PURCHASE AND SALE AGREEMENT

1. TERMS SUMMARY.

Date of Agreement, i.e., date of full execution (for reference purposes and for
calculation of deadlines) March , 2011
This Agreement includes the Property Disclosure Statement.
Buyer: The Regents of the University of New Mexico, a body corporate of
the State of New Mexico
Seller: Trollsbreath Studios, LLC, a New Mexico limited liability company
Property: commercial land and building
Address: 1401-A University Blvd., NE Albuquerque, New Mexico
Legal Description: See Exhibit "A"
Purchase Price: \$350,000.00
Earnest Money: \$ 5,000.00
Title Company: Stewart Title of Albuquerque, LLC (Sue Dunworth)
Address: 6759 Academy Rd., NE, Albuquerque, NM 87109
Phone: 828-1700 Facsimile: 821-7403 Email: sue.dunworth@stewart.com
Inspection Period: 90 days from Date of Agreement
Survey Type: Form, type and scope at Buyer's discretion, to be obtained and
paid for by Buyer
Environmental Site Assessment: Form, type and scope at Buyer's discretion, to
be obtained and paid for by Buyer
Closing Date: At a mutually acceptable time and date which is on or before
twenty (20) days after the New Mexico State Board of Finance approval.
Conveyance Documents:
A. General Warranty Deed
B. Bill of Sale
 C. General Assignment of Approvals, Contracts and Development
Rights
1

2. PROPERTY. Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price pursuant to the terms of this Purchase and Sale Agreement ("Agreement"). The parties agree that if the legal description of the Property in this Agreement is not accurate, this Agreement shall not be invalid and the legal description shall be revised consistent with the Survey in a manner acceptable to Buyer, Seller and Title Company. The Property includes all fixtures and permanent improvements located at the Property, including all mechanical systems, electrical systems, plumbing systems, heating, ventilating and air conditioning systems and equipment, sprinkler systems, security systems, fire detection systems, telephone distribution systems (lines, jacks and connections only), floor coverings, window coverings, signs, paving and landscaping; provided, however, Seller (at Seller's expense) can remove HVAC units and specialized lighting. The Property includes all of Seller's interest in subleases, licenses, lease guaranties, easements, rights-of-way, streets, alleys, access rights, water rights, air rights, development rights, zoning rights and variances, and all other estates, rights, titles, interests, servitudes, tenements, and appurtenances of any nature

ABU

whatsoever, in any way now or hereafter belonging to, relating to or pertaining to the Property. The Property includes all site plans, documents, governmental approvals, improvements, licenses, permits, easements, rights-of-way, streets, alleys, access rights, water rights, air rights, development rights, zoning rights and variances, and all other estates, rights, titles, interests, servitudes, tenements, and appurtenances of any nature whatsoever, in any way now or hereafter belonging to, relating to or pertaining to the Property.

- 3. EARNEST MONEY. Within five (5) days of the date that The Regents of the University of New Mexico approve this transaction and this Agreement, Buyer shall deliver the Earnest Money to the Title Company, to be held in escrow pursuant to the terms of this Agreement. The Earnest Money shall be held in a federally insured, interest bearing account selected by Title Company. Subject to the provisions of this Agreement, the Earnest Money and all accrued interest is to be applied toward the Purchase Price at the Closing.
- 4. DISCLOSURE AND DELIVERY OF INFORMATION. Within five (5) days of the Date of Agreement, Seller shall deliver to Buyer a fully and accurately completed Property Disclosure Statement in the form attached to this Agreement. Within ten (10) days of the Date of Agreement, Seller shall provide to Buyer true, correct and complete copies, to the extent that they are in Seller's control or possession of the following documents related to the Property: previously prepared environmental audits and inspections, physical inspection reports, maintenance information, leases, lease accounts and payment histories, property expense information, warranties, service and other contracts, including landscape maintenance contracts, engineering reports, hydrology reports, drainage information, grading information, soils reports, topography information, utility reports and information, building plans and specifications, certificates of occupancy, plats, prior surveys, site plans, governmental and quasi-governmental notices, a schedule of all lawsuits (pending or threatened related to the Property (including a summary of relevant facts, status of the action, parties, court and attorneys involved), and all other material documents, if any, in Seller's possession related to the Property.
- 5. INSPECTION PERIOD. Buyer shall have the period of time set forth above as the Inspection Period to review the following aspects of the Property. During the Inspection Period, Buyer shall review all of the information regarding the Property provided by Seller. In addition, during the Inspection Period, Buyer may perform such other inspections and review such other information as is desired by Buyer. Such inspections, unless otherwise specified in this Agreement, shall be at Buyer's expense. Seller authorizes Buyer to request zoning and other similar certifications from applicable governmental and quasi-governmental authorities. Seller releases Buyer from all claims and liabilities arising out of such requests by Buyer, including but not limited to enforcement actions triggered by such requests. During the Inspection Period, Buyer is specifically entitled to review the following:



