

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (hereinafter referred to as the "Agreement") is made by and between C. R. McCauley and Flores C. McCauley, husband and wife, and Ussery & Parrish, P.A., a New Mexico professional corporation, as Trustee of the McCauley's Irrevocable Trust Number One, under that certain Irrevocable Trust Agreement dated December 1, 1990, (hereinafter referred to collectively as "Seller") and The Regents of the University of New Mexico, a corporation of the State of New Mexico (hereinafter referred to as "Buyer").

RECITAL:

WHEREAS, the Seller desires to sell to Buyer certain real estate in Bernalillo County, New Mexico, consisting of approximately 2.4095 acres together with improvements located thereon as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as the "Property"), and Buyer desires to purchase the Property; and

WHEREAS, the Property shall be deemed to include all rights and appurtenances thereto, all site plans, development plans, surveys, studies, architectural renderings, plans and specifications, engineering plans and studies, archeological surveys, landscape plans and all other plans, diagrams or studies relating to the Property, licenses, permits and other tangible and intangible personal property relating to or affecting the Property and owned by Seller.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other consideration as recited herein, Seller and Buyer hereby covenant and agree as follows:

ARTICLE I DEFINITIONS

1.01 DEFINITIONS: As used in this Agreement, each of the following terms shall have the respective meanings set forth in this Article:

A. "Closing" shall mean the consummation of the purchase and sale of the Property as contemplated under this Agreement, which Closing will be held at the offices of the Escrow Agent or at such other place as shall be mutually acceptable to Buyer and Seller on the Closing Date.

B. "Closing Date" shall mean the date specified in Section 6.01 on which the Closing will be held.

C. The "Date Hereof" shall mean the date of acceptance of this Agreement by all parties hereto, as evidenced by the date of endorsement of this fully-executed Agreement by the Escrow Agent as provided in the signature page hereof.

D. "Environmental Reports" shall mean: (1) the report of the Environmental Sampling at University Volkswagen prepared for the Buyer by Duell & Associates, Inc., dated September 24, 1990, (2) the Phase I Site Characterization Report of the Former University Volkswagen Site prepared for Seller by WT Environmental Consultants, dated May 10, 1991, and (3) the report of Additional Drilling for Site Characterization of the Former University Volkswagen Site prepared for Seller by WT Environmental Consultants, dated November 18, 1991.

E. "Escrow Agent" shall mean Lawyers Title Insurance Corporation, 301 Gold Ave., S.W., Albuquerque, New Mexico.

F. "Governmental Authority" shall mean any of the United States of America, the State of New Mexico, the County of Bernalillo, the City of Albuquerque, or any other governmental entity with jurisdiction over the Property or any part thereof, and any agency, department, commission, board, bureau or instrumentality of any of the foregoing.

G. "Governmental Requirements" shall mean the applicable laws, statutes, ordinances, codes, rules and regulations (including zoning and environmental laws, statutes, ordinances, codes, rules and regulations) of all Governmental Authorities.

H. "Owner's Title Policy" shall mean the Owner's title insurance policy to be issued by the Escrow Agent in accordance with terms and provisions hereof.

I. "Permitted Exceptions" shall mean those exceptions or conditions to title to the Property set forth in the Survey or in the Title Binder to which Buyer does not object in accordance with this Agreement. The Permitted Exceptions shall include by definition the standard preprinted general exceptions nos. 6, 7, 8, 9 and 10 on Schedule B of the Title Binder, but shall exclude such general exceptions numbered 1, 2, 3, 4, and 5, each of which shall be deleted from the Owner's Title Policy by Seller at its sole expense, except as specifically otherwise provided herein.

J. The "Property" shall mean the real property lying and being situated in Bernalillo County, New Mexico, comprising approximately 2.4095 acres, together with improvements located thereon, as more particularly described in Exhibit "A" attached hereto, as the same shall be definitively shown on, and described in the Survey, together with any and all improvements, right-of-ways, easements, privileges, and appurtenances appertaining

thereto, the right to use any road, street or accessway adjacent to the Property now or in the future dedicated to the public, if any, and all right, title and interest of Seller in and to any strips or gores of land, if any, lying adjacent to or adjoining the Property and including any water or water rights, oil, gas or mineral rights or interests appurtenant to such real property.

K. The "Purchase Price" shall mean Nine Hundred Thousand and No/100 Dollars (\$900,000.00).

L. The "Survey" shall mean the survey to be obtained by Seller in accordance with the provisions of Article III hereof.

M. The "Title Binder" shall mean the Commitment for Owner's Title Policy issued by the Escrow Agent in accordance with the provisions of Article III hereof.

ARTICLE II
AGREEMENT TO PURCHASE AND SELL; PURCHASE PRICE

2.01 Agreement to Purchase and Sell. Seller shall sell and convey to Buyer, and Buyer will purchase and acquire from Seller, the Property, for the consideration and subject to the terms, conditions and provisions herein contained.

2.02 Purchase Price. The Purchase Price is Nine Hundred Thousand and No/100 Dollars (\$900,000.00).

2.03 Payment of the Purchase Price. At Closing, Buyer shall pay the Purchase Price, in cash, plus or minus pro rations, to or for the account of the Seller through the Escrow Agent.

ARTICLE III
CONDITIONS TO CLOSING

3.01 Buyer's Conditions to Closing. Except as herein otherwise provided, Buyer's obligation to accept the Property and proceed to Closing, shall, in addition to any other conditions set forth herein, be conditional and contingent upon the satisfaction, or waiver by Buyer of each and all of the following conditions (hereinafter collectively referred to as "Buyer's Conditions"). If any condition is not satisfied or if Buyer disapproves any item provided for in this Section 3.01 and Seller does not cure during the cure period specified herein, if any, then Buyer may terminate this Agreement or waive such condition or disapproval and proceed to Closing in Buyer's sole discretion.

A. Survey. Within twenty (20) days after the Date Hereof, Seller will, at Seller's cost and expense, obtain a current on-the-ground survey of the Property prepared by a

surveyor mutually acceptable to the parties hereto (the "Survey"). The Survey shall:

1. Designate the corners of the property upon the ground and contain an accurate legal description thereof by metes-and-bounds;

2. Reflect the actual dimensions of the Property;

3. Reflect the location of all visible without excavation utility lines and connections (including those for gas, electric, water or sewer service) on or adjacent to the Property and the location and width of all right-of-ways, public roads, private roads, streets, alleys (and the location of any access to same), the 100 year floodplain lines as located by any Governmental Authority, and all curb cuts, easements (actual or apparent, and whether or not of record), fences, conflicts;

4. Locate all existing improvements (such as buildings, power lines, fences and the like) located on the Property;

5. Legibly identify any matters located on the Survey as required by the preceding subsections by reference to the volume and page at which such matters are recorded in the public records of Bernalillo County, New Mexico;

6. Show the exact gross acreage (to the nearest one-thousandth (1/1000) of an acre) and square footage of the Property, the exact acreage and square footage of the area within any easement, public or private road or alley, right-of-way, the 100-year floodplain, and any arroyo or floodway;

7. Be sufficient in all respects for the deletion of the standard preprinted general exception numbered 3, from the Owner's Title Policy; and

8. Include the surveyor's registered number and seal, the date of the Survey (which shall be no earlier than the Date Hereof) and the following narrative certificate, which certificate shall be to both the Buyer and the Escrow Agent:

"The undersigned does hereby certify that (i) this survey was this day made upon the ground of the property reflected hereon, for the benefit of The Regents of the University of New Mexico and Lawyers Title Insurance Corporation; (ii) the description contained hereon is correct; (iii) the subject property has access to and from the dedicated roadways as shown hereon subject to any and all

Governmental Regulations; and, (iv) there are no discrepancies, conflicts, shortages in area, encroachments, improvements, overlapping of improvements, setback lines, easements or roadways except as expressly shown hereon."

