

PURCHASE AND SALE AGREEMENT

1. TERMS SUMMARY.

Date of Agreement, i.e., date of full execution (for reference purposes and for calculation of deadlines) June 6, 2008

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: American Property Company, a New Mexico general partnership

Property: Land and approximately 11,000 sq. ft. multi-tenant retail/office Building subject to two (2) long term leases dated December 1, 1990, originally between Sandia Foundation, as lessor, and Seller as lessee (collectively "Ground Leases")

Address: 1131 University Blvd., NE, Albuquerque, New Mexico

Legal Description: See Exhibit A

Purchase Price: \$800,000.00

Earnest Money: \$ None

Title Company: LandAmerica Albuquerque Title Company (Sue Dunworth)

Address: 625 Silver, SW, Suite 185
Albuquerque, NM

Phone: 830-5120 Facsimile: 830-5129 Email: sdunworth@landam.com

Inspection Period: ends June 2, 2008

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 **fifteen (15) business days** after the New Mexico State Board of Finance approval; provided that the final approval is obtained on or before July 16, 2008. In the event that the New Mexico State Board of Finance approval is not obtained by such date, either party at any time thereafter may terminate this Agreement by written notice to the other party.

Conveyance Documents:

- A. General Warranty Deed (subject to the existing Ground Leases)
- B. Assignment of the lessee's interest in the Ground Leases
- C. Assignment of Existing Leases
- D. Bill of Sale
- E. General Assignment of Approvals, Contracts and Development Rights

Broker: None, representing Seller _____,
(_____ is _____ is not a licensee in New Mexico), whose address is: _____

Broker: None, representing Buyer _____,
(_____ is _____ is not a licensee in New Mexico), whose address is: _____

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, elevators, signs, paving and landscaping. The Property includes all of Seller's interest in Existing Leases (as defined below), 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 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. 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, tax assessments and tax bills for the past **two (2) years**, utility bills for the past **two (2) years**, governmental and quasi-governmental notices, a schedule of all lawsuits (except suits initiated by Seller against tenants no longer occupying space at the Property) 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.

4. 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 and deliver to Buyer 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 (2005), including Table A Optional Survey Responsibilities and Specifications Item Nos. 1, 2, 3, 4, 8, 10, 11(a), 11(b), 13, 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, other rental or occupancy arrangements, and accounts, payment histories and other information related thereto (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 on or before June 30, 2008, Seller shall promptly give notice to Buyer of Seller's failure to obtain such Estoppel Certificate; and, in such event, Buyer may terminate this Agreement.

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 shall return the Property to the condition it was in prior to any entry, test and/or inspection by Buyer. All inspections and tests conducted by Buyer regarding the Property shall be promptly paid for by Buyer. Buyer agrees to be liable for and

agrees to defend Seller and the Property from any and all claims, liabilities, liens, losses, expenses, and/or damages arising out of or related to any such entry, inspections and/or tests by Buyer, its agents, contractors and employees, in connection with this Agreement, subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et seq., NMSA 1978 as amended.

7. 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 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 tenant's leasehold estate pursuant to the Ground Leases.

B. There is no adverse soil, topography, hydrology or drainage condition at the Property, other than drainage from adjoining property south of the Property.

C. 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, to Seller's knowledge.

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, to Seller's knowledge.

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 for 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 default presently exists pursuant to any of the Existing Leases. All of the existing Leases are listed on Exhibit B ("Rent Roll"). No person other than tenants pursuant to the existing Leases has any right to possession of the Property.

R. Seller has not collected and will not collect any rent or other monies related to the Property for any period after the Closing Date without transferring said monies to Buyer at the Closing.

S. No tenant or occupant of the Property is subject to any bankruptcy, receivership, probate or insolvency proceeding to Seller's knowledge.

T. No unpaid impact fee, special assessment, entitlement fee, and/or access fee exists regarding only improvements constructed at the Property as of the Closing Date, to Seller's knowledge.

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. To the extent required by the existing Ground Leases, 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 regarding improvements constructed at the Property as of the Closing Date, standby charges, prorata charges and other similar charges and/or assessments related to the Property existing as of the Closing.

