

**PURCHASE AND SALE AGREEMENT FOR REAL PROPERTY  
LOCATED IN THE INCORPORATED COUNTY OF LOS ALAMOS  
COMMONLY REFERRED TO AS THE GYMNASTICS SCHOOL**

This Purchase and Sale Agreement (“Agreement”), for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, is entered into by and between The Los Alamos School of Gymnastics, a domestic non-profit corporation (LASG or Seller), and The Incorporated County of Los Alamos (Purchaser or County) effective the date the Agreement is signed by Purchaser and Seller.

**ARTICLE I  
BASIC INFORMATION**

**Purchaser and Seller have set out the terms and conditions of their agreement in the body of the Agreement below. For convenience, they provide in this Article I certain terms that reappear throughout the Agreement.**

1.1 Certain Basic Terms:

(a) **Effective Date:** The Effective Date of the Agreement shall be the date the Agreement is fully executed by both the Purchaser and the Seller.

(b) **Purchaser and Notice Address:**

Incorporated County of Los Alamos  
Attn: County Manager  
1000 Central Avenue, Suite 350  
Los Alamos, NM 87544  
Telephone: (505) 663-1750  
Facsimile: (505) 983-7421  
Email: [lacmanager@losalamosnm.gov](mailto:lacmanager@losalamosnm.gov)

With Copy to:  
Incorporated County of Los Alamos  
Attn: County Attorney  
1000 Central Avenue, Suite 340  
Los Alamos, New Mexico 87544  
Telephone: (505) 662-8020  
Email: [lacattorney@losalamosnm.gov](mailto:lacattorney@losalamosnm.gov)

(c) **Seller and Notice Address:**

Los Alamos School of Gymnastics  
c/o David R. Janecky, its Agent of Service  
555 North Mesa Road  
Los Alamos, New Mexico 87544

- (d) **Purchase Price:** The Purchaser shall pay the following sum to Seller in exchange for Seller conveying all rights in the Property described in Paragraph 1.2: FIVE HUNDRED THOUSAND DOLLARS AND NO CENTS (\$500,000.00) to be paid in cash at closing, subject to the closing cost allocations and proration set forth.
- (e) **Earnest Money:** FIVE THOUSAND AND NO 00/100 DOLLARS (\$5,000.00) to be delivered to the Finance Department of the Purchaser within five (5) business days from the Effective Date to be held in escrow
- (f) **Due Diligence Period:** The Due Diligence Period shall begin on the Effective Date and continue for no more than ninety (90) days from the Effective Date.
- (g) **Closing Date:** The Closing Date shall be a date within ninety (90) days after the end of the Due Diligence Period unless otherwise agreed to by the Purchaser and Seller. The Closing shall be coordinated between LASG and the County without the use of a title company.

1.2 **Property:** The Seller has a land lease with the County that is attached as **Exhibit A** and is the owner of the improvements on the on certain real property owned by the Purchaser including a building commonly referred to as the Los Alamos School of Gymnastics (“Property”). Subject to the terms of this Agreement, Sellers agree to sell all improvements located on the certain real property owned by the Purchaser to Purchaser, including the building commonly known as the Los Alamos School of Gymnastics in Los Alamos County, New Mexico, located on Purchaser’s real property more particularly described on **Exhibit B** attached hereto. Purchaser agrees to purchase from Seller, all improvements on certain real property owned by the Purchaser including the building commonly known as the Los Alamos School of Gymnastics in Los Alamos County, New Mexico, located on Purchaser’s real property more particularly described on **Exhibit B** attached hereto

1.3 **Purchaser Cash Payment:** The Purchase Price, subject to the proration and closing cost allocations as provided in Section 6.1 and Section 1.5 respectively, shall be paid in cash at Closing by Purchaser to Seller. The Earnest Money shall be applied to the Purchase Price as stated in this Agreement.

1.4 **Earnest Money:** The Earnest Money, in immediately available federal funds, shall be held in escrow by the Finance Department of the Purchaser. If this Agreement is terminated by Purchaser during the Due Diligence Period, the Earnest Money shall be paid to Purchaser. In the event this Agreement is not terminated within the Due Diligence Period as permitted under Section 2.4 hereof or as otherwise provided for in this Agreement, the Earnest Money shall be non-refundable except in the event of Sellers’ default for failure or refusal to close as provided in Section 8.2 of this Agreement.