Seller shall provide to Buyer three (3) certified copies of the Survey setting forth the above matters, along with three (3) copies of the metes-and-bounds description of the Property.

B. Replat. Prior to Closing, Seller will, at Seller's expense, obtain, process and record a plat or replat of the Property or any portion thereof if required by Governmental Requirements as a condition precedent to the sale of the Property or any portion thereof. If Seller is not able to complete the replatting of the Property prior to Closing, Buyer may terminate this Agreement as its sole remedy or Buyer may extend the Closing until such replatting has been completed by Seller, in Buyer's sole discretion.

C. Title Binder. Within twenty (20) days after the Date Hereof, Seller shall deliver to Buyer a NM-6 (10/85), Owner's Commitment for Title Insurance (the "Title Binder"), issued by the Escrow Agent. Seller shall also deliver with the Title Binder legible and true copies of all instruments referred to therein. Any exceptions shown in the Title Binder, of which Buyer shall approve, or to which Buyer fails to object, in the manner provided hereafter, shall be referred to collectively herein as the "Permitted Exceptions." If Buyer shall fail to close because of Buyer's default, the cost of the Title Binder and the Owner's Title Policy shall be paid by Buyer. Otherwise, the cost of the Title Binder and the Owner's Title Policy shall be paid by Seller.

D. Objections. Buyer shall have twenty (20) days after receiving the Survey, the Title Binder and all of the copies of the instruments or documents to be furnished to Buyer to review the same, and to object to any matters reflected in the Survey or the Title Binder, which matters will, in Buyer's sole judgment, materially adversely affect Buyer's planned use or development of the Property.

1. If Buyer disapproves any item set forth in the Title Binder or the Survey and desires Seller to correct such item, Buyer shall so notify Seller and the Escrow Agent in writing within twenty (20) days after delivery of the last of the Survey, the Title Binder and all of the copies of instruments or documents required to be furnished to Buyer. If Buyer determines that such item is reasonably capable of being cured or corrected to its satisfaction, Buyer may request in its disapproval that such item be corrected or cured. In such case, the Seller shall,

within ten (10) days of the giving of such notice, notify Buyer and the Escrow Agent in writing as to the steps that shall be taken to correct or cure any such item and the time within which such steps shall be taken. If not satisfied with such notice, Buyer shall have ten (10) days from the giving of such notice (whether or not the same is timely given) in which to give written notice to the Seller and the Escrow Agent terminating this Agreement, in which case this Agreement shall terminate. If no notice of termination is given within such time, this Agreement shall continue in full force and effect. Any cure proposed by Seller shall be completed prior to the Closing Date, unless otherwise specifically agreed to by Buyer. If, however, Seller gives notice that it proposes to correct or cure any disapproved item or items and such disapproved item or items have not been corrected or cured within the times set forth herein, Buyer may, at any time thereafter, give written notice of termination of this Agreement to Seller and the Escrow Agent and, in addition, with respect to the Liens, preprinted exceptions 1 through 5, and those items which Seller is obligated to cure pursuant to this subsection 3.01 "D", a failure to timely cure shall be a default hereunder.

2. If Buyer disapproves any items set forth in the Title Binder or Survey in accordance with the provisions of this Section 3.01 "D" and Buyer determines such items are not reasonably capable of being cured or corrected to its satisfaction, and sets forth such determination in the notice of disapproval and gives timely notice of termination of this Agreement, then this Agreement will terminate immediately upon the giving of such notice to the Seller and the Escrow Agent and the parties shall have no further obligations under this Agreement.

E. Payoff Demands. Seller agrees to and shall obtain, at or prior to the Closing Date, payoff demands from the holders of all existing liens and monetary claims of record including without limitation any general or special assessments, mortgages, deeds of trust, financing statements, mechanic's and materialmen's liens, transcripts of judgment, and any other matters arising out of recorded monetary obligations or liabilities of Seller (herein collectively referred to as the "Liens") affecting the Property. Such payoff demands shall set forth the current unpaid principal balances of such obligations, all accrued but unpaid interest thereon, the amounts of any tax or insurance impounds, or other impounds, if any, maintained by the holder or holders, and specifying the amount of any prepayment penalty or penalties. At or before Closing, Seller shall pay the amount of all such demands, without limitation, and/or take such action as is necessary to remove the Liens and permit Escrow Agent to issue the Owner's Title Policy to Buyer without exception or limitation respecting any Lien. Buyer shall not be responsible for, nor shall Buyer be required to pay any

points, penalties, interest or principal amount due in respect to such Liens.

F. Waste-Oil Storage Tank. The Seller acknowledges and states that the Seller has, at its sole cost and expense, removed the waste-oil tank located on the Property as identified in the Environmental Reports, and that said removal was in conformance with all applicable Governmental Requirements. Within twenty (20) days after the Date Hereof, Seller shall deliver to Buyer a certification by an environmental engineer satisfactory to the Buyer, that the waste-oil tank was removed and disposed of in conformance with all applicable Governmental Requirements, and that all petroleum hydrocarbon and metal contamination in such area has been removed or remediated. See attached Exhibit "B".

G. Surface and Subsurface Contamination. The Environmental Reports identify areas of surface and subsurface contamination upon the Property. Seller acknowledges and states that Seller, at its sole cost and expense, has reported the contamination to the State of New Mexico Hazardous Waste Bureau of the Environmental Improvement Division (the "Bureau") and has investigated potential contamination in accordance with the direction of the Bureau. Further, Seller warrants that said investigation is complete and the Bureau has, by letter, indicated that the extent of contamination is minimal or non-existent and requires no remedial action. Bureau letter to be provided to Buyer within twenty (20) days of the Date Hereof. Copy of the analysis and conclusion in the engineer's investigatory report will be provided within 20 days of the date thereof. Buyer shall have the right to approve Bureau letter. See attached Exhibit "C-1" and Exhibit "C-2".

H. Asbestos Contamination. The Environmental Reports identify asbestos-containing materials in the improvements located upon the Property. Buyer shall remove asbestos-containing materials after Closing at its sole expense.

I. Required Approvals. The Buyer shall have received approval from The Regents of the University of New Mexico, the New Mexico Commission on Higher Education, and the New Mexico State Board of Finance to purchase the Property upon the terms and conditions specified in the Agreement.

ARTICLE IV **ADDITIONAL BUYER APPROVALS**

4.01 Right of Entry. Buyer and its employees and agents shall have the right and permission from the Date Hereof until the Closing Date to enter upon the Property or any part thereof at all reasonable times and from time to time for the purpose, at

Buyer's cost and expense, of inspecting the same. Buyer shall indemnify and hold harmless the Seller from and against any and all liens, claims, obligations or costs of any kind or nature arising directly or indirectly against the Property or Seller by anyone performing any work or doing any inspection on Buyer's behalf pursuant to this Article IV.

