manufactured home shall include: physically moving the manufactured home to its new location, disconnecting and reconnecting utilities (water, sewer, electric, gas, and telephone, but not internet, cable, or dish TV), removing and reinstalling existing skirting, decks, ramps, stairs, and cooling systems. Payment of costs will include all interim moves required by the redevelopment for those who have to be moved more than once.
13. Centex or any of its contractors, including the Selected Moving Company, shall not be responsible or liable for damage or injury to any manufactured home or its contents related to its relocation to a Derickson Lot or any interim moves, unless it is shown that Centex or its contractor has acted with gross negligence. In the event that Centex or its contractor, in its or their sole discretion, deems that an existing manufactured home or other personal property is in such a condition or state of repair that it cannot be successfully relocated, the Derickson Lot Purchaser will be solely responsible for making other housing arrangements to remove the unit from the Property.

Centex appreciates the time and energy invested in this project by your Neighborhood Association and the Del Rey residents. We believe that the foregoing set of Centex's intended outcomes represents an extraordinary opportunity to the existing residents of the Del Rey Mobile Home Park. You and your neighbors have already experienced the uncertainty and lack of control which comes with having a mobile home on a month-to-month rented lot; Centex's proposed plan, for those who choose to become Derickson Lot Purchasers, will end, perhaps forever, that experience of uncertainty and lack of control. Additionally, it will provide those purchasers with immediate equity in land, which will represent a significant asset in their personal financial portfolio. Finally, it will provide purchasers with the options of living in their existing home on a new lot, trading their existing home for another manufactured home, or constructing a site-built home on their new lot.

This letter represents a letter of intent by Centex, and should not be construed as a contract with DRNA or with any individual Del Rey resident. If the terms and conditions of this letter are met, Centex will enter into individual contracts for the purchase of Derickson Lots with individual owners. These contracts will contain the terms and conditions set forth in this letter of intent.

Please contact me if you have any questions about the foregoing expression of Centex's intent regarding the Del Rey Property. We look forward to our continued work together to our mutual benefit. Best personal regards.

Sincerely,

CENTEX HOMES

A handwritten signature in black ink, appearing to read 'Robert Prewitt', with a long horizontal flourish extending to the right.

Robert Prewitt
Vice President

Cc: Melanie Carver, Legal Aid
Doug Chaplin, City of Albuquerque
Gerald Hartmann, City of Albuquerque
Ed Adams, City of Albuquerque
Lou Colombo, City of Albuquerque