B. Insurance. All insurance obtained by Seller will terminate on the Closing Date.

C. Rent, Security Deposits and Related Expenses. All rent and other similar monies, including but not limited to common area maintenance fees, operating expenses and other "pass-throughs," shall be prorated as of the Closing Date. All rents collected after the Closing Date shall belong to Buyer. All security deposits pursuant to the Existing Leases shall be delivered to Buyer and paid for by Buyer at the Closing.

D. Other Charges Related to the Property. All other charges related to the Property, including but not limited to utility bills, shall be paid by Seller through the Closing Date. All service contracts, management agreements and other contracts shall be terminated by Seller effective on or before the Closing Date. Buyer shall be responsible for changing over to Buyer all utilities as of the Closing Date. Title Company is hereby authorized to retain such monies out of the closing proceeds as are reasonably necessary to pay utility charges which could result in a municipal lien being filed against the Property for any period of time prior to the Closing Date.

11. 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.

12. 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. 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.

13. 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.

14. 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 the Ground Leases, title items not objected to by Buyer during the Inspection Period.

B. The Assignment of Existing Leases.

C. Assignment of the Ground Leases.

D. The Bill of Sale.

E. The General Assignment of Approvals, Contracts and Development Rights.

F. An affidavit executed by Seller providing that Seller is not a "foreign person" as established by Internal Revenue Code Section 1445 or successor statutes.

G. Other applicable closing documents required or specified by this Agreement.

H. Closing statement prepared by Title Company for Seller.

For the Closing, Buyer shall deliver the following:

A. The Purchase Price.

B. Other applicable closing documents required or specified by this Agreement.

C. Documents, if any, related to Buyer's financing for the Property.

D. 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 shall pay 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. Seller shall pay the premium for the New Mexico form Owner's Title Insurance Policy and deletion of Schedule B, Part II, Items 1-8 (modify 7). Buyer shall pay the premium for all other endorsements, deletions/modifications of Schedule B, II items and/or extended coverages selected by Buyer to the Owner's Title Insurance Policy.

15. POSSESSION. Possession of the Property (subject only to the tenants under the Existing Leases) shall be delivered by Seller to Buyer at the Closing.

16. 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. 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 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 this Property and/or this Agreement.

17. REAL ESTATE BROKERS. The parties represent to each other that they have not utilized the services of a real estate broker in the transaction covered by this Agreement.

18. 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.

19. BACK UP OFFERS. Seller may not solicit back-up offers to purchase the Property.

20. 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)** business 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.**

21. 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.

22. AMENDMENT. This Agreement cannot be amended except by a written document executed by the party against whom such amendment is to be enforced.

23. 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.

24. ASSIGNMENT. No party may assign this Agreement without the prior written consent of the other party.

25. 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 if this Agreement at any time is construed or interpreted.

26. GOVERNING LAW. This Agreement shall be governed by the law of the State of New Mexico.

27. 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.

28. 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.

29. TIME OF THE ESSENCE. Time is of the essence under this Agreement.

30. 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.

31. DURATION. If this Agreement is not fully executed by both Buyer and Seller on or before the Offer Expiration Date, the offer evidenced by this partially executed document shall be automatically withdrawn.

32. 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.

32. CONTINGENCY. Buyer's obligations pursuant to this Agreement and Buyer's obligation to the purchase of the Property are conditioned upon approval of the transaction covered by this Agreement by The Regents of the University of New Mexico, the New Mexico Department of Education and the New Mexico State Board of Finance. Buyer shall endeavor to obtain the approvals.