4.02 Feasibility Period. For the sole benefit of Buyer, the performance of Buyer hereunder is expressly conditioned upon Buyer's approval, within fifteen (15) days after the Date Hereof (hereinafter the "Feasibility Period"), of each of the following items.

A. Soil Tests. Buyer may, at its own expense, determine to its satisfaction that there are no soil compaction or expansion characteristics, rock, surface or subterranean, water or other conditions which will require soil treatment or replacement, blasting, water diversion or structural construction on the Property or otherwise impede the use or development of the Property as contemplated by Buyer.

B. Engineering, Marketing, Feasibility or Other Studies. Buyer, at its expense, may conduct such other engineering, marketing, feasibility and other tests and studies, as Buyer shall deem appropriate, to determine whether or not the property is suitable for Buyer's intended use.

C. Seller Cooperation. Seller shall fully cooperate with all efforts of Buyer to conduct all studies, tests and investigations hereunder, including making available to Buyer for inspection and copying all books, records, files and other documents and information available to Seller pertaining to the Property. Documents to be provided hereunder include, without limitation, all bills and notices regarding taxes and assessments on the Property for the years 1987, 1988, 1989 and 1990 all notices and correspondence to or from any Governmental Authority relating to the Property for the same years, soils reports and drainage reports or studies, appraisals dated after December 31, 1986, recorded and unrecorded plats, master plans, promotional and sales materials. If this Agreement is terminated, Buyer shall return to Seller any documents received from Seller within three (3) days after such termination.

D. Seller's Documents. Seller shall, within twenty (20) days after the Date Hereof, obtain and deliver to Buyer the following records concerning the Property, if available, (hereinafter collectively referred to as the "Seller's Documents") for Buyer's inspection and personal approval. If any of the documents do not exist, the Seller may submit a Certificate of Non-Availability that no such documents exist or cannot be obtained notwithstanding Seller's reasonable efforts to obtain the documents.

1. Plans and Specifications. Copies of all plans and specifications for any and all improvements on the Property, including but not limited to master plans, zoning plans, landscape plans, plans and specifications for any structures or improvements, whether existing or proposed, including but not limited to utilities, parking lot, fuel pumps and other such matters.

2. Soils and Geological Test and Reports. Copies or, if oral, a description of all soils, geological, flood and water drainage and percolation tests and reports related to the Property.

3. Construction and Maintenance Inspection Reports. Copies or, if oral, a description of all inspection reports relating or referring to any construction or maintenance on the Property.

4. Market, Feasibility and Marketing Information. Copies or, if oral, a description of all market and feasibility studies and marketing and advertising information relating to the Property, if any.

5. Personal Property. A descriptive list of all the personal property owned by Seller and used in connection with the Property, to the extent that such personal property is to be conveyed to the Buyer.

6. Tax and Assessor Documents. Copies of the past four (4) years, if available, and most current tax bills and notices of the value affecting the Property or any portion thereof, including without limitation, any real and personal property, taxes, general and special assessments and any other similar obligations.

7. Licenses and Permits. Copies of all licenses and permits affecting Seller's ownership, construction and/or development of the Property, including, but not limited to building permits, zoning approvals, master plan approvals, and copies of any reports prepared by or in accordance with agreements with the City of Albuquerque.

8. Utility Documents. Copies of all agreements and correspondence between Seller and any third party affecting the availability or cost of supplying utilities or utility infrastructure to the Property.

9. Assessments. A list to be prepared by Seller of all assessments presently proposed or which may be proposed by any Governmental Authority against the Property or any portion thereof, general or special, to Seller's knowledge after a due diligence inquiry.

10. Governmental and Building Notices. Copies of all pre-existing governmental zoning documents or permits, building permits, inspection reports and other similar notices, permits and documents including but not limited to any notices, or, if oral, a written description of, any violations of any governmental laws, codes, regulations, rules or other authority relating to the Property.

11. Development Contracts. Copies of any and all pre-existing contracts between Seller and any third party which may affect Buyer's use or development of the Property.

12. Mineral Documents. Copies of any and all documents relating to the ownership, leasing or exploitation of minerals or water on or under the Property.

4.03 Effect of Disapproval; Duration of Feasibility Period. Buyer's rights of approval under this Article IV are for the sole benefit of Buyer and may be waived by Buyer in writing prior to the Closing, regardless of any earlier disapproval. If Buyer does not disapprove of any of the matters set forth in this Article within the Feasibility Period, then such matters shall be deemed approved and Buyer's rights of disapproval pursuant to this Article shall be waived and of no further effect, without prejudice to the other rights and remedies of Buyer. If Buyer shall disapprove any of the matters set forth in this Article within the time period provided, then upon Buyer's written notice to Seller of such disapproval, this Agreement shall terminate and the parties hereto shall have no further right, obligations or liabilities hereunder. Upon termination of this Agreement for any reason, Buyer will provide Seller with copies of any and all studies, tests, plans and examinations which Buyer has obtained with respect to the Property.

4.04 Updating of Documents. Notwithstanding anything contained in this Agreement, Seller agrees to update the Seller's Documents by delivering to Buyer from time to time any amendments, supplements or additional documents that may relate to the Seller's Documents (hereinafter collectively referred to as the "Updated Documents"). Provided, however, that if any Updated Document materially changes any prior submitted and approved Seller's Document, Buyer reserves the right to revoke its prior approval and to disapprove the Seller's Document as updated.

4.05 Return of Documents. If this Agreement is terminated, Buyer shall return to Seller any documents received from Seller within three (3) days after such termination.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.01 Seller's Representations and Warranties. Seller hereby makes the following representations and warranties for the benefit of Buyer, its successors and assigns, that the following facts are true as of the Date Hereof except as otherwise hereinafter provided, which shall be true as of the Closing Date, which shall survive the Closing, and which are not intended to replace or limit in any manner any warranty provided hereunder, by the general warranty deed or applicable law and that all warranties made by reference to knowledge and information have been so made after a due diligence investigation of the facts. Except as provided in the last paragraph of this Section 5.01, Buyer shall be entitled to rely upon said representations and warranties notwithstanding Buyer's inspection, investigation and/or approval of any item, fact or event relating thereto.

A. Approvals. All required approvals or consents have been obtained in connection with the execution of this Agreement by Seller or with the performance by Seller of Seller's obligations hereunder.

B. Seller's Authority. Seller is duly authorized to enter into this Agreement and to sell the Property pursuant to the terms and conditions hereof and the persons executing this Agreement on behalf of Seller are duly authorized to do so.

C. No Leases, Contracts. There are no leases or tenancies, options, rights of refusal or other rights to purchase or require conveyance or reconveyance covering all or any part of the Property. There are no existing brokerage or service agreements affecting all or any part of the Property that will be binding on Seller or Buyer after Closing.

D. Litigation. There is no claim, liability, suit, proceeding, investigation, inquiry, exercise of eminent domain or condemnation, proceeding in the nature of declaration or designation of the Property or any part thereof for historic, landmark or archeological purposes, or litigation of any kind pending, or, to the best of Seller's knowledge, threatened against or affecting the Property in any way; nor does Seller know or have reasonable grounds to know of any basis for any of the foregoing.