1.5 **Closing Costs:** Closing costs shall be allocated and paid as follows at Closing:

<u>Cost/Obligation</u>	<u>Responsible Party</u>
Recording Fees	Purchaser
Any deed taxes, documentary stamps, transfer taxes, intangible taxes, mortgage taxes or other similar taxes, fees or assessments	Sellers

## ARTICLE II INSPECTIONS AND DUE DILIGENCE

2.1 Property Information: During the Due Diligence Period, as defined in Section 1.1(f), the Purchaser may make written requests upon the Seller for documents. Upon receipt by Seller of a request for documents from the Purchaser, the Seller shall determine whether responsive documents are in the possession and control of the Seller. If the requested documents are in the possession and control of the Seller, the Seller shall furnish the requested additional documents to the Purchaser as soon as reasonably possible but no later than fifteen (15) days after Seller receives Purchaser's request for documents unless a later time is agreed to by the Purchaser and Seller in writing. If the requested documents enjoy a legal privilege, or the Purchaser is required by law to maintain the confidentiality of the requested additional documents, the Seller shall provide a written response to Purchaser stating that the Seller has the requested documents, and citing legal privilege, if any, and/or the legal authority that requires the Seller to maintain the confidentiality of the documents. If the Seller does not have documents the Purchaser has requested, in its possession and control, the Seller shall provide a written timely response to Purchaser stating same.

### 2.2 Inspections of Property by Purchaser During the Due Diligence Period

a. During the Due Diligence Period, the Purchaser, its agents, and employees shall have the right to enter upon the Property for the purpose of making all such inspections as Purchaser deems appropriate at Purchaser's sole risk, cost and expense. If any inspection or test disturbs the Property, Purchaser will restore the Property to substantially the same condition as existed prior to the inspection or test. All such entries upon the Property shall be at reasonable times.

b. Purchaser acknowledges and agrees that it is relying on its inspections and investigations in acquiring the Property, and that the Due Diligence period allows the Purchaser an adequate opportunity to inspect the Property and perform any other investigation and analysis to determine whether Purchaser wants to purchase the Property per the terms of this Agreement including purchasing the Property **"AS IS, WHERE IS, WITH ALL FAULTS"** as specifically provided in Section 9.16 of this Agreement.

2.3 Service Contracts: As soon as reasonably possible and at FOURTEEN (14) days prior to the end of the Due Diligence period, Seller shall identify any service contracts that exist between the Seller and a Third-Party that provides services to the Property and notify the Purchaser of such service contracts. Prior to the close of the Due Diligence and after receipt from Seller of the service contract, Purchaser shall notify Seller in writing of any service contract the Purchaser requires the

Seller to terminate. Seller shall terminate the service contracts identified by the Purchaser prior to Closing.

2.4 Termination During Due Diligence Period: Purchaser may elect, in its sole unfettered discretion, for any reason or no reason, to terminate this Agreement prior to the end of the Due Diligence Period by giving Seller written notice thereof as herein provided. In the event Purchaser exercises this right of termination, the Earnest Money shall be refunded to the Purchaser without the necessity of Sellers' consent, and neither party shall have any further rights or liabilities hereunder except for those provisions which survive the termination of this Agreement.

### **ARTICLE III TITLE/SURVEY/ENVIRONMENTAL REVIEW**

#### 3.2 Title/Survey/Environmental Review and Cure:

a. Purchaser shall review the title and survey of the Property, , and Purchaser shall review the environmental status of the Property during the Due Diligence Period. Purchaser shall notify Sellers in writing of any title, survey and/or environmental objections prior to expiration of the Due Diligence Period. Seller shall have no obligation to cure any title or survey, or environmental objections, except as expressly required by this Agreement, and Purchaser shall have no obligation to purchase the Property in the event Seller elects not to cure a defect identified by Purchaser.

b. In the event the Purchaser waives objections raised pursuant to Paragraph 3.2(a) and elects to proceed to Closing, the Closing shall occur as contemplated herein and Purchaser shall accept the Property subject to such condition without reduction of Purchase Price.

c. In the event Purchaser does not object to the condition of the title to the Property within the Due Diligence Period, the condition of the title shall be deemed approved and any exceptions to title which are approved or deemed approved shall constitute "Permitted Exceptions" for purposes of the Special Warranty Deed.

e. If Seller elects not to cure any such title or survey objection raised pursuant to Paragraph 3.2(a) within fifteen (15) days following Purchaser's notice of objections, then Purchaser shall have no obligation to purchase the Property and may terminate this Agreement by written notice to Seller within forty-five (45) days of the notice of objections Purchaser provided to Seller pursuant to Paragraph 3.2(a). In this event, the Earnest Money shall be refunded immediately to the Purchaser unless the Purchaser waives objections and elects to proceed to closing.