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:

AMERICAN PROPERTY COMPANY, a
New Mexico general partnership

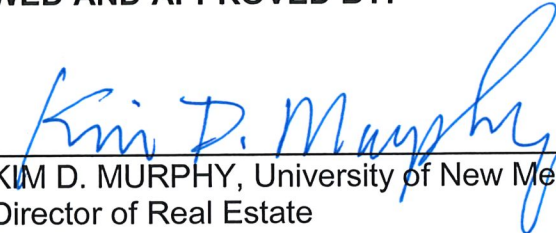
By: Jack Stahl
JACK STAHL, General Partner
Execution Date: 5/13/08
Address: 1911 Wyoming, NE
87112
Phone: 292-6633
Facsimile: 275-7899
Email: _____

BUYER:

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

By: David W. Harris
Print Name: DAVID W. HARRIS,
Its: Executive Vice President, COO and
CFO
Execution Date: 6/6/08
Address: c/o Real Estate Office
Attn: Kim D. Murphy, Director
1712 Las Lomas, NE
Albuquerque, NM 87131-3181
Phone: (505) 277-4620
Facsimile: (505) 277-6290
Email: kmurphy@unm.edu

REVIEWED AND APPROVED BY:

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.

By: 
MARK STYLES

PROPERTY DISCLOSURE STATEMENT- COMMERCIAL

This Property Disclosure Statement ("Statement") discloses Seller's current, actual knowledge of the condition of the Property (described below) as of the date signed by Seller. This Statement does not relieve Seller of the obligation to disclose a condition of the Property that may not be addressed on this form and/or a change in any condition of the Property occurring after the date of this Statement. This Statement is not a substitute for inspection by Buyer. Conditions may exist which are unknown to Seller. This Statement does not relieve a Buyer of the responsibility to independently review and investigate the Property. Seller understands and intends that the information and representations provided in this Statement will be relied upon. This Statement covers the property having an address of 1131 University Blvd., NE Albuquerque, New Mexico ("Property"). Seller, to the best of Seller's current, actual knowledge, represents, warrants and certifies to Buyer, and Buyer's agents, contractors, inspectors and lenders, as follows regarding the Property:

1. Material Physical Defects. There are not any material physical defects in the Property, any improvements at the Property, and/or structures on the Property (including, but not limited to the roof), except (if there are no exceptions write "NONE"): None.

2. Physical Damage. The Property has not suffered any material casualty, fire damage or other damage, except (if there are no exceptions write "NONE"): None.

3. Equipment. The mechanical systems, electrical systems, plumbing systems, heating, ventilating and air conditioning systems and equipment, sprinkler systems, telephone distribution systems (lines, jacks and connections only), and other similar equipment and fixtures existing on the Property are in good operating order and condition, except (if there are no exceptions write "NONE"): None.

4. Soil Conditions. The Property does not have any slipping, sliding, settling, flooding, ponding or any other grading, drainage or soil problems, except (if there are no exceptions write "NONE"): Surface water from the Hospital on the south side of the Property drains onto the rear of the Property.

5. Utilities and Assessments. The Property is served by the following utilities (check the appropriate boxes) X water service, X electric service, X natural gas, X telephone service, X and public sewer service. Owner represents and warrants that all costs and assessments related to such utilities have been fully paid.

6. Compliance with Laws. No aspect or condition of the Property violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, except (if there are no exceptions write "NONE"): None.

7. **Improvements.** No improvements or alterations have been made to the Property without any permit where a permit was required, except (if there are no exceptions write "NONE"): some Tenant Improvements such as doors, partitions, etc., may have been completed without a permit. The following certificates of occupancy have been issued regarding the Property: when the Building was completed, a certificate of occupancy was issued by the City of Albuquerque. Seller does not have a copy of such certificate of occupancy.

8. **Actions, Suits or Proceedings.** No action, suit or proceeding is pending or threatened before any court, arbitration tribunal, governmental agency, quasi-governmental agency, commission, board, bureau, or instrumentality that would affect the Property or the right or ability of an owner or tenant to convey, occupy or utilize the Property, except (if there are no exceptions write "NONE"): None.

9. **Governmental Proceedings.** No existing or threatened condemnation, environmental, zoning, redevelopment agency plan or other land use regulation proceeding exists, except (if there are no exceptions write "NONE"): None.

10. **Contracts.** No service contract or other contract exists affecting the Property, except (if there are no exceptions write "NONE"): landscape maintenance.

11. **Unrecorded Title Matters.** No unrecorded claim, encumbrance, covenant, condition, restriction, easement, lien, charge or other matter exists regarding the Property, except (if there are no exceptions write "NONE"): tenant leases identified on Exhibit B.