E. Taxes. All taxes and assessments on the Property are paid (or will be paid at Closing) through the most recent tax year. No special assessments or assessments for street or utility improvements have been levied against the Property or any part thereof.

F. Adverse Changes. As of the Closing Date, Seller has informed Buyer of any material adverse change in any of the representations, warranties or statements of Seller contained herein or in the condition, financial or otherwise of Seller or the Property which may affect the Property or the consummation of this Agreement.

G. Governmental Laws. To the best knowledge and information of Seller, the Property is in compliance with all applicable zoning, building and environmental laws now in force and effect and no portion thereof, except as shown in the Survey, is located within a flood area.

H. Government Changes. Seller has received no written notice of, nor does it have any knowledge of, any pending or threatened action or government proceeding in eminent domain, zoning change, assessment or otherwise, which would materially affect the Property, nor does Seller know of any fact which might give rise to any such proceeding, nor does Seller know of any other type of existing or intended use of any adjacent real property which might materially adversely affect the use and development of the Property.

I. Seller's Documents. All Seller's Documents to be given or made available to Buyer (except those documents which Seller has certified in writing to Buyer are not available after a due diligence search for the same) will be true, accurate and complete originals or copies thereof.

J. Marketable Title to Real Property. As of the Closing, good and marketable title to the Property shall be conveyed to Buyer by general warranty deed free and clear of all liens, encumbrances, agreements, encroachments, leases, assignments of leases, tenancies, mechanics' liens, materialmen's liens, security agreements, financing statements, and other interests affecting all or any portion of the Property or any interest therein other than (i) current, non-delinquent general and special real property taxes (but not assessments), (ii) the Permitted Exceptions (but not including preprinted exceptions 6 through 10), and (iii) those items listed in subsection 6.02 "A" hereinbelow.

K. Condition of Improvements. There are no material physical or mechanical defects of the Property or the improvements located thereon, including, without limitation, the plumbing, heating, air conditioning, and electrical systems and all such items are in good operating condition and repair and in compliance with applicable governmental laws or regulations.

L. Covenant to Operate. Prior to the Closing Date, Seller agrees to maintain, repair, manage, and operate its

Property in accordance with prior practices and agree that Seller will not dissipate the Property or remove any property therefrom.

M. Access. There are no facts or conditions known or which should have been known by Seller that could result in the termination of the present access from the Property to any existing highways and roads, or in the termination or expiration of any conditional use permits, or similar governmental permits or approvals necessary for the use and operation of the Property for the purposes for which the Property is presently being or intended to be used and operated.

N. Violations of Other Agreements. Neither this Agreement nor the transaction contemplated hereby violates or shall violate any Governmental Requirement, judgment, order contract, document, understanding, agreement or instrument to which Seller is a party or by which Seller may be bound, or any contract, document, understanding agreement or instrument affecting the Property and to the best knowledge and information of Seller, no provisions of the Agreement can be rendered unenforceable by the laws of the State of New Mexico. To the best of Seller's knowledge and information, Seller is not in default under any contract affecting the Property which will or may survive Closing, nor has any event occurred which, with the giving of notice or the passage of time, will constitute a default thereunder.

O. Hazardous Waste. Except as otherwise disclosed in the Environmental Reports, there are no hazardous waste substances, toxic waste substances, radioactive waste substances, regulated substances, asbestos, PCBs or other substances (the word "substance" includes liquids, solids and gases) potentially dangerous to human health or the environment or which may require remedy at the behest of any Governmental Authority located on, in or under the Property and Seller has received no notice and has no independent knowledge of the possible or actual disposal or use of any such substances on, in or under the Property or any violation or claimed violation of the laws, rules and regulations relating to hazardous waste substances, toxic waste substances, radioactive waste substances, regulated substances, asbestos, PCBs or other similar substances; to the extent any of the above-mentioned substances have been removed from the Property by the Seller, Seller will also provide verification of such removal. The Property does not contain any underground treatment or storage tanks or gas or oil wells. Seller shall indemnify and hold Buyer harmless from, and defend Buyer against, any and all loss, cost or liability (including court costs, attorneys' fees, consultants' fees, clean-up costs, fines, and penalties but excluding incidental or consequential damages not listed above) arising out of any event or condition constituting a breach or inaccuracy of the representations and warranties set forth in

this Subsection 5.01 "O" and Subsections 3.01 "F", 3.01 "G", and 3.01 "H".

T. H. H. H.
P. Soil and Geology. There are no water drainage, flood or other geological conditions affecting the Property that would materially and adversely affect the Property or the present or intended use or the ownership and operation thereof; except as disclosed in the Survey.

Q. Right of Other Persons. Except as set forth in the Owner's Title Policy there are no rights, titles, interests or claims of any other person or entity in or to the Property or any portion thereof, and there are no encroachments, overlaps, boundary line disputes or other similar matters concerning the Property nor does the Property or any portion thereof encroach upon any adjacent property or any easement or right of way, except as disclosed by the Survey; and except as contained in City planning, zoning and subdivision laws, regulations or ordinances.

R. Seller Not Foreign Person. Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1954, as amended.

S. No Commitments. To the best of Seller's knowledge and except as disclosed to or discovered by Buyer prior to Closing, no commitments have been made by Seller and no obligations of Seller exist to any Governmental Authority, prior purchasers of surrounding lands, or any other organization, group or individual, relating to the Property which would impose an obligation upon Buyer (i) to limit, restrict, or prohibit any use, disposition or development of the Property, or require any contribution or dedication of money or land; or, (ii) to construct, install or maintain any improvements or facilities on or off of the Property. No Governmental Authority has imposed any requirements that any developer of the Property pay directly or indirectly any special fees or contributions or incur any expenses or obligations in connection with any development of the Property or any part thereof. The provisions of this subsection 5.01 "S" shall not include a warranty as to (i) matters shown on existing, recorded subdivision plats, (ii) the payment of usual and customary engineering, inspection, application and other fees and the performance of the requirements generally applicable to land developers and builders in the City of Albuquerque; (iii) any regular or nondiscriminatory Governmental Requirements of general applicability; (iv) local real estate taxes asserted against the Property; (v) encumbrances of record against the Property; (vi) the Permitted Exceptions and the provisions of any documents included within such term; and (vii) any and all applicable planning, zoning, subdivision or other policy documents of the Governmental Authorities.

T. Statements. All documents transferred from Seller to Buyer are true, correct and complete originals or copies thereof of what they purport to be. As of the Closing said documents have not been amended or modified, other than as transferred to Buyer, and no document or item that should have been transferred to Buyer has not been so transferred. Seller has not failed to state or disclose any material fact known to Seller in connection with the transactions contemplated by this Agreement.

U. Construction and Obligations. Except as fully disclosed by Seller in writing to Buyer prior to the Closing, all construction work, if any, previously undertaken, including but not limited to any structures or utility and drainage improvements for which Seller is obligated as of the Closing Date, has been completed and all materialmen and laborers, contractors and subcontractors have been paid in full or otherwise provided for as confirmed to Buyer in writing, all to the personal satisfaction of Buyer and its counsel.