- A. Physical Inspection. Buyer, at Buyer's election and expense, may obtain a physical inspection of the Property.
- B. Soil and Drainage Inspection. Buyer, at Buyer's election and expense, may obtain soil and drainage inspections and tests concerning the Property.
- C. Title. Within five (5) days of the Date of Agreement, Buyer shall obtain a title commitment ("Title Commitment") from Title Company. All costs associated with the Title Commitment shall be paid by Buyer. Along with the Title Commitment, Title Company shall provide to Buyer copies of all documents listed as exceptions, a property tax search, a special assessment search and copies of all plats related to the Property.
- D. Survey. The survey of the Property shall be obtained by Buyer. The Survey shall be done by a surveyor selected by Buyer. If an ALTA Survey is selected by Buyer, the Survey shall be prepared consistent with the American Land Title Association/American College of Survey and Mapping Standards, for Urban Surveys (2011), including Table A Optional Survey Responsibilities and Specifications Item Nos. 1, 2, 3, 4, 7(a), 7(c), 8, 9, 11(a), 11(b), 14, 16, 17 and 18. The Survey shall be certified to Buyer and Title Company. The "Flood Zone" status of the Property shall be included on the Survey.
- E. Leases. During the Inspection Period, Buyer may review all leases, subleases, lease guaranties, licenses, concession agreements and other rental or occupancy arrangements, if any (collectively "Existing Leases") affecting the Property. Prior to the Closing, Seller shall obtain an estoppel certificate ("Estoppel Certificate") covering such matters and on a form mutually acceptable to Buyer and Seller from each tenant at the Property. Seller shall use its best efforts to obtain all Estoppel Certificates as soon as possible and in any event on or before the end of the Inspection Period. If any Estoppel Certificate cannot be obtained in a timely manner, Seller shall promptly give notice to Buyer of Seller's failure to obtain such Estoppel Certificate; and, in such event, Buyer, within ten (10) days after notice is given, may terminate this Agreement and have the Earnest Money, including accrued interest, delivered to Buyer. Notwithstanding the foregoing, all leases and other rights to occupancy or possession of the Property shall be terminated by Seller effective on or before the Closing.
- F. Environmental Site Assessment. Buyer, at Buyer's election and expense, may obtain an Environmental Site Assessment of the Property.
- **G.** Appraisal. Buyer, at Buyer's expense, may obtain an appraisal ("Appraisal") of the Property.
- **6. BUYER'S ENTRY.** Buyer shall be responsible for all costs, expenses, liabilities and damages incurred by Seller as a result of Buyer's entry onto the Property prior to the Closing.