12. **Leases.** No lease, sublease or other tenancy agreement exists affecting the Property, except (if there are no exceptions write "NONE"): tenant leases identified on Exhibit B and two (2) ground leases payable to the University of New Mexico.

13. **Options.** No option to purchase, option to lease, right of first refusal, right of first offer or other similar agreement exists regarding the Property, except (if there are no exceptions write "NONE"): Letter of Intent with the University of New Mexico.

SELLER:

AMERICAN PROPERTY COMPANY, a New Mexico
general partnership

By: Jack Stahl
JACK STAHL, General Partner

By signing below, Buyer acknowledges receipt of this Statement. By signing below, however, Buyer has not indicated approval or disapproval of the Property and/or the information contained in this Statement.

BUYER:

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

By: *Kevin D. Murphy, Director of Real Estate, for*
Print Name: DAVID W. HARRIS
Its: Executive Vice President, COO and CFO
Execution Date: 6/6/08

Exhibit A

Tract "KK", as shown and designated on the Plat of Various Tracts of Lands of Southwestern Construction Company, et al, Albuquerque, New Mexico, filed for assessment purposes in the office of the County Clerk, Bernalillo County, New Mexico, on January 6, 1967 in Volume C6, folio 149, being more particularly described as follows: A tract of land situate in Section 16, Township 10 North, Range 3 East, N.M.P.M., within the City of Albuquerque, New Mexico, and being more particularly described as follows: Beginning at the Southeast corner No. 1 of the tract herein set forth, a point on the Westerly right of way line of University Boulevard NE, being the identical Northeast corner of the land of the Osteopathic Hospital, and a point whence the Northeast corner of Block 24 of the Country Club Addition, First Extension North, Albuquerque, New Mexico, 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 the 16th day of May, 1938, bears S.07 deg. 47' 54" E., 2178.63 feet distant; and running thence
N. 81 deg. 23' W., 563.13 feet to the Southwest corner No. 2 of the tract herein set forth; thence
N. 18 deg. 46' 50 W, 181.14 feet to the Northwest corner No. 3 of the tract herein set forth; thence
S. 81 deg. 23' E., 571.44 feet to the Northeast corner No. 4 of the tract herein set forth, a point on curve on said Westerly right of way line of said University Boulevard NE; thence
Southeasterly along a curve left having a radius of 1949.71 feet, along said said Westerly right of way line of said University Boulevard NE, a distance along arc of 141.37 feet (chord = S. 15 deg. 58' 22"E., 141.34 feet) to the end of said curve and corner no. 5 of the tract herein set forth; thence
S. 18 deg. 03' E., 36.17 feet continuing along said Westerly right of way line of said University Boulevard NE to the Southeast corner No. 1 of the tract herein set forth and the place of beginning.

American Property Company
 (University Plaza)
 Rent Roll
 January 1, 2008

<u>Suite</u>	<u>Tenant</u>	<u>Size</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>	<u>Per Sq. Ft. Rent</u>	<u>Occupancy Date</u>	<u>Lease Expires</u>
A & B	Satellite Coffee	2,200 sf	\$3,000.00 *	\$36,000.00	\$16.36	12/01/07	01/31/18
C, D & E	Forms Plus	3,230 sf	\$2,175.00	\$26,100.00	\$8.08	09/01/91	2/28/09***
F & G	Smith & Nephew, Inc.	2,270 sf	\$2,000.00	\$24,000.00	\$10.57	02/17/92	8/31/2009
H & J	AC Engineering	2,200 sf	\$1,895.00	\$22,740.00	\$10.34	06/01/07	05/31/10
K	Educational Enterprises	1,100 sf	\$1,086.00 **	\$13,023.00	\$11.85	08/01/06	07/31/09
		11,000 sf	\$10,156.00	\$121,863.00			

* Yearly CPI increases plus tenant pay water

**Increases to \$1,119/mo on 8/1/08

***Option to renew for 1 (one) year; Lessee has right to terminate lease after Aug. 1st, 2008 by giving 60 (sixty) days advance notice and paying a \$2000.00 termination fee in addition to rental owed to the date of the early termination

Exhibit B