V. Zoning. The Property is zoned C-3, Heavy Commercial.

All of the representations and warranties of Seller set forth above shall survive the Closing and the recording of the general warranty deed and shall not merge therewith or be affected by the doctrine of merger in any way. In the event any of the foregoing representations and warranties, or the representations and warranties of Seller as set forth elsewhere in this Agreement, are found to be incorrect at any time prior to the Closing Date, Buyer shall request that Seller correct the same and should Seller be unwilling or unable to correct the condition giving rise thereto prior to the Closing Date, Buyer may, at Buyer's option either terminate the Agreement or proceed to Closing thereby waiving any claim based upon such representation.

5.02 Buyer's Warranties. Buyer hereby makes the following representations and warranties for the benefit of Seller, its successors and assigns, that the following facts are true as of the Date Hereof except as otherwise hereinafter provided, which shall be true as of the Closing Date, which shall survive the Closing, and which are not intended to replace or limit in any manner any warranty provided hereunder or by applicable law, and that all warranties made by reference to knowledge and/or information have been so made after a due diligence investigation of the facts. Except as provided in the last paragraph of this Section 5.02, Seller shall be entitled to rely upon said representations and warranties notwithstanding Seller's inspection, investigation and/or approval of any item, fact or event relating thereto.

A. Violations of Other Agreements. Neither this Agreement nor the transaction contemplated hereby violates or shall violate any contract, document, understanding, agreement or instrument to which Buyer is a party or by which Buyer may be bound and to the best knowledge and information of Buyer, no provisions of the Agreement can be rendered unenforceable by the laws of the State of New Mexico.

B. Adverse Changes. As of the Closing Date, Buyer has informed Seller of any material adverse change in any of the representations, warranties or statements contained herein or in the condition, financial or otherwise, of Buyer or the operation thereof which may affect the consummation of the Agreement.

C. Other Obligations. To the best of Buyer's knowledge and information, there is no suit, action, arbitration, legal, administrative, or other proceeding or governmental investigation or requirement, formal or informal, existing or pending or threatened which adversely affects Buyer's ability to perform hereunder, which has not been disclosed to Seller in writing prior to the Date Hereof, or in the case of any such requirement, fully complied with.

All of the representations and warranties of Buyer set forth above shall survive the Closing and the recording of the general warranty deed and shall not merge therewith or be affected by the doctrine of merger in any way. In the event any of the foregoing representations and warranties, or the representations and warranties of Buyer as set forth elsewhere in this Agreement, are found to be incorrect at any time prior to the Closing Date, Seller shall request that Buyer correct the same, and should Buyer be unwilling or unable to correct the condition giving rise thereto prior to the Closing Date, Seller may, at Seller's option, either terminate the Agreement or Seller may elect to proceed to close notwithstanding the incorrect representation or warranty thereby waiving any right or claim related thereto.

ARTICLE VI THE CLOSING

6.01 Closing Date. The Parties agree to close this transaction on March 6, 1992, or such other date as may be acceptable to both parties. Such date is referred to in this agreement as the Closing Date. The Closing will be conducted at the office of the Escrow Agent.

6.02 Seller's Obligations at the Closing. At the Closing as both a Seller obligation and a Buyer condition to the occurrence of the Closing, the Seller shall deliver, or cause to be delivered, to Buyer or the Escrow Agent, as the case may be, the following documents in a form satisfactory to Buyer and its

counsel:

A. Execute and deliver to Buyer a good and sufficient general warranty deed in such form as will convey to Buyer a marketable and insurable title in fee simple to the Property subject to (1) general and special, personal and real property taxes and assessments for the year of closing and thereafter, and (2) the Permitted Exceptions.

B. Cause an NM-1 (10/85) Owner's Title Policy (the "Owner's Title Policy") with extended coverage in a face amount of the Purchase Price, to be issued by the Escrow Agent, insuring marketable title in fee simple to the Property, with exceptions only for the Permitted Exceptions. Seller agrees at the Closing to provide the Escrow Agent with such indemnifications with respect to materialman's and mechanic's liens, reasonably required by the Escrow Agent in order for the Escrow Agent to issue the Owner's Title Policy herein at the Closing, free and clear of all mechanic's liens arising prior to Closing.

C. Execute and deliver a Non-Foreign Person Affidavit as required under the Internal Revenue Code.

D. Execute and deliver a certificate certifying that the representations and warranties of Seller as described in Section 5.01 hereinabove are true and correct as of the Closing Date, subject to modifications based upon any items either disclosed to or discovered by Buyer prior to Closing and waived by Buyer by proceeding to Closing.

E. Deliver all funds necessary to pay Seller's share of all escrow, title company, title insurance, recording and all other closing costs, including without limitation to the extent required by the terms of this Agreement all liens, encumbrances, taxes and assessments relating to or affecting the Property.

F. Execute and deliver an Assignment of Personal Property, if any, conveying any personal property located on and applicable to the Property to Buyer.

G. Deliver to Buyer the originals of those Seller's Documents which the parties hereto mutually agree are no longer necessary for Seller to keep and which Buyer desires.

H. Execute and deliver any and all other documents as may be reasonably necessary to consummate the transaction contemplated hereby and to carry out Seller's obligations hereunder.

6.03 Buyer's Obligations at the Closing. At the Closing, Buyer shall:

A. Pay to the Escrow Agent for the account of the

Seller the Purchase Price due at Closing as set forth in Section 2.03 herein;

B. Execute and deliver any and all other documents as may be reasonably necessary to consummate the transaction contemplated hereby and to carry out Buyer's obligations hereunder.

C. Execute and deliver a certificate certifying that the representations and warranties of Buyer as described in Section 5.02 hereinabove are true and correct as of the Closing Date, subject to modifications based upon any items either disclosed to or discovered by Seller prior to Closing and waived by Seller by proceeding to Closing.

D. Deliver all funds necessary to pay Buyer's share of all escrow, title company, title insurance, recording and all other closing costs, including without limitation to the extent required by the terms of this Agreement all liens, encumbrances, taxes and assessments relating to or affecting the Property.

6.04 Closing Costs. Costs of closing the transaction contemplated hereby shall be allocated between Seller and Buyer as follows:

A. Seller shall pay:

(i) the premiums and charges of the Escrow Agent for the Title Binder and the Owner's Title Policy,

(ii) prorated ad valorem taxes based on Escrow Agent's good faith estimate thereof, provided that if the actual amount of any such item payable after Closing by Buyer exceeds the estimated amount prorated at Closing by One Hundred Dollars (\$100.00) or more, Buyer shall send Seller written notice of the greater amount and Seller shall pay to Buyer, within ten (10) days after such notice, Seller's prorated share of such greater amount (a copy of each such actual bill received shall be sent to the other party),

(iii) all amounts required to pay the Payoff Demands in full, and all other costs of cure of the Liens and deletion of the preprinted general exceptions numbered 1 through 5 (inclusive) in the Title Binder,

(iv) one-half (1/2) of any escrow fees or similar charges of the Escrow Agent,

(v) the costs of obtaining any other items required to be delivered to Buyer at Closing,

(vi) the cost of the Survey and any plat or replat on the Property, and

(vii) the cost of recordation of any document in which Seller is a grantee.

B. Buyer shall pay:

(i) one-half (1/2) of any escrow fees or similar charges of the Escrow Agent, and

(ii) the costs of recordation of any document in which Buyer is a grantee.