- BUYER'S OBJECTION. Prior to the end of the Inspection Period, Buyer may disapprove the Property and/or any item (including items reviewed during the Inspection Period) related to the Property. In such event, at Buyer may terminate this Agreement, negotiate with Seller a mutually acceptable reduction in the Purchase Price, or give notice to Seller requesting that Seller cure the items disapproved by Buyer. Even if Buyer does not formally disapprove a monetary encumbrance, Seller shall have the obligation, at Seller's expense, to satisfy and remove at or before the Closing all monetary encumbrances affecting the Property. Regarding disapproval by Buyer of items other than monetary encumbrances, within five (5) days of Buyer's notice requesting Seller's cure, Seller shall provide notice to Buyer of Seller's proposed cure and the time period necessary for Seller to effectuate the cure. Upon receipt of the response from Seller, Buyer shall within ten (10) days elect to either terminate this Agreement or accept Seller's proposed cure. If Buyer elects to terminate this Agreement, the Earnest Money, including accrued interest, shall be delivered to Buyer. If Buyer agrees to Seller's proposed cure, the Closing Date shall be extended, if necessary, consistent with the time period proposed by Seller for Seller's cure.
- 8. SELLER'S REPRESENTATIONS AND WARRANTIES. Except as is expressly disclosed in the Property Disclosure Statement, Seller makes the following representations and warranties to Buyer as of the Date of Agreement and as of the Closing:
 - **A.** Seller is sole owner of the Property.
- **B.** To the best of Seller's knowledge, there is no adverse soil, topography, hydrology or drainage condition at the Property.
- C. To the best of Seller's knowledge, there are no hazardous materials, hazardous conditions, toxic substances or contaminated substances, including but not limited to asbestos, lead based paint and/or PCB transformers at the Property.
- **D.** Seller has not received any notice from any governmental or quasi-governmental entity that is currently pending.
- **E.** The Property has ever been used as a dump, landfill or other similar use to Seller's knowledge.
- F. There is not currently and never has been any aboveground or underground storage tank located at the Property to Seller's knowledge.
- **G.** All information and documents provided by Seller to Buyer regarding the Property are true, correct and complete. Notwithstanding the foregoing, Seller is not providing any representation or warranty to Buyer regarding the sufficiency, accuracy, completeness, or correctness of any information or report prepared by any party other than Seller. Seller does not provide any representation or warranty to Buyer concerning the skill or competency of any third party producing any such information.



- H. There are no unpaid liens, standby charges, hook-up fees or assessments, or items which could result in a lien, related to the Property.
- I. Water service, electric service, natural gas, telephone service, internet service, and public sewer service are presently available at the Property.
- J. The Property has access to University Boulevard, N.E., Albuquerque, New Mexico.
- K. No work has been performed which has not been paid for or which could give rise to any mechanic's or materialmen's lien being filed against the Property.
- L. No lawsuit or other claim is pending or threatened against Seller and/or the Property.
- M. There is no pending purchase agreement and/or existing option to purchase regarding all or any portion of the Property.
- **N.** Seller will not violate, enter into or modify any lease or other agreement related to the Property, without Buyer's prior written approval.
- O. Seller and the owners of Seller are not subject to any bankruptcy, receivership or insolvency proceeding.
- **P.** Seller has the full right, power and authority to sell the Property to Buyer as provided in this Agreement.
- **Q.** No tenant or occupant of the Property is subject to any bankruptcy, receivership, probate or insolvency proceeding to Seller's knowledge.
- R. No unpaid impact fee, special assessment, entitlement fee, and/or access fee exists regarding the Property.

Seller's representations and warranties shall survive the Closing.

- **9. PRORATIONS, ADJUSTMENTS AND TRUST FUNDS.** At the Closing, the following shall occur:
- A. Taxes, Assessments, Unpaid Existing Impact Fees. Applicable real property taxes shall be prorated through the Closing Date, based upon the latest tax information available to Title Company. Seller shall pay all special assessments (but only to the extent of payments that accrue and/or are due through the Closing Date), impact fees, standby charges, prorata charges and other similar charges and/or assessments related to the Property existing as of the Closing.



