

REAL ESTATE CONTRACT

This contract is made on this 1st day of March 1989, by and between BEN LINGNAU, JR., GRACE DEAN EDWARDS, and BETTY JANE JANSSEN, being all of the heirs of Ben Lingnau, Sr., having a notice address of 116 Grand Avenue, hereinafter collectively called the Seller, and THE FRATERNAL ORDER OF THE EAGLES, MEADOW CITY AERIE NUMBER 3815, having a notice address of 211 Grand Avenue, Las Vegas, New Mexico, 87701 hereinafter called the Purchaser.

IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN CONTAINED, THE PARTIES AGREE AS FOLLOWS:

1. SALE:

The Seller, in consideration of the promises and agreements herein made by the Purchaser agrees to sell and convey to the Purchaser all of the real estate and improvements thereupon which are located at 211 Grand Avenue, Las Vegas, San Miguel County, New Mexico, said realty hereinafter called the "Property". A more particular description of the property is attached hereto, marked Exhibit "A" and made a part hereof by reference. The Seller agrees, upon completion of all terms and conditions of this contract by the Purchaser, that the Purchaser shall then receive the Warranty Deed and related documents

RETURN: BANK OF LAS VEGAS

placed in escrow with this contract.

2. Price and Payment

The Purchaser agrees to buy the Property and to pay Seller therefor, the total sum of one hundred twenty five thousand dollars (\$125,000), payable as follows:

a. The sum of twenty five thousand dollars (\$25,000.00), in cash or the equivalent thereof, as a down payment, the receipt of which is hereby acknowledged;

b. The balance in the sum of one hundred thousand dollars (\$100,000.00), payable in monthly installment payments of six hundred dollars (\$600.00) per month, first such payment to be paid on the 1st day of April, 1989. The payments as above provided shall be paid to the escrow agent and continue until the entire unpaid balance of the purchase price (exclusive of any prior lien or obligation being assumed) plus any accrued interest due to the Seller is fully paid. Said unpaid balance shall bear interest at the rate of six and one-half percent (6 1/2%) per annum, such interest beginning to accrue on the 1st day of March, 1989. Payments shall be applied as of the date of receipt by the escrow agent, first to accrued interest and then to the principal balance of this contract.

c. All payments shall be assumed to be regular payments and not pre-payments, unless specified by Purchaser in writing at the time of delivering such payment to escrow agent. Unless otherwise provided, Purchaser may pre-pay the unpaid

balance in whole or in part at anytime, without penalty. Any prepayment shall be credited first to any accrued interest, then to the principal balance of this contract, exclusive of assumed liens or obligations, then to assumed liens or obligations as described in this paragraph. Notwithstanding any partial prepayments, Purchaser shall make the next regularly scheduled payment.

d. Should Purchaser fail to make any of the payments or perform any of the other obligations required hereunder, including the payment of any assumed obligation, and if Seller's attorney makes written demand therefor pursuant to Paragraph 5 below, the Purchaser shall pay within the time allowed the additional sum of fifty dollars (\$50.00), unless otherwise stated, for Seller's attorney's fees.

e. Seller discloses hereby that the following liens or obligations are currently outstanding on the Property:

<u>Type of Lien</u> <u>or Name of</u> <u>Obligation Holder</u>	<u>Loan Number</u>	<u>Recording Data: Book & Page</u>
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Purchaser does not assume or agree to pay the above described obligations. All payments due on such liens or obligations shall be remitted by the escrow agent to the person or company to who they are payable out of the payments made by Purchaser. If the payments made by Purchaser are insufficient

to satisfy the amounts due to be made on the above described liens or obligations, Seller shall pay escrow agent such additional funds as are necessary to keep such liens or obligations current.

f. Should Purchaser fail to pay any such installment payment prior to the same becoming delinquent, Seller may pay the same for the protection of the Property and his interest therein. Payment by Seller shall not be deemed a waiver of Purchaser's defaults and the amounts so paid by Seller shall be immediately due and payable to Seller and shall bear interest until paid at the same rate as provided in Paragraph two (2) above.

3. Insurance, Taxes and Paving Liens, Seller's Rights

a. The Purchaser agrees to keep the insurable improvements on the Property insured against the hazards covered by fire and extended coverage insurance, with an insurance company satisfactory to the Seller, in a sum not less than the contract balance hereunder, for the benefit of Purchaser and Seller as their interests may appear, and to furnish a copy of the insurance policy or certificate of the insurance policy to Seller annually, prior to expiration of existing insurance.

b. Unless otherwise stated herein, property taxes for the current year have been divided and prorated between Seller and Purchaser as of the date of this Contract, and the Purchaser shall be responsible for and will pay the taxes and assessments

of every kind hereafter billed. Purchaser agrees to have the Property assessed for taxation in Purchaser's name. Upon request by Seller, Purchaser will provide to Seller copies of tax receipts for each year to Seller.

c. Unless otherwise state herein, Purchaser assumes any paving and/or other improvement lien and/or stand by charges now assessed against the Property and agrees to pay all installments of principal and interest thereon as the same hereafter become due.

d. Should the Purchaser fail to pay insurance premiums, taxes and assessments, paving liens, improvement liens, or stand by charges, or other such matters prior to the same becoming delinquent, Seller may pay the same (but is not obligated to do so) for protection of the Property and the interest of Seller therein. Payment of such charges shall not be deemed a waiver of any default of Purchaser for failing to pay such charges, and such amounts as have been so paid shall be immediately due and payable to Seller, and shall bear interest until paid at the same rate as provided in Paragraph two (2) above.

