



EXECUTIVE COMMITTEE SPECIAL MEETING

Teleconference

Friday, September 16, 2016

9:00 a.m.

AGENDA

- I. Call to Order
- II. Roll Call/Ascertain Quorum
- III. Approval of Agenda
- IV. Real Estate Update- 1451 Innovation Parkway, Albuquerque, NM
- V. Adjournment

September 6, 2016

David Peters
REA Management, LLC
122 Tulane Dr SE
Albuquerque, NM 87106

RE: Letter of Intent to Purchase 1401 Innovation Parkway

Dear David;

On behalf of **Cooperative Educational Services (C.E.S)**, I am proud to present to you the following Letter of Intent to Purchase **1401 Innovation Parkway, Albuquerque, NM** as follows:

BUYER: Cooperative Educational Services (C.E.S)

SELLER: Union Pension Transaction Trust 2000-7 NM

SUBJECT PROPERTY: Approximately 2 acres of vacant land to be subdivided from the property known as **TR F-2 PLAT OF TRACTS F-1 & F-2 SANDIA SCIENCE & TECHNOLOGY PARK (A REPLAT OF TRACT F SANDIA SCIENCE AND TECHNOLOGY** as shown per Exhibit "A".

PROPERTY SUBDIVISION: Seller shall obtain, at Seller cost, a plat to subdivide and create the Property described above. Seller shall submit the plat to Buyer to review and approve before Seller shall proceed with the final City approval process. Buyer shall have five (5) days from receipt of the plat to review and respond. Buyer shall be deemed to approve the plat unless Buyer provides written substantiation and justification for disapproval of the plat.

PURCHASE PRICE: **Two dollars and fifty cents (\$2.50) per square foot.** Final plat will define land area and final purchase price.

FINANCING: Cash Offer.

EARNEST MONEY: **Ten Thousand Dollars (\$10,000.00)** Earnest Money is to be deposited in an interest bearing account with a mutually acceptable Title Company. Said earnest money shall be deposited within five (5) business days of a fully executed Purchase Agreement.

TITLE COMPANY: Rio Grande Title - Attn: Mark Bidwell
6400 Indian School Rd NE, Albuquerque, NM 87110

DUE DILIGENCE PERIOD:

The Due Diligence Period shall be up to sixty (60) days from the date of a fully executed Purchase Agreement and receipt of all Due Diligence Information listed below.

~~Buyer may extend the Due Diligence Period by thirty (30) days, provided that Buyer notifies Seller, in writing, two (2) days in advance of the expiration of the Due Diligence Period~~

Buyer shall give written notice to Seller before the expiration of the Due Diligence Period of Buyer's decision to proceed with its acquisition of the Property.

DUE DILIGENCE INFORMATION:

Seller shall deliver to Buyer, at Seller's expense, within five (5) days after execution of a Purchase Agreement the following documents pertaining to the Property:

- An existing Phase I – if available
- An existing ALTA Survey
- All contracts, and other such agreements, affecting the Property.
- A Title Binder benefitting the Buyer.
- Any notices or reports, within the Seller's possession, and any reports that have been received from governmental authorities.

CONDITIONS PRECEDENT/ CONTINGENCIES

Buyer is responsible for all costs associated with the investigation of the Property and shall determine if the Property meets Buyer's requirement during the Due Diligence Period. This offer is subject to and contingent upon the following:

- Buyer's review and approval of the Due Diligence Information.
- Buyer's and/or their agent's inspection and approval of the Property.
- Buyer's approval of the Purchase Agreement.
- The Property shall be conveyed by Special Warranty Deed.
- Buyer's approval of the plat to create the property.
- Buyer is in negotiations with the Seller to purchase the property located at 1451 Innovation Parkway. The closings of either property are subject to the simultaneous closing of both properties.

TITLE INSURANCE:

At closing, Seller is to provide Buyer with an Owner's Title Insurance Policy with standard exceptions 1, 2, 3, 4, & 5 removed.

CLOSING COST: Buyer to pay one-half of document preparation fees, one-half of Title Company closing fees and any extended Title Insurance coverage.