- **B.** Insurance. All property insurance obtained by Seller on the building at the Property will terminate on the Closing Date.
- 10. MATERIAL CHANGE. No Material Change, as hereinafter defined, shall have occurred before the Closing with respect to the Property that has not been approved in writing by Buyer. For purposes of this Agreement, "Material Change" shall mean a change (other than Seller's removal of the personal property) in the status of a use, occupancy, tenants, financial condition or physical condition of the Property. In the event of a Material Change, Buyer, at Buyer's election, may terminate this Agreement within ten (10) days of receiving notice from Seller of such Material Change. If Buyer terminates this Agreement, the Earnest Money and accrued interest shall be returned to Buyer.
- 11. RISK OF LOSS. In the event of damage or destruction of all or any portion of the Property by wind, water, fire or other casualty, Seller will promptly notify Buyer of the nature and extent of such damage or destruction. In such event, Buyer, in its sole discretion, within fifteen (15) days of such notice, may either terminate this Agreement, negotiate a mutually acceptable reduction in the Purchase Price, obtain an assignment of insurance proceeds from Seller or apply insurance proceeds actually received by Seller as of the Closing to the Purchase Price. If this Agreement is terminated, the Earnest Money and accrued interest shall be returned to Buyer. Prior to the Closing, risk of loss with respect to the Property shall be on Seller. After the Closing, risk of loss with respect to the Property shall be on Buyer.
- 12. CONDEMNATION. Promptly upon obtaining knowledge of any threatened or filed condemnation proceeding against all or any portion of the Property, Seller or Buyer will notify the other party of such proceeding. In such event, Buyer, in its sole discretion, may either terminate this Agreement, negotiate a mutually acceptable reduction in the Purchase Price, obtain an assignment of condemnation proceeds from Seller or apply condemnation proceeds actually received by Seller as of the Closing to the Purchase Price (which Purchase Price shall include the Earnest Money and accrued interest). If this Agreement is terminated, the Earnest Money and accrued interest shall be returned to Buyer.
- 13. CLOSING. The closing ("Closing") shall occur on the Closing Date. All documents shall be delivered by the respective parties to Title Company to be held in escrow pending the Closing. Each document shall be duly executed and, if the document is to be recorded, duly acknowledged. For the Closing, Seller shall deliver the following:
- **A.** The General Warranty Deed, subject only to title items not objected to by Buyer during the Inspection Period.
 - **B.** The Bill of Sale.



- C. The General Assignment of Approvals, Contracts and Development Rights.
- **D.** An affidavit executed by Seller providing that Seller is not a "foreign person" as established by Internal Revenue Code Section 1445 or successor statutes.
- **E.** Other applicable closing documents required or specified by this Agreement.
 - F. Closing statement prepared by Title Company for Seller.

For the Closing, Buyer shall deliver the following:

- **A.** The Purchase Price (which Purchase Price shall include the Earnest Money and accrued interest).
- **B.** Other applicable closing documents required or specified by this Agreement.
 - C. Closing statement prepared by Title Company for Buyer.

All documents shall be in a form mutually acceptable to Buyer and Seller. Prorations shall be handled at the Closing as set forth in this Agreement. Buyer and Seller shall each pay one-half (1/2) of the escrow charges and/or closing fees of Title Company. Buyer shall pay the cost of recording all documents transferring the Property to Buyer. All other costs related to the Closing shall be handled as is otherwise agreed to in writing by Buyer and Seller. Promptly after the Closing, Title Company shall issue to Buyer a standard New Mexico form Owner's Title Insurance Policy, effective as of the Closing Date, in the amount of the Purchase Price, insuring title to the Property vested in Buyer, in a form consistent with the Title Commitment, and subject only to exceptions not objected to by Buyer prior to the end of the Inspection Period. Buyer shall pay the premium for the New Mexico form Owner's Title Insurance Policy, deletion of Schedule B, Part II, Items and all other endorsements and/or extended coverages selected by Buyer to the Owner's Title Insurance Policy.

14. DEFAULT AND REMEDIES. Before exercising any remedy, the non-defaulting party shall give the defaulting party ten (10) days written notice specifying the default, and the defaulting party shall be permitted to cure the default in such period. If an uncured default occurs under this Agreement, then this Agreement may be terminated at the option of the non-defaulting party. If Buyer is the defaulting party, Seller's sole remedy shall be to terminate this Agreement and retain the Earnest Money, including accrued interest. Buyer shall have no liability to Seller for damages (including but not limited to, lost profits, consequential damages, special damages and/or punitive damages). If Seller is the defaulting party, Buyer shall have all rights and remedies available at law, in equity, pursuant to this Agreement and/or otherwise. Without limiting the foregoing, Buyer shall have the right of specific performance and, as referenced



above, the right to terminate this Agreement. If Buyer terminates this Agreement based upon a default by Seller, the Earnest Money, including accrued interest, shall be returned to Buyer and Buyer may pursue all of Buyer's other rights and remedies. If Seller defaults under this Agreement, Seller shall be liable to Buyer for all of Buyer's costs and expenses, including but not limited to reasonable attorneys' fees, court costs and reimbursement of the costs incurred by Buyer related to the Property and/or this Agreement.