4. Possession by Purchaser

Purchaser shall be entitled to take possession of the Property and retain possession of it, unless and until Purchasers' interests under this contract shall be terminated by Seller as provided in Paragraph five (5) below. Legal title to

the Property shall remain in Seller's name until this contract has been fully performed upon the part of Purchaser, and the Warranty Deed and associated documents delivered as specified.

5. Seller's Rights upon Default

a. Time is of the essence of this contract, meaning that the parties shall perform their prospective obligations within the times stated. If Purchaser fails to make any of the payments required in Paragraph Two (2) above, at the times specified, or fails or refuses to maintain insurance or to pay taxes, assessments, or other charges against Property, or fails or refuses to pay any sums advanced by the Seller under the provisions of Paragraph three (3) above, the Seller may make written demand upon the Purchaser with such notice to specify the default and the curative action required, at the notice address of Purchaser set forth above. From time to time, the Purchaser may designate by a notarized statement delivered to the escrow agent, such other address as Purchaser desires to use for notice herein, which change of address will be effective on the seventh (7th) calendar day after receipt of the same by the escrow agent.

b. Notice in writing will be given by certified mail with return receipt requested, addressed to the Purchaser at the effective notice address for Purchaser as provided hereinabove with a copy to escrow agent. Purchaser expressly acknowledges that notice by mail in the manner above specified, is sufficient for all purposes.

c. If the Purchaser fails or neglects to cure any default within sixty (60) days after the date of mailing Seller's notice of default, then the Seller may, at the option of Seller, either declare the whole amount remaining unpaid to be then due and proceed to enforce payment of the entire unpaid balance, plus any accrued interest and penalties, together with reasonable attorney's fees, or Seller may terminate Purchaser's rights to the Property and retain all sums paid as liquidated damages to that date for the use of the Property, and all the rights of Purchaser in the Property shall thereupon end. If the final date for curing the default shall fall on Saturday, Sunday, or a non-business day of the escrow agent, then the period for curing the default shall extend to the close of business on the next regular business day of the escrow agent. Acceptance of escrow agent of any payment tendered shall not be deemed a waiver by Seller, or extend the time for cure, of for any default under this contract. In the event of termination, Purchaser hereby waives any and all rights and claims for reimbursement of improvements Purchaser may have made upon the Property.

d. The recordable affidavit made by Seller, his agent, or escrow agent, identifying the parties, stating the legal description of the property or the recording data of this contract and stating the date that notice was duly given as

provided above, that the specified default has not been cured within the time allowed and that the Seller has elected to terminate, and delivered to the escrow agent shall be conclusive proof for the escrow agent and any subsequent Purchaser or encumbrancer for value of such uncured default and election of termination.

e. Upon termination, Purchaser has no continuing right to possession. Purchaser remains in possession of the property after this contract has been terminated as above provided, Purchaser shall then become a tenant at will, for a rental amount equivalent to the installment payment theretofore required as monthly payments under this contract, with the first such rental payment due immediately, in advance, and such tenancy being subject to terminacy by either party by thirty (30) days sepearate prior written notice. Seller's acceptance of such rental payments shall not be deemed as any waiver of the rights of Seller, nor shall it constitute any manner of estoppel.

f. Forceable entry and detainer proceedings, in addition to any other appropriate legal remedies may be utilized by the Seller if necessary to obtain possession of the Property following termination of this contract and the termination of Purchaser's continued tenancy thereafter. If such proceedings are filed, Purchaser shall be liable for Seller's reasonable attorney's fees, plus the legal costs of such action.

6. TITLE INSURANCE:

Unless otherwise provided herein, Seller is delivering a binder of a Contract Purchaser's title insurance policy, to include survey protection, to Purchaser at the time this Contract is made, showing merchantable fee simple title to the Property to be vested in Seller as of the date of this Contract, subject only to matters referred to in this Contract. Seller covenants and agrees to provide a policy of title insurance to Purchaser, upon performance in full of the duties of Purchaser hereunder, which policy shall be in conformity with the said binder. Seller agrees to provide such policy of title insurance at the expense of Seller.

7. ASSIGNMENT:

No right or title of Purchaser hereunder shall be assigned without the prior consent of Seller, which consent shall not be unreasonably withheld. No modification of this contract shall be validly binding unless such modification is in writing, duly dated, and signed by both parties.

8. BINDING EFFECT:

This contract shall extend to and be obligatory upon the heirs, executors, administrators, personal representatives, successors and assigns of the parties to this contract.