## **ARTICLE IV CONDEMNATION**

Condemnation: Risk of loss resulting from any condemnation or eminent domain proceeding which is commenced or has been contemplated prior to the Closing, shall remain with Seller. If prior to the Closing, the Property or any portion of the Property shall be subject to a *bona fide* threat of condemnation or shall become the subject of any proceedings, judicial, administrative or otherwise, with respect to the taking by eminent domain or condemnation, Seller shall immediately notify Purchaser thereof after receipt of actual notice thereof by Seller, but in any event prior to Closing. If a material portion of the Property is subject to eminent domain or condemnation, Purchaser may elect within fifteen (15) days after receipt of such notice, to terminate this Agreement (the "Election Period") and receive an immediate refund of the Earnest Money or to proceed to Closing. If the Closing Date is within the Election Period, then Closing shall be extended to the next business day following the end of the Election Period. If Purchaser does not elect to terminate this Agreement, and in any event if the taking is not material, this Agreement shall remain in full force and effect and the purchase contemplated herein, less any interest taken by eminent domain or condemnation, shall be effected and Purchaser shall accept an assignment from Sellers of the condemnation proceeds. For the purposes of this paragraph, "material portion" as to a taking or condemnation means a twenty percent (20%) or greater portion of the Property being condemned or taken.

## **ARTICLE V CLOSING**

5.1 Closing: The consummation of the transaction contemplated herein ("Closing") shall occur on or before the Closing Date as defined in Paragraph 1.1(g), or such other time as the parties, through their respective agents who are executing this Agreement, may mutually specify in writing for the Closing.

5.2 Conditions to Purchaser's Obligations to Close: In addition to such other conditions to Close as are specified throughout this Agreement, the obligation of Purchaser to consummate the transaction contemplated hereunder is contingent upon the following:

- (a) The representations of Seller contained herein shall be true and correct in all material respects as of the Closing Date.
- (b) Seller shall have performed all obligations required to be performed prior to Closing per the terms of this Agreement.
- (c) Except for the potential condemnation action that could arise from the failure of the County to acquire the Property through a negotiated purchase, there shall exist no pending or threatened legal action, suit or proceeding with respect to the Property or this Agreement.
- (d) No moratoria shall have been imposed, and no moratoria shall be known to be under consideration by a governmental entity or utility provider that would materially and

adversely impact the development of the Property or the future economic viability of the Project. If such a moratoria has been imposed, or it is known that such a moratoria is under consideration by a governmental entity or utility provider the Purchaser may, in its sole discretion, terminate this Agreement and receive the Earnest Money Deposit, with interest, or delay Closing for the shorter time period of the following; (i) until the moratoria is lifted; (ii) until the moratoria is dismissed from consideration by the governmental entity or utility provider, or (iii) one hundred eighty (180) days. For a moratoria to be deemed under consideration by a governmental entity or utility provider, the moratoria must appear as a potential item for action on an agenda for a meeting of the governing body of the governmental entity or utility provider, or competent evidence must be produced showing that an agent of the governmental entity or utility provider with legal authority to impose such a moratoria, is in fact, likely to impose such a moratoria.

- (e) The Seller represents that they have provided to the Purchaser all documentation, notices, reports, and records concerning the Property.

If any of the foregoing conditions to Purchaser's obligation to proceed with the Closing have not been satisfied as of the Closing Date, Seller may, in its sole discretion, terminate this Agreement by delivering written notice to Purchaser on or before the Closing Date, in which event the Earnest Money shall be disbursed to Seller, or to close, notwithstanding the non-satisfaction of such condition, in which event Purchaser shall be deemed to have waived any such condition.

5.3 Conditions to Sellers' Obligations to Close: In addition to such other conditions to Closing as are specified throughout this Agreement, the obligation of Sellers to consummate the transaction contemplated hereunder is contingent upon the following:

- (a) The representations of Purchaser contained herein shall be true and correct in all material respects as of the Closing Date.
- (b) Purchaser shall have performed all obligations required to be performed prior to Closing per the terms of this Agreement.
- (c) There shall exist no pending or threatened legal action, suit or proceeding with respect to the Property.