- **15. REAL ESTATE BROKERS.** Buyer represents to Seller that it has not been represented by any real estate agent or broker other than Grubb & Ellis (Jack Dettweiler) as a "transaction broker" in conjunction with the transaction covered by this Agreement.
- 16. FURTHER ACTION. Buyer and Seller agree to take such other and further action, and execute such additional documents, as are reasonably necessary to consummate the sale pursuant to this Agreement (at no cost to the party asked to take such action) or which are reasonably required by the Title Company in conjunction with the Closing.
- 17. BACK UP OFFERS. Seller may not solicit back-up offers to purchase the Property.
- 18. NOTICES. Any notice required or permitted to be given under this Agreement shall be in writing and may be either hand-delivered, sent by recognized overnight courier (for next day delivery) or mailed, postage prepaid, certified mail, return receipt requested, addressed to the parties at their respective addresses set forth below. If any notice is hand-delivered, it shall be deemed given upon delivery. If any notice is sent by recognized overnight courier, it shall be deemed given upon delivery by the courier. If any notice is mailed, it shall be deemed given five (5) days after deposit in the United States mail. A party may change its address for notices by sending a notice to the other party pursuant to the terms of this paragraph. FACSIMILE AND EMAIL COMMUNICATIONS SHALL NOT BE USED FOR NOTICES PURSUANT TO THIS AGREEMENT.
- 19. AUTHORITY. Each party signing this Agreement represents and warrants to the other party that it has full legal power, authority and right to execute, deliver and perform the obligations under this Agreement. Each party represents and warrants to the other party that the transactions contemplated by this Agreement and each person signing this Agreement and/or any document at the Closing has been duly authorized by all requisite action and that no remaining action or third-party consent is required.
- **20. AMENDMENT**. This Agreement cannot be amended except by a written document executed by the party against whom such amendment is to be enforced.

Pour

- 21. INVALIDITY. If any provision of this Agreement is determined to be invalid, ineffective, inoperative, unenforceable, or contrary to law, all of the remaining provisions of this Agreement shall remain in full force and effect.
- **22. ASSIGNMENT.** No party may assign this Agreement without the prior written consent of the other party.
- 23. ATTORNEY REVIEW. Buyer and Seller each acknowledge and agree that this Agreement is a legally binding document and that each party has had a full opportunity to have its respective attorney review, revise and negotiate this Agreement. Consequently, neither party shall be deemed to have had the responsibility of drafting this Agreement at any time is construed or interpreted.
- 24. GOVERNING LAW. This Agreement shall be governed by the law of the State of New Mexico.
- **25. WAIVER.** No waiver or failure by any party to enforce any breach of this Agreement shall be considered to be a waiver of any subsequent breach, regardless of the time, nature or form of the subsequent breach. All waivers must be in writing to be effective.
- 26. INTENT AND EXHIBITS. The parties to this Agreement affirm that the terms and provisions of this Agreement accurately reflect their intent. All exhibits and addenda to this Agreement are incorporated into this Agreement as operative provisions.
- 27. TIME OF THE ESSENCE. Time is of the essence under this Agreement.
- 28. CAPTIONS AND DEFINED TERMS. The headings and captions contained in this Agreement are for convenience and reference purposes only and shall not define, limit or otherwise affect the terms and conditions of this Agreement. Capitalized words shall have the definition specified in this Agreement, including the definitions set forth in the "Terms" paragraph.
- 29. COUNTERPARTS. This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one (1) document.
- 30. LIKE KIND EXCHANGE. Either party may elect to consummate this transaction as part of a so-called "like kind exchange" ("Exchange") pursuant to Section 1031 of the Internal Revenue Code, provided that: (i) the Exchange, to the extent necessary, if at all, may be effected through an assignment of rights under this Agreement to a qualified intermediary; (ii) neither party shall be required to take an assignment of the purchase or sale agreement for any exchange or replacement property, be required to acquire or hold title to any real property for the purposes of consummating the Exchange, or be required to expend any additional costs or expenses or incur any additional liability to

Max.

effect the Exchange; and, (iii) neither party shall be responsible for compliance with or be deemed to have warranted to the other that the Exchange in fact complies with Section 1031 of the Code.