C. All other expenses incurred by Seller or Buyer with respect to the Closing, including, but not limited to, attorney's fees of Seller and Buyer, shall be borne and paid exclusively by the party incurring the same.

6.05 Directions to Escrow Agent. Seller and Buyer shall, at the Closing, instruct the Escrow Agent to take such steps as are necessary to complete the Closing as provided herein, including but not limited to:

A. Payoffs. Payoff all liens, encumbrances, claims, taxes and assessments due to be paid pursuant to the terms of this Agreement and to obtain releases therefrom, if any.

B. Utility Charges. All utility charges will be prorated to the Closing Date, and the Buyer will obtain a final billing therefor. All utility security deposits, if any, will be retained by the Seller.

C. Recordation. Record all releases, reconveyances and all other documents necessary for title to the Property to be conveyed to Buyer free and clear of all liens and encumbrances and other matters of record, except those matters specifically permitted under this Agreement.

D. Prorations. Prorate all items of expense and income as herein required. If a party owing prorated funds to the other pursuant to subsection 6.04 "A" hereinabove does not remit them within thirty (30) days after written demand therefor, such funds shall thereafter bear interest at the rate of eighteen percent (18%) per annum from the date of demand until paid not to exceed the maximum rate permitted by law.

E. Disbursements. Disburse to the Seller any and all amounts due to Seller pursuant to this Agreement and deliver any and all documents in the Escrow Agent's possession to the parties in accordance with the terms of this Agreement and any escrow instructions.

F. Conflicts. Any conflict between the terms of any instruction to the Escrow Agent and the terms of this Agreement shall be solely resolved in the favor of this Agreement. No instruction to the Escrow Agent shall supersede, modify or interpret any provision of this Agreement unless such instruction is in writing and executed by all parties hereto.

6.06 Possession. Possession of the Property shall be transferred from Seller to Buyer on the Closing Date subject only to those items listed in Section 6.02 "A" hereinabove.

ARTICLE VII
DEFAULT

7.01 Buyer's Default; Seller's Remedies. If Buyer fails to meet, comply with or perform any covenant, agreement or obligation required of Buyer hereunder within the time period and in the manner provided herein for any reason other than Seller's default or a permitted termination of this Agreement, then at Seller's sole option, Buyer shall be deemed to be in default hereunder, and Seller either may terminate this Agreement by written notice delivered to Buyer on or before Closing Date or may specifically enforce Buyer's obligation hereunder. Upon termination this Agreement shall be null and void, and all obligations hereunder imposed upon either party shall cease and terminate.

7.02 Seller's Default; Buyer's Remedies. If Seller shall fail to meet, comply with or perform any covenant, agreement or obligation required of Seller within the time limits and in the manner required by this Agreement for any reason other than Buyer's default or a permitted termination of this Agreement, then at Buyer's sole option, Seller shall be deemed to be in default hereunder, and Buyer either may terminate this Agreement by written notice delivered to Seller on or before the Closing Date or may specifically enforce Seller's obligation hereunder. If Buyer discovers after the Closing Date that any representation or warranty of Seller has been breached or is untrue, then Buyer shall have the right to obtain its actual out-of-pocket costs and expenses arising from such breach or untrue representation or warranty as damages against Seller.

ARTICLE VIII
GENERAL

8.01 Parties Bound. Except as provided herein with regard to the representations and warranties of the parties, the terms and provisions of this Agreement shall inure to, extend to and be for the benefit of the heirs, successors, assigns and legal representatives of the respective parties hereto.

8.02 Entire Agreement; Modifications. This Agreement embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought and then only to the extent set forth in such instrument; except as specifically provided otherwise herein.

8.03 Headings. The headings contained in this Agreement are for reference and convenience purposes only and shall not in any way affect the meaning or interpretation hereof.

8.04 Interpretation. Whenever the context hereof shall so require, singular shall include the plural, the male gender shall include the female gender and the neuter and vice versa. The terms "include," "includes," "including" and similar terms shall be construed to mean "without limitation." All references to Sections, subsections, Exhibits and Articles shall be deemed references to Sections, subsections and Articles of this Agreement and to Exhibits which are attached hereto and made a part hereof for all purposes.

8.05 Notice. Any notice, demand, approval or disapproval, consent or submission for approval or consent permitted or required hereunder (hereinafter, collectively, any "Notice") shall be in writing, and any such Notice shall be sent to the Seller or Buyer by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To Seller: C. R. McCauley and Flores C. McCauley
2610 San Mateo N.E., Suite B
Albuquerque, NM 87110

and

Ussery & Parrish, P.A.
Attorneys at Law
c/o Albert T. Ussery
200 Rio Grande Valley Building
P.O. Box 487
Albuquerque, NM 87103

To Buyer: Real Estate Office
University of New Mexico
Scholes Hall
Suite 233
Albuquerque, New Mexico 87131
Attn: Director of Real Estate

or the same may be delivered by messenger at the same address or, if the same is a post office box, the last known address of the addressee. In the event such Notice is given or delivered by messenger delivery, the date of actual delivery shall fix the time thereof. In the event Notice is given or delivered by registered or certified mail, such Notice shall be deemed given or delivered three (3) days after the date on which the sealed envelope containing the Notice is deposited in the United States mail, properly addressed and with proper postage prepaid.

8.06 Additional Acts. In addition to the acts and deeds recited herein and contemplated hereunder to be performed, executed and/or delivered by Seller or Buyer, Seller and Buyer hereby agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Closing or thereafter, any and all such further acts, deeds and assurances as Buyer or Seller, as the case may be, may reasonably require to evidence and vest in Buyer the ownership of and title to the Property and consummate the transactions contemplated hereunder. This covenant shall survive Closing and delivery of the deeds.

8.07 Applicable Law. This Agreement shall be governed by and construed under and in accordance with the laws of the State of New Mexico.

8.08 Jurisdiction and Venue. Each of the parties to this Agreement hereby irrevocable submits in any suit, action or proceeding arising out of or relating to this Agreement to the jurisdiction of the United States District Court for the District of New Mexico, any court of the State of New Mexico, or the United States Bankruptcy Court for the District of New Mexico, and waives any and all objections to jurisdiction that such party may have under the laws of the United States of America or the State of New Mexico. Venue for any such suit, action or proceeding shall lie solely in Bernalillo County, New Mexico.

8.09 Broker's Commission. At Closing, Seller will pay any commissions plus applicable gross receipts tax on the Purchase Price that may be due as a result of this transaction. Seller and Buyer will each indemnify the other against claims for any other brokers claiming any fee or commission through or by the indemnifying party.

8.10 Authority. All parties to this Agreement warrant and represent that they have the power and authority to enter into

this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such person, and that all formal requirements necessary or required by any state and/or federal law in order for the parties to enter into this Agreement have been complied with fully.

8.11 Attorneys' Fees. In the event that either party shall employ an attorney or attorneys to enforce any of the provisions hereof or to protect its interests in any manner arising under this Agreement, or to recover damages for the breach of this Agreement, the non-prevailing party in any action pursued in courts of competent jurisdiction (the finality of which is not legally contested) agrees to pay to the prevailing party all reasonable costs, damages and expenses, including attorneys' fees, expended or incurred in connection therewith.