If any of the foregoing conditions to Sellers' obligations to proceed with the Closing have not been satisfied as of the Closing Date, Purchaser may, in its sole discretion, terminate this Agreement by delivering written notice to Seller on or before the Closing Date, in which event the Earnest Money shall be immediately returned to Purchaser, or Purchaser may elect to close, notwithstanding the non-satisfaction of such condition, in which event Purchaser shall be deemed to have waived any such condition.

5.4 Sellers Deliveries in Escrow: Ten (10) days before the Closing Date, Seller shall deliver to Purchaser to hold in escrow, the following:

(a) Transfer Documents:

- (iii) Documents: Any additional documents that the Purchaser may reasonably require for the proper consummation of the transaction contemplated by this Agreement.
- (iv) Closing Statement: A Closing Statement prepared by the Purchaser and Seller accurately reflecting the Purchase Price, cost allocations and proration as herein provided;
- (v) Appurtenances: An assignment in recordable form of Sellers right, title, and interests, if any such rights, title and interests are vested in the Seller, to all appurtenances, plans, property contracts, entitlements, intangibles and all other portions of the Property not constituting real property to Purchaser; provided, however, that by accepting such assignment, Purchaser shall not assume any obligations under any instrument or right assigned, unless Purchaser has expressly assumed such obligations in writing. Seller will not amend or modify any of the above items included in the Property without Purchaser's prior written consent; and
- (vi) Service Contracts: Evidence of termination of any service contracts that the Purchaser has requested Seller to terminate in writing pursuant to Paragraph 2.3 of this Agreement.

5.5 Purchaser's Deliveries in Escrow: On or before the Closing Date, Purchaser shall hold in escrow, with copies of documents delivered to Seller, the following:

(a) Purchase Price: The Purchase Price, less the Earnest Money that is applied to the Purchase Price, which shall be delivered to Seller by Purchaser, plus or minus applicable proration. The Purchase Price shall be held in escrow by Purchaser's Finance Department.

(b) Additional Documents: Any additional documents that Seller may reasonably require for the proper consummation of the transaction contemplated by this Agreement;

(c) Authority: Evidence of the existence, organization and authority of Purchaser and of the authority of the persons executing documents on behalf of Purchaser reasonably satisfactory to Seller.

(d) Deed: New Mexico Special Warranty Deed (the "Deed") for review and approval by Seller whereby Seller conveys their property to Purchaser the Property with special statutory warranty covenants. If the Deeds are approved, the Purchaser shall deliver them to Seller for execution by Sellers.

5.7 Possession: Seller shall deliver possession of the Property to Purchaser at the Closing, subject only to the Permitted Exceptions.

5.8 Close of Escrow: Upon satisfaction or completion of the foregoing conditions and deliveries, the Purchaser shall immediately record and deliver the documents described above to the appropriate parties and make disbursements according to the closing statement executed by Seller and Purchaser.

## **ARTICLE VI PRORATION**

6.1 Proration: The following item shall be prorated between Seller and Purchaser as of the Closing Date with Seller paying the following Property related expenses through the Closing Date.

- (a) Taxes and Assessments: General real estate taxes imposed by governmental authority ("Taxes") not yet due and payable shall be prorated. If the Closing occurs prior to the receipt by Seller of the tax bill for the current calendar year or other applicable tax period in which the Closing occurs, Purchaser and Seller shall prorate Taxes for such calendar year or other applicable tax period based upon the most recent ascertainable assessed values and tax rates. Upon receipt of the tax bill for the year of Closing, Purchaser and Seller shall make any adjustments to the Closing proration, based upon the actual tax bill.

6.2 Commissions: Seller and Purchaser represent to the other that they have not dealt with any real estate broker, sales person or finder in connection with this transaction.

## **ARTICLE VII REPRESENTATIONS AND WARRANTIES**

7.1 Sellers Representations and Warranties: As a material inducement for Purchaser to execute this Agreement and consummate this transaction, Seller represents and warrants to Purchaser that:

- (a) Organization and Authority: Seller has been duly organized and validly exists as a legal entity in good standing in the State of New Mexico. Seller has the full right and authority and will have obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby prior to Closing. This Agreement has been, and all of the documents to be delivered by Seller at the Closing will be, authorized and properly executed and constitute, or will constitute, as appropriate, the valid and binding obligation of Seller, enforceable in accordance with their terms.
- (b) Conflicts and Pending Action: There is no agreement to which Seller is a party or, to Seller's knowledge, is binding on Sellers and which is in conflict with this Agreement. There is no action or proceeding pending or, to Seller's knowledge, threatened against Seller or the Property, including condemnation proceedings, which challenges or impairs Seller's ability to execute or perform their obligations under this Agreement.