9. APPOINTMENT OF AND INSTRUCTIONS TO ESCROW AGENT:

The parties hereby appoint The Bank of Las Vegas 622 Douglas Avenue, Las Vegas, New Mexico, to serve as escrow agent herein. Seller covenants and agrees to pay all costs and fees of escrow herein.

The following papers are herewith placed in escrow:

- a. The signed duplicate original or the original copy of this contract;
- b. Original Warranty Deed signed by Seller;
- c. Original Special Warranty Deed signed by the Purchaser.
- d. N/A

All payments shall be deemed provisionally accepted when tendered, subject to determination by the escrow agent of the correct amount and its timeliness. Upon full payment of all amounts due and owing the Seller under this Contract by the Purchaser, the escrow agent is directed to release and deliver all documents in escrow to the Purchaser. If the Seller or his agent delivers an affidavit of uncured default and election of termination, as described in Paragraph Five (5), above, to the escrow agent, then the escrow agent shall release and deliver the escrow documents to the Seller. The escrow agent shall be entitled to rely on such affidavit as conclusive proof of

termination. The escrow agent is instructed that after each and every written demand is mailed to the Purchaser, pursuant to Paragraph Five (5), above, and a copy thereof is furnished to the escrow agent, not to accept less than the full amount stated as due in the written demand, plus the additional fifty dollars (\$50.00) unless otherwise stated, for Seller's attorney's fees. The escrow agent is entitled to charge its standard fees, current as of the date the service is rendered, but all changes shall become effective only after sixty (60) days written notice to the party or parties paying the fee to the escrow agent.

Seller and Purchaser will each indemnify and save harmless the escrow agent against all costs, damages, attorney's fees, expenses and liabilities which it may incur or sustain in connection with this Contract, including any interpleader or declaratory judgment action brought by escrow agent, but excepting failure of the escrow agent to comply with this Paragraph (Paragraph 9).

The escrow agent shall have the right to resign as escrow agent under this Contract by giving the parties sixty (60) days written notice of his intent to resign. The parties shall thereupon mutually select a successor escrow agent, and give written notice to the escrow agent of such selection. If the parties fail, for any reason, to mutually select a successor escrow agent, and give escrow agent written notice of such selection within sixty (60) days after mailing by the escrow agent of notice of intent to resign, and as aforesaid, then the

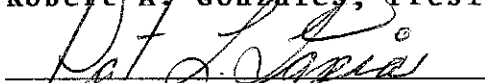
escrow agent may select the successor escrow agent. Delivery by the escrow agent to the successor escrow agent of all documents and funds, after deducting therefrom the charges and expenses of escrow agent, shall relieve the escrow agent of all liability and responsibility for all acts occurring after the date of the assignment in connection with this Contract.


10. SEVERABILITY:


The invalidity or unenforceability of any provision of this contract shall not affect the validity or enforceability for the remainder of this contract.

WHEREFORE, THE PARTIES HAVE SIGNED AND ACKNOWLEDGED THIS CONTRACT AT LAS VEGAS, NEW MEXICO ON THE DATE STATED AT THE BEGINNING OF THIS CONTRACT.


Robert A. Gonzales, President


Pat Tapia, Vice President


Arthur Bustos, Secretary


Leroy Prioste, Treasurer

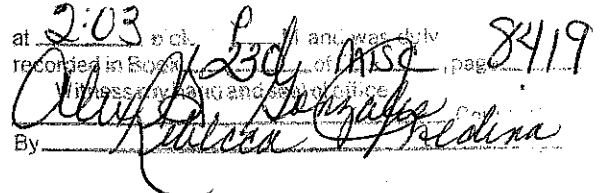

BEN LINGNAU, JR.


GRACE DEAN EDWARDS


BETTY JANE JANSSEN

STATE OF NEW MEXICO)
County of San Miguel SS.
I hereby certify that this instrument
was filed for record on

MAR 2 1989

at 2:03 p.m. and was filed
recorded in Book 130 of Page 8419
Witnessed by and in presence of
By 


STATE OF NEW MEXICO)
) SS.
COUNTY OF SAN MIGUEL)


NOTARY PUBLIC

9-26-99

STATE OF NEW MEXICO)
) SS.
COUNTY OF SAN MIGUEL)

Purchaser.


NOTARY PUBLIC

E-26 89

RECEIPT AND ACCEPTANCE BY ESCROW AGENT

The Escrow Agent hereby acknowledges receipt of the following documents in regard to the above-captioned Escrow Contract.

- X a. Escrow Set-Up Fee in the amount of \$ 100.00 .
- X b. Signed copy or original of this contract.
- X c. Warranty Deed.
- X d. Special Warranty Deed.
- e. _____
- f. _____
- g. _____

Escrow Agent

By: _____

Title: _____

Date: _____

EXHIBIT "A"

Tract I (211 Grand Ave.)

Lots Six (6), Seven (7), Eight (8) and Nine (9) in Block B of Roserwald Addition to Las Vegas, San Miguel County, New Mexico.