8.12 Time of the Essence. Time is of the essence of this Agreement.

8.13 Severability. If any provision of this Agreement shall, for any reason, be held violative of any applicable law, and so much of this Agreement is held to be unenforceable, then at the sole option of the party intended to be benefitted by the affected provision, the invalidity of such specific provision herein shall not be held to invalidate any other provision herein which shall remain in full force and effect.

8.14 No Merger. The covenants, agreements, representations and warranties of Buyer and Seller in this Agreement shall survive Closing and shall not be subject to the doctrine of merger.

8.15 Material Damage or Condemnation. If the Property is materially taken by condemnation prior to the Closing Date or if any improvements thereon or serving the Property are materially damaged prior to the Closing Date, on written notice to Seller, the Buyer shall have the right to terminate this Agreement and neither Seller nor Buyer shall thereafter have any obligation to each other. In the alternative, or in the event of a non-material taking or damage, Buyer may elect to complete the transaction on the terms set forth in this Agreement and, in such event, Buyer shall receive a full credit against the Purchase Price or assignment of all condemnation proceeds awarded to Seller as consideration for the taking or of any insurance proceeds or other right of compensation or reparation in favor of Seller arising out of such damage. By "materially taken," Seller and Buyer mean a condemnation or taking by eminent domain occurring on the Property that results in the elimination of more than five percent (5%) of the total gross square footage of the land comprising the Property. The phrase "taking by eminent domain" includes any notices of taking or commencement of

proceedings under eminent domain power, including any claim for inverse condemnation. "Material damage" shall mean any damage the cost to repair which would exceed \$25,000.00.

8.16 Assignment. This Agreement shall not be assignable by either party without the express prior written consent of the other party, which may be withheld for any reason.

8.17 Benefit. This Agreement and the terms hereof are solely for the benefit of Seller and Buyer and their heirs, successors and assigns and shall not be enforceable by any third parties whatsoever.

8.18 Extensions of Deadlines. If any time periods, deadlines or dates contained or identified in this Agreement and, expire, fall on or come due on a Saturday, Sunday or legal holiday, then such time period, deadline or date shall be deemed to be extended to the nearest day thereafter that is not a Saturday, Sunday or legal holiday.

8.19 Agreement as Offer. The execution of this Agreement by the first party to do so constitutes an offer to purchase or sell the Property in accordance with the terms of this Agreement and the subsequent execution of the Agreement with changes to the Agreement constitute a counter offer to purchase or to sell the Property. Unless within three (3) days from the date of execution or last initialing of this Agreement by the party making an offer or counter offer, this Agreement is executed by the other party and a fully executed copy is delivered to and accepted by the Escrow Agent, the offer of this Agreement shall be null and void and withdrawn.

SELLER:

Date: Feb. 6, 1992

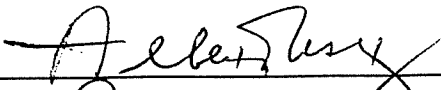
C. R. McCauley, and
C. R. McCauley

Date: Feb. 6, 1992

Flores C. McCauley
Flores C. McCauley, as husband and
wife; and

Ussery & Parrish, P.A., a New Mexico professional corporation, as Trustee of the McCauley's Irrevocable Trust No. One


Date: Feb. 6, 1992

By: 
Its: President

BUYER:


THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, a corporation of the State of New Mexico

Date: Feb 11, 1992

By: 
Name: David L. Mc Kinney
Its: Vice President for Business and Finance

(THIS SIGNATURE IS SUBJECT TO SUBSEQUENT APPROVAL BY THE REGENTS OF THE UNIVERSITY OF NEW MEXICO PURSUANT TO SECTION 3.01"1")

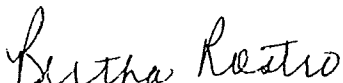
Approved as to form:


University Counsel

This Agreement was accepted by the Escrow Agent this 20th day of February, 1992 (the "Date Hereof") fully executed by Seller and Buyer and the Escrow Agent agrees hereby to perform all the duties of the Escrow Agent set forth in this Agreement.

ESCROW AGENT:

LAWYERS TITLE INSURANCE CORPORATION

By 

Legal Identification

The legal description is as follows: A certain parcel of land situated in Section 16, Township 10 North, Range 3 East, New Mexico Principal Meridian, within the city limits of the city of Albuquerque, Bernalillo County, New Mexico, lying west of University Boulevard NE (Cougar Field area), and being more particularly described by metes and bounds survey as follows:

BEGINNING at the northeast corner of the parcel herein described, said northeast corner being a point on curvature on the westerly right of way line of University Boulevard NE;

WHENCE the northeast corner of Lot Numbered One (1) in Block Numbered Twenty-three (23) of the Country Club Addition, First Extension North, as the same is shown and designated on the plat of said addition, filed in the office of the County Clerk of Bernalillo County, New Mexico, on May 16, 1938, bears S 16° 28' 58" E., 2,724.15 feet distance;

THENCE, N. 81° 23' 00" W., 381.26 feet distance to the northwest corner of the parcel herein described;

THENCE, S. 08° 37' 00" W., 10.00 feet distance to the southwest corner of the parcel herein described;

THENCE, S. 81° 23' 00" E., 384.03 feet distance to the southeast corner of the parcel herein described, said southeast corner being a point on curve on the westerly right of way line of University Boulevard NE;

THENCE, northwesterly, 10.38 feet distance along the arc of a curve bearing to the right along the westerly right of way line of University Boulevard NE to the northeast corner and place of beginning of the parcel herein described and containing 3,828.14 square feet (0.0878 acre) more or less.

AND

A certain parcel of land situate in Section 16, Township 10 North, Range 3 East, New Mexico Principal Meridian, within the city limits of the city of Albuquerque, New Mexico, lying west of University Boulevard NE (Cougar Field area), and being more particularly described by metes and bounds survey as follows:

BEGINNING at the southeast corner of the parcel herein described, said southeast corner being a point on curvature on the westerly right of way line of University Boulevard NE, whence the northeast corner of Lot Numbered One (1) in Block Number Twenty-three (23) of the COUNTRY CLUB ADDITION, First Extension North, as the same is shown and designated on the plat of said addition, filed in the office of the County Clerk of Bernalillo County, New Mexico, on May 16, 1938, bears E. 16° 28' 58" E., 2,724.15 feet distance;

THENCE, N. 81° 23' 00" W., 381.26 feet distance to the southwest corner of the parcel herein described;

THENCE, N. 08° 37' 00" E., 292.51 feet distance to the northwest corner of the parcel herein described;

THENCE, S 81° 23' 00" E., 315.27 feet distance to the northeast corner of the parcel herein described, said northeast corner being a point on the westerly right of way line of University Boulevard NE;

THENCE, S 02° 32' 30" E., 123.58 feet distance along said westerly right of way line of University Boulevard NE to a point on curvature;

THENCE, southeasterly, 176.42 feet distance continuing along said westerly right of way line, University Boulevard NE along the arc of a curve bearing to the left (said arc having a radius of 1,909.86 and a chord which bears S. 05° 11' 16" E., 176.34 feet distance) to a point on curvature, said point on curvature being the southeast corner of the parcel herein described and place of beginning and containing 101,134 square feet (2.3217 acres) more or less.