- (c) Litigation: There is no litigation or arbitration or other legal or administrative suit, action, proceeding of any kind pending, or to the best of Sellers knowledge, threatened or under investigation against or involving the Property, or any part thereof.
- (d) Environmental, Historical, and the Archeological: The Sellers have searched their records for records containing information regarding the generation, location, transportation, storage, treatment, discharge, disposal, or release of any toxic or hazardous waste or any pollutant upon or under the Property subject to regulation under the Resource Conservation and Recovery Act (as amended by the Hazardous and Solid Waste Amendments of 1984), the Comprehensive Environmental Response, Compensation and Liability Act (as amended by the Superfund amendments and Reauthorization Act of 1986), or any other applicable State or Federal environmental protection law or regulation, as well as for records containing information regarding human burial sites or historical and/or archeological artifacts that may interfere with the use of the Property and have furnished any record found containing such information to the Purchaser. Nothing in this provision relieves the Purchaser of its duty to perform its own investigations and inspections of the Property during the Due Diligence period for purpose of the Purchaser determining whether Purchaser desires to purchase the Property "**AS IS, WHERE IS, WITH ALL FAULTS**" as specifically provided in Section 9.16 of this Agreement.
- (e) Bills: Sellers have paid or will pay in full all bills and invoices for labor and materials of any kind arising from Seller's ownership, operation, management, repair, maintenance or leasing of the Property, and there are no actual or potential mechanic's liens outstanding or available to any party in connection with the Seller's ownership, operation, management, repair, maintenance or leasing of the Property.
- (f) Possessory Rights: Regarding the sale of the Property to the Purchaser, there are no purchase contracts, options or any other agreements of any kind, oral or written, by which any person or entity other than Seller will have acquired or will have any basis to assert any right, title or interest in, or right to possession, use, enjoyment or proceeds of, any part or all of the Property, except as to rights created under the Leases or Service Contracts or as otherwise disclosed in this Agreement, the Commitments, or in the deliveries made by Seller pursuant to this Agreement. It is understood and agreed that if such leases or contracts or rights do not meet with Purchaser's approval, their existence shall entitle Purchaser to terminate this Agreement and receive back the Earnest Money deposit and interest.
- (g) Violations of Law: Seller has received no notice of violation of any applicable Federal, state or local law, statute, ordinance, order, requirement, rule or regulation, or of any covenant, condition, restriction or easement affecting the Property, or this Agreement and Seller does not have any actual notice of any such violation.

- (h) Ownership: Seller is the fee simple owner of the Property and as of Closing, Seller will own all such Property free and clear of all liens, financial encumbrances, leases, covenants, conditions, restrictions, rights-of-way, easements, encroachments and other matters affecting title, excepting only the Permitted Exceptions. Seller further represents and warrants to Purchaser that no other party has any rights in and to the Property.
- (j) Parties in Possession: To the best of Seller's knowledge, there are no parties other than Seller in possession of any portion of the Property.
- (k) In the event of any material adverse change in any of Seller's representations and warranties in this Article or elsewhere in this Agreement, Seller shall promptly notify Purchaser, in writing, of such change.

7.2 Purchaser's Representations and Warranties: As a material inducement for Seller to execute this Agreement and consummate this transaction, Purchaser represents and warrants to Seller that:

- (a) Organization and Authority: Purchaser has been a duly organized and is a valid existing entity in good standing in the state of New Mexico. Purchaser has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate or cause to be consummated the transactions contemplated hereby. This Agreement has been, and all of the documents to be delivered by Purchaser at the Closing will be, authorized and properly executed and constitute, or will constitute, as appropriate, the valid and binding obligation of Purchaser, enforceable in accordance with their terms.
- (b) Conflicts and Pending Action: There are no agreements to which Purchaser is a party or to Purchaser's knowledge binding on Purchaser which is in conflict with this Agreement. There is no action or proceeding pending or, to Purchaser's knowledge, threatened against Purchaser which challenges or impairs Purchaser's ability to execute or perform its obligations under this Agreement.
- (c) Purchaser warrants that it is relying solely on its inspections and its investigations to determine whether Purchaser desires to purchase "**AS IS, WHERE IS, WITH ALL FAULTS**" as specifically provided in Section 9.16 of this Agreement.
- (d) In the event of any material adverse change in any of Purchaser's representations and warranties in this Article or elsewhere in this Agreement, Purchaser shall promptly notify Seller, in writing, of such change.
- (e) In the event Purchaser terminates this Agreement, Purchaser shall provide Seller timely written notice that states the reason or reasons – if any- for such termination. If the reason or reasons provided in the notice derive from adverse information regarding the Property discovered by the Purchaser during the Due Diligence period, Purchaser agrees to provide that adverse information to Seller.