- **31. SELLER'S CONTINGENCY.** Seller's obligation to close pursuant to this Agreement is contingent upon a closing by Seller on the acquisition of a replacement property.
- **32. BUYER'S APPROVAL CONTINGENCY**. Buyer's obligations pursuant to this Agreement and Buyer's obligation to the purchase of the Property are conditioned upon approval of this Agreement and the transaction covered by this Agreement by all of the following: The Regents of the University of New Mexico, the New Mexico Department of Education and the New Mexico State Board of Finance. The New Mexico State Board of Finance must approve all amendments to this Agreement.
- **33. LIMITATION**. Notwithstanding any other provision of this Agreement, Buyer's liabilities are subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et seq., NMSA 1978, as amended.

SELLER:

TROLLSBREATH STUDIOS, LLC, a New Mexico limited liability company

By:	Boutsero Can
	BARBARA L. CARR, Authorized
	Member

PATRICK A. CARR, Authorized
Member

Execution	Date: 4/////
Address:	2725 Espanola St., NE
	Albuguerque, NM 87110

Phone:______Facsimile:______Email:

BUYER:

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

1 011/

· V	11/2//
By: Da	if w tan
Print Name	: DAVID W. HARRIS
	utive Vice President, COO
and CFO	
Execution	Date: 3/30/2011
	c/o Real Estate Office
Attn:	Kim D. Murphy, Director
	Campus Blvd., NE
MSC	06-3595
Albug	uerque, NM 87131-3181
	(505) 277-4620
	(505) 277-6290
Email:	kmurphy@unm.edu
1	

REVIEWED AND APPROVED BY:

Bv:

KIM D. MURPHY, Urliversity of New Mexico

Director of Real Estate

APPROVED AS TO FORM FOR UNM:

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.

Ву:

MARK STYLES

P:\mss\UNM\1401-A University Carr Imaging\4 Purchase Agreement.doc

AMENDMENT TO PURCHASE AND SALE AGREEMENT

WHEREAS, Buyer and Seller have entered into a Purchase and Sale Agreement executed and effective on or about April 1, 2011 ("Agreement") covering property at 1401-A University Blvd., NE, Albuquerque, New Mexico.

WHEREAS, pursuant to the terms of this Amendment, Buyer and Seller wish to amend the Agreement.

In consideration of the mutual promises contained herein, the receipt and sufficiency of which is acknowledged by the parties to this Amendment, it is agreed as follows:

- 1. The foregoing recitals are incorporated herein as operative provisions of this Amendment.
 - 2. Paragraph 14 of the Agreement is revised as follows:

Before exercising any remedy, the non-defaulting party shall give the defaulting party five (5) days written notice specifying the default and the defaulting party shall be permitted to cure the default in such period. If an uncured default occurs under this Agreement, then this Agreement may be terminated at the option of the non-defaulting party. If the non-defaulting party elects to treat this Agreement as terminated, the Earnest Money, and all accrued interest thereon, shall be delivered to the non-defaulting party as In the event, however, the nonliquidated damages. defaulting party elects to treat this Agreement in full force and effect, the non-defaulting party shall have the right to specific performance. In no event shall either party be liable for lost profits, consequential damages, special damages and/or punitive damages.

- 3. Except as expressly modified by this Amendment, all terms and provisions of the Agreement remain in full force and effect.
- 4. This Amendment shall be governed by the law of the State of New Mexico.

BUYER:

SELLER:

THE REGENTS OF THE UNIVERSITY OF TROLLSBREATH STUDIOS, LLC, a New NEW MEXICO, a body corporate of the Mexico limited liability company State of New Mexico

DAVIOW. HARRIS, Executive Vice President for Administration. COO and CFO

By: Member

PATRICK A. CARR, Authorized Member

REVIEWED AND APPROVED BY:

KIM D. MURPHY. University of New Mexico

Director of Real Estate

APPROVED AS TO FORM FOR UNM:

HURLEY, TOEVS, STYLES, HAMBLIN & PANTER, P.A.