Seller to pay for the costs of an Owner's Title Insurance Policy standard exceptions 1, 2, 3, 4, & 5 removed, one-half of document preparation fee, one-half of Title Company closing fees and any and all other customary closing costs involved in this transaction.

CLOSING DATE: Within **one hundred twenty days (120)** after the execution of the purchase agreement, the of removal of Contingencies and the recording of the plat.

**FORMAL
PURCHASE**

AGREEMENT: The formal purchase agreement and related documents shall be prepared by the Buyer's attorney, at Buyer's expense within seven (7) days of acceptance of this Letter of Intent. Each party shall pay their own attorney's fees.

UNION WORK

ON PROPERTY: Buyer acknowledges that all construction, improvements on Property and work to the Property will be completed by Union affiliated contractors and sub-contractors which includes the Plumber & Pipefitters, Carpenters and Electricians.

**BASIC LICENSEE
DUTIES:**

Both Buyer and Seller have received and reviewed the attached Basic Licensee Duties explaining the licensee duties available to consumers and understand the Broker Relationships involved in this transaction.

**BROKER
RELATIONSHIPS:**

NAI Maestas & Ward Commercial Real Estate is understood to exclusively represent the Buyer as Buyer's Transaction Broker. REA Management, LLC is understood to exclusively represent the Seller as Seller's Transaction Broker. No agency relationship between the parties is intended or created by this proposal except as expressly agreed to in writing signed by the parties.

REA Management, LLC is the property manager for the property, and has a relationship with Union Development Corporation and related Real Estate Ownership Entities (LLCs) wherein it manages certain retail and office properties for LLCs that are managed by Union Development Corporation.

COMMISSIONS: Owner agrees to pay a commission to Buyer's Broker equal to five percent (5%) of the sales price, plus New Mexico Gross Receipts Tax. Commission shall be paid at closing from the proceeds of the sale.

NAI Maestas & Ward

NON-BINDING: The terms set forth in this proposal shall not be binding on either party, with respect to enforcing the sale of the Sale Property, until the Purchase Agreement is fully executed by Buyer and Seller. However, Buyer and Seller are obligated to timely perform those obligations set forth herein which are required to occur prior to the mutual execution of the Purchase Agreement.

This Proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto. This proposal shall expire on Friday, September 9, 2016 at 4:00 p.m. MST.

Should you find the above terms and conditions acceptable, please sign below acknowledging your approval.

Sincerely,



Steve Kraemer, CCIM
Senior Advisor

BUYER:
Cooperative Educational Services

SELLER:
Union Pension Transaction Trust
2000-7 NM

By: _____

By: _____

Print Name: _____

Print Name: _____

EXHIBIT "A"
Additional two (2) acres of adjacent land
(Location and size is an estimate)



Additional 2 acres of vacant land

REALTORS® ASSOCIATION OF NEW MEXICO

BROKER DUTIES

Every licensed New Mexico Real Estate Broker is obligated to disclose Broker Duties. Please acknowledge information by signing or initialing at the bottom of this page. Disclosure: The following brokerage relationships are available in the State of New Mexico: (1) transaction broker, (2) exclusive agency, and (3) dual agency (see RANM Form 1401, p.2).

Prior to the time an Associate Broker or Qualifying Broker generates or presents any written document that has the potential to become an express written agreement, the Broker shall disclose in writing to a prospective buyer, seller, landlord or tenant, the following list of Broker Duties that are owed to all Customers and Clients by all Brokers regardless of the brokerage relationship:

- (A) Honesty and reasonable care; as set forth in the provisions of this section;
- (B) Compliance with local, state, and federal fair housing and anti-discrimination laws, the New Mexico Real Estate License Law and the Real Estate Commission Rules and Regulations, and other applicable local, state, and federal laws and regulations;
- (C) Performance of any and all oral or written agreements made with the Broker's Customer or Client;
- (D) Assistance to the Broker's Customer or Client in completing the Transaction, unless otherwise agreed to in writing by the Customer and Client, including (1) Presentation of all offers or counter-offers in a timely manner, and (2) Assistance in complying with the terms and conditions of the contract and with the closing of the Transaction;
If the Broker in a Transaction is not providing the service, advice or assistance described in D(1) and D(2) the Customer or Client must agree in writing that the Broker is not expected to provide such service, advice or assistance, and the Broker shall disclose such agreement in writing to the other Brokers involved in the Transaction;
- (E) Acknowledgement by the Broker that there may be matters related to the Transaction that are outside the Broker's knowledge or expertise and that the Broker will suggest that the Customer or Client seek expert advice on these matters;
- (F) Prompt accounting for all monies or property received by the Broker;
- (G) Prior to the time the Associate Broker or Qualifying Broker generates or presents any written document that has the potential to become an express written agreement, written disclosure of (1) any written Brokerage Relationship the Broker has with any other Parties to the Transaction; (2) any material interest or relationship of a business, personal, or family nature that the Broker has in the Transaction; and (3) other Brokerage relationship options available in New Mexico;
- (H) Disclosure of any adverse material facts actually known by the Broker about the property or the Transaction, or about the financial ability of the Parties to the Transaction to complete the Transaction. Adverse material facts do not include data from a sex offender registry or the existence of group homes;
- (I) Maintenance of any confidential information learned in the course of any prior Agency relationship unless the disclosure is with the former Client's consent or is required by law;
- (J) Unless otherwise authorized in writing, a Broker shall not disclose to their Customer or Client during the transaction that their Seller Client or Customer has previously indicated they will accept a sales price less than the asking or listed price of the property; that their Buyer Client or Customer has previously indicated they will pay a sales price greater than the price submitted in a written offer; the motivation of their Client or Customer for selling or buying property; that their Seller Client or Customer or their Buyer Client or Customer will agree to financing terms other than those offered; or any other information requested in writing by the Broker's Customer or Client to remain confidential, unless disclosure is required by law.

REALTORS® ASSOCIATION OF NEW MEXICO

BROKER DUTIES

Effective January 1, 2007, the New Mexico Real Estate Commission requires the disclosure of the following brokerage relationships (as quoted from 16.61.19.9 NMAC, 1-1-2004):

- 16.61.19.9 **BROKERAGE RELATIONSHIPS:** Brokerage working with consumers either as customers or clients may do so through a variety of brokerage relationships. These relationships include but are not limited to an exclusive agency relationship, a dual agency relationship, or a transaction broker relationship. For all regulated real estate transactions, a buyer, seller, landlord or tenant may enter into an express written agreement to become a client of a brokerage without creating an agency relationship, and no agency duties will be imposed.
- A. **Exclusive agency:** an express written agreement between a persona and a brokerage wherein the brokerage agrees to exclusively represent as an agent the interests of the person in a real estate transaction. Such agreements include buyer agency, seller agency, designated agency, and sub agency agreements.
 - B. **Dual agency:** an express written agreement that modifies existing exclusive agency agreements to provide that the brokerage agrees to act as a facilitator in a real estate transaction rather than as an exclusive agent for either party to the transaction.
 - C. **Transaction broker:** a brokerage that provides real estate services without entering into an agency relationship.

By: _____
Buyer

September 6, 2016

David Peters
REA Management, LLC
122 Tulane Dr SE
Albuquerque, NM 87106

RE: Letter of Intent to Purchase 1451 Innovation Parkway

Dear David;

On behalf of **Cooperative Educational Services (C.E.S)**, I am proud to present to you the following Letter of Intent to Purchase **1451 Innovation Parkway, Albuquerque, NM** as follows:

BUYER: Cooperative Educational Services (C.E.S)

SELLER: Sandia Synergy Center, LLC

SUBJECT PROPERTY: A free standing office building consisting of approximately 28,000 square feet located on approximately 2.8 acres of land as per Exhibit "A".

PURCHASE PRICE: Three Million Two Hundred Fifty Thousand Dollars. (\$3,250,000.00).

FINANCING: Cash Offer.

EARNEST MONEY: **Forty Thousand Dollars (\$40,000.00)** Earnest Money is to be deposited in an interest bearing account with a mutually acceptable title Company. Said earnest money shall be deposited within five (5) business days of a fully executed Purchase Agreement.