Kim:

Does this letter satisfy the requirements of Article III Conditions to Closing, Section 3.01 F. Waste-Oil Storage Tank of the proposed Real Estate Purchase and Sale Agreement?

Al Ussery



WT Environmental Consultants

December 10, 1991

8305 Washington Place, N.E.
Albuquerque, New Mexico 87113
505 821 2953 fax • 823 4488

RECEIVED

DEC 13 1991

REAL ESTATE OFFICE
UNIVERSITY OF NEW MEXICO

Mr. Dick McCauley
2810 San Mateo N.E., Suite "B"
Albuquerque, New Mexico 87110

RE: REVIEW OF DOCUMENTS CONCERNING CLOSURE OF A WASTE OIL UNDERGROUND STORAGE TANK LOCATED AT THE UNIVERSITY VOLKSWAGEN SITE, 1213 UNIVERSITY BOULEVARD, NE, ALBUQUERQUE, NEW MEXICO. Ref. WTEC No. 7351K103-1

Dear Mr. McCauley:

In response to the verbal request of your representative, Mr. Dan Dolan of the law firm Dolan & Domenici, WT Environmental Consultants, Inc. (WTEC) is pleased to submit to you our review of documents concerning removal of the waste oil underground storage tank (UST) previously located at the above described property. WTEC has relied upon the following documents in its review.

Letter to Mr. Dan Dolan from Mr. Jimmie Carter (Kachina), dated September 26, 1991 regarding documentation of removal of the waste oil UST

Kachina Petroleum Equipment Company Invoice No. 283634. Work Order No. 7032, dated 7/31/91

Notification for Underground Storage Tanks (Closure)
New Mexico Environmental Improvement Division, Groundwater/Hazardous Waste Bureau
EPA Form 7530-1 (11-85)

Tank Closure Worksheet EPA Form 7530-1 (11-85) (Reverse) Tank removal and disposal

Laboratory Analytical Report for TRPH in Confirmation Soil Sample
Assagal Analytical Labs, Inc., Work Order # 91-07-088

New Mexico Environmental Improvement Division, Underground Storage Tank Bureau (NMED-USTB)
Inspection Report. Dated July 8, 1991. Conference Closing Date 7/16/91. Case No. C-6124 188.
Mark Coffman NMED-USTB

WTEC certifies that, according to its review of existing tank removal and closure documents and confirmation-of-closure interviews with pertinent regulatory agencies, the waste-oil tank formerly located at the former University Volkswagen site, 1213 University Avenue, N.E., Albuquerque, New Mexico was removed and properly disposed of in conformance with all applicable Governmental Requirements. No petroleum hydrocarbon or metal contamination was observed or otherwise detected in such area during the waste-oil tank removal, therefore removal or remediation of contamination was not an issue.

If you have any questions regarding our review or certification, please call William L. Mansker at 505-823-4488.

Respectfully Submitted,
WT Environmental Consultants, Inc.

William L. Mansker
William L. Mansker, Ph.D.
Technical Manager

Copies to: D. Dolan (1)

Exhibit "B"

Does this letter satisfy the requirements of Article III Conditions to Closing, Section 3.01 G. Surface Subsurface Contamination of the Proposed Real Estate Purchase and Sale Agreement?

AIRTEL TELETYPE 240 : 12-12-91: 4:50 PM: 505 8212963 +
DEC-12-1991 16:52 FROM WESTERN TECHNOLOGIES INC. TO

5058436912 : # 2
E436912 P.02



WT Environmental
Consultants

8305 Washington Place, N.E.
Albuquerque, New Mexico 87113
505 821 2963 fax • 823 4488

December 12, 1991

Mr. Dick McCauley
2610 San Mateo N.E., Suite "B"
Albuquerque, New Mexico 87110

RE: COMPLETION OF SITE INVESTIGATION AND CLOSURE AT THE UNIVERSITY VOLKSWAGEN SITE,
1213 UNIVERSITY BOULEVARD, NE, ALBUQUERQUE, NEW MEXICO.
Ref. WTEC No. 7351K103-1

Dear Mr. McCauley:

In response to the verbal request of your representative, Mr. Don Dolan of the law firm Dolan & Domenick, WT Environmental Consultants, Inc. (WTEC) is pleased to report to you that the site investigation for the above referenced property is complete and that the New Mexico Environment Department Hazardous and Radioactive Materials Bureau (NMED-HRMB) has issued a closure letter to WTEC regarding the site. Please find a copy of the NMED-HRMB letter from Mr. Edward Horst as an attachment to this letter. Please note that the address for the University Volkswagen property cited by Mr. Horst (i.e., 1400 University Avenue) is incorrect. The correct address for the property is 1213 University Boulevard NE. I have informed Mr. Horst of the needed address correction.

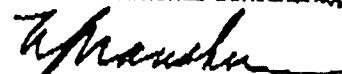
WTEC's site investigation addressed all previously identified surface and subsurface contamination of concern to the NMED-HRMB. The findings of our investigation are presented in a final report entitled: "Additional Drilling For Site Characterization, Former University Volkswagen Site, 1213 University Boulevard NE, Albuquerque, New Mexico". Two copies of this report follow under separate cover.

WTEC's investigation identified no surface or subsurface contamination of significance that would require removal, isolation, containment, or remediation. After a review of WTEC data, findings, and conclusions, the NMED-HRMB indicates its agreement and has issued the attached letter closing their case for the University Volkswagen property.

WT Environmental Consultants, Inc. has reviewed all prior Environmental Reports regarding potential contamination on the property and has conducted additional site investigations regarding such, and certifies that no contamination has been identified on the property that warrants consideration for removal, isolation, containment, or remediation.

Please call WTEC (William L. Mansker) at 505-823-4488 if you have any questions regarding our site investigations and conclusions, or Mr. Horst's letter closing the case.

Respectfully submitted,
WT Environmental Consultants, Inc.


William L. Mansker, Ph.D.
Technical Manager

Copies to: D. Dolan (1)
E. Horst/NMED-HRMB (1)

Exhibit "C-1"



BRUCE KING
GOVERNOR

State of New Mexico
ENVIRONMENT DEPARTMENT
Harold Runnells Building
1190 St. Francis Drive, P.O. Box 26110
Santa Fe, New Mexico 87502
(505) 827-2850

JUDITH M. ESPINOSA
SECRETARY

RON CURRY
DEPUTY SECRETARY

COPY

November 25, 1991

Mr. Spencer S. Sepponen, Project Manager
University Volkswagen Site
8905 Washington Place, NE
Albuquerque, NM 87113

RE: University Volkswagen Site

Dear Mr. Sepponen:

The Hazardous and Radioactive Materials Bureau (HRMB) has reviewed the final report regarding the site at 1400 University Avenue, Albuquerque: "Additional Drilling for Site Characterization . . . " (Job No. 7351K103). HRMB considers this case to be closed; however, should areas of contamination be discovered on the site at a later date which have not been addressed by WT Environmental Consultants, they would be potentially subject to regulation by HRMB or other agents of New Mexico Environment Department.

If you have any questions regarding this matter, please contact Dr. Bruce Swanton of my staff at (505) 827-4300.

Sincerely,

Edward Horst, RCRA Programs Manager
Hazardous and Radioactive Materials Bureau

should be
1213 Univ. Blvd NE

Exhibit "C-2"

2