TITLE COMPANY: Rio Grande Title - Attn: Mark Bidwell
6400 Indian School Rd NE, Albuquerque, NM 87110

DUE DILIGENCE PERIOD: The Due Diligence Period shall be up to sixty (60) days from the date of a fully executed Purchase Agreement and receipt of all Due Diligence Information listed below.

Buyer may extend the Due Diligence Period by sixty (60) days, provided that Buyer notifies Seller, in writing, two (2) days in advance of the expiration of the Due Diligence Period. If Buyer extends the Due

Diligence Period, ten thousand dollars (\$10,000) of the Earnest Money shall become nonrefundable.

Buyer shall give written notice to Seller before the expiration of the Due Diligence Period of Buyer's decision to proceed with its acquisition of the Property.

DUE DILIGENCE INFORMATION:

Seller shall deliver to Buyer, at Seller's expense, within five (5) days after execution of a Purchase Agreement the following documents pertaining to the Property:

- An existing Phase I – if available
- An existing ALTA Survey
- Operating income and expense statement for the Subject Property for the past three (3) years.
- All contracts, and other such agreements, affecting the Property, including but not limited to existing lease agreements.
- A Title Binder benefitting the Buyer.
- Copy of all building plans in Seller's possession.
- Any notices or reports, within the Seller's possession, and any reports that have been received from governmental authorities.
- Copies of all maintenance records for the property.

CONDITIONS PRECEDENT/ CONTINGENCIES

Buyer is responsible for all costs associated with the investigation of the Property and shall determine if the Property meets Buyer's requirement during the Due Diligence Period. This offer is subject to and contingent upon the following:

- Buyer's review and approval of the Due Diligence Information.
- Buyer's and/or their agent's inspection and approval of the Property and improvements thereon.
- Buyer's approval of the Purchase Agreement.
- The Property shall be conveyed by Special Warranty Deed.
- Buyer is in negotiations with the Seller to purchase the property located at 1401 Innovation Parkway. The closings of either property are subject to the simultaneous closing of both properties.

- TITLE INSURANCE:** At closing, Seller is to provide Buyer with an Owner's Title Insurance Policy with standard exceptions 1, 2, 3, 4, & 5 removed.
- CLOSING COST:** Buyer to pay one-half of document preparation fees, one-half of Title Company closing fees and any extended Title Insurance coverage.
- Seller to pay for the costs of an Owner's Title Insurance Policy standard exceptions 1, 2, 3, 4, & 5 removed, one-half of document preparation fee, one-half of Title Company closing fees and any and all other customary closing costs involved in this transaction.
- CLOSING DATE:** Within **one hundred twenty days (120)** after the execution of the purchase agreement and the removal of Contingencies.
- FORMAL PURCHASE AGREEMENT:** The formal purchase agreement and related documents shall be prepared by the Buyer's attorney, at Buyer's expense within seven (7) days of acceptance of this Letter of Intent. Each party shall pay their own attorney's fees.
- BASIC LICENSEE DUTIES:** Both Buyer and Seller have received and reviewed the attached Basic Licensee Duties explaining the licensee duties available to consumers and understand the Broker Relationships involved in this transaction.
- BROKER RELATIONSHIPS:** NAI Maestas & Ward Commercial Real Estate is understood to exclusively represent the Buyer as Buyer's Transaction Broker. REA Management, LLC is understood to exclusively represent the Seller as Seller's Transaction Broker. No agency relationship between the parties is intended or created by this proposal except as expressly agreed to in writing signed by the parties.
- REA Management, LLC is the property manager for the property, and has a relationship with Union Development Corporation and related Real Estate Ownership Entities (LLCs) wherein it manages certain retail and office properties for LLCs that are managed by Union Development Corporation.
- COMMISSIONS:** Owner agrees to pay a commission to Buyer's Broker equal to three percent (3%) of the sales price, plus New Mexico Gross Receipts Tax. Commission shall be paid at closing from the proceeds of the sale.
- NON-BINDING:** The terms set forth in this proposal shall not be binding on either party, with respect to enforcing the sale of the Sale Property, until the Purchase Agreement is fully executed by Buyer and Seller. However, Buyer and Seller are obligated to timely perform those obligations set forth herein which are required to occur prior to the mutual execution of the Purchase Agreement.

NAI Maestas & Ward

This Proposal is intended solely as a preliminary expression of general intentions and is to be used for discussion purposes only. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties. The parties agree that this letter/proposal is not intended to create any agreement or obligation by either party to negotiate a definitive lease/purchase and sale agreement and imposes no duty whatsoever on either party to continue negotiations, including without limitation any obligation to negotiate in good faith or in any way other than at arm's length. Prior to delivery of a definitive executed agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into negotiations with other parties and/or (3) unilaterally terminate all negotiations with the other party hereto. This proposal shall expire on Friday, September 9th, 2016 at 4:00 p.m. MST.

Should you find the above terms and conditions acceptable, please sign below acknowledging your approval.

Sincerely,



Steve Kraemer, CCIM
Senior Advisor

BUYER:
Cooperative Educational Services

SELLER:
Sandia Synergy Center, LLC

By: _____

By: _____

Print Name: _____

Print Name: _____

EXHIBIT "A"
Subject Property



SUBJECT PROPERTY

REALTORS® ASSOCIATION OF NEW MEXICO

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- (B) Compliance with local, state, and federal fair housing and anti-discrimination laws, the New Mexico Real Estate License Law and the Real Estate Commission Rules and Regulations, and other applicable local, state, and federal laws and regulations;
- (C) Performance of any and all oral or written agreements made with the Broker's Customer or Client;
- (D) Assistance to the Broker's Customer or Client in completing the Transaction, unless otherwise agreed to in writing by the Customer and Client, including (1) Presentation of all offers or counter-offers in a timely manner, and (2) Assistance in complying with the terms and conditions of the contract and with the closing of the Transaction;
If the Broker in a Transaction is not providing the service, advise or assistance described in D(1) and D(2) the Customer or Client must agree in writing that the Broker is not expected to provide such service, advise or assistance, and the Broker shall disclose such agreement in writing to the other Brokers involved in the Transaction;
- (E) Acknowledgement by the Broker that there may be matters related to the Transaction that are outside the Broker's knowledge or expertise and that the Broker will suggest that the Customer or Client seek expert advise on these matters;
- (F) Prompt accounting for all monies or property received by the Broker;
- (G) Prior to the time the Associate Broker or Qualifying Broker generates or presents any written document that has the potential to become an express written agreement, written disclosure of (1) any written Brokerage Relationship the Broker has with any other Parties to the Transaction; (2) any material interest or relationship of a business, personal, or family nature that the Broker has in the Transaction; and (3) other Brokerage relationship options available in New Mexico;
- (H) Disclosure of any adverse material facts actually known by the Broker about the property or the Transaction, or about the financial ability of the Parties to the Transaction to complete the Transaction. Adverse material facts do not include data from a sex offender registry or the existence of group homes;
- (I) Maintenance of any confidential information learned in the course of any prior Agency relationship unless the disclosure is with the former Client's consent or is required by law;
- (J) Unless otherwise authorized in writing, a Broker shall not disclose to their Customer or Client during the transaction that their Seller Client or Customer has previously indicated they will accept a sales price less than the asking or listed price of the property; that their Buyer Client or Customer has previously indicated they will pay a sales price greater than the price submitted in a written offer; the motivation of their Client or Customer for selling or buying property; that their Seller Client or Customer or their Buyer Client or Customer will agree to financing terms other than those offered; or any other information requested in writing by the Broker's Customer or Client to remain confidential, unless disclosure is required by law.

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- A. **Exclusive agency:** an express written agreement between a persona and a brokerage wherein the brokerage agrees to exclusively represent as an agent the interests of the person in a real estate transaction. Such agreements include buyer agency, seller agency, designated agency, and sub agency agreements.
 - B. **Dual agency:** an express written agreement that modifies existing exclusive agency agreements to provide that the brokerage agrees to act as a facilitator in a real estate transaction rather than as an exclusive agent for either party to the transaction.
 - C. **Transaction broker:** a brokerage that provides real estate services without entering into an agency relationship.

By: _____
Buyer