**ARTICLE VIII  
REMEDIES FOR FAILURE TO CLOSE ONLY**

8.1 Default By Purchaser For Failure to Close: In the event that Purchaser fails or refuses to Close the purchase of the Property except as allowed by this Agreement, Purchaser agrees that Seller shall have the right to have the Purchaser deliver the Earnest Money to Seller as liquidated damages to compensate Seller for time spent, labor and services performed, and the loss of its bargain as a result of Purchaser's failure or refusal to Close. Purchaser and Seller agree that it would be impracticable or extremely difficult to affix damages in the event of Purchaser's failure or refusal to Close, and that the Earnest Money, together with the interest thereon, represents a reasonable estimate of Seller's damages for Purchaser's failure or refusal to Close, except as allowed in this Agreement. Under such circumstances, Seller agrees to accept the Earnest Money as Seller's total damages and relief for Purchaser's failure or refusal to Close, except when such failure or refusal to Close is expressly allowed by this Agreement. In the event that Purchaser shall fail or refuse to Close, Seller shall be entitled to seek any and all remedies at law and equity including specific performance, however damages shall be limited to actual costs incurred. In the event Seller elects to bring an action, it shall commence such action, if at all, within ninety (90) days after the scheduled Closing date. In the event that Purchaser does so default by failing or refusing to Close, this Agreement shall be terminated, and Purchaser shall have no further right, title, or interest in the Property.

8.2 Default By Seller for Failure to Close: Purchaser and Seller agree that it would be impracticable or extremely difficult to affix damages in the event Seller fails or refuses to Close, and that the below remedies are sufficient remedies to redress and compensate the Purchaser for Seller's failure or refusal to Close under conditions not allowed by this Agreement. In the event Seller shall fail or refuse to Close the purchase of the Property, except when such failure or refusal to Close is expressly allowed by this Agreement, Purchaser shall be entitled to seek any and all remedies at law and equity including specific performance, however damages shall be limited to actual costs incurred. In the event Purchaser elects to bring an action, it shall commence such action, if at all, within ninety (90) days after the scheduled Closing date hereunder.

8.3 The above default and damages provisions only apply to claims and damages that arise and result from a default for the failure of the Seller or Purchaser to Close. Unless otherwise specifically limited elsewhere in the Agreement, Seller and Purchaser shall retain all rights and remedies provided in law and equity to seek redress of any other default or breach of this Agreement.

**ARTICLE IX  
MISCELLANEOUS**

9.1 Parties Bound: The Purchaser may not assign this Agreement without the prior written consent of the Seller, and the Seller may assign this Agreement without the prior written consent of the Purchaser. Any prohibited assignment shall be void. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devisees of the parties.

9.2 Headings: The article and paragraph headings in this Agreement are of convenience only and in no way limit or enlarge the scope or meaning of the language hereof.

9.3 Invalidity And Waiver: If any portion of this Agreement is held invalid or inoperative, then so far as is reasonable and possible and so long as each party obtains the principal benefits for which it bargained, the remainder of this Agreement shall be deemed valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either party to enforce against the other any term or provision of this Agreement shall not be deemed to be a waiver of such party's right to enforce against the other party the same or any other such term or provision in the future.

9.4 Governing Law: This Agreement shall, in all respects, be governed, construed, applied, and enforced in accordance with the law of the state of New Mexico, and the parties agree and consent that the venue for any cause of action arising from this Agreement shall only be the First Judicial District Court of Los Alamos.

9.5 Mediation The parties agree that in the event a dispute arises regarding any of the duties, rights or obligations of any of the parties or regarding any provision in the Agreement, except default for failure to close as provided for in Article VIII of the Agreement, the parties shall first attend a mediation before a mutually agreed upon mediator, to attempt to resolve any disputes prior to filing any cause of action in law or equity. The party seeking mediation shall notify the other party, in writing, of its request to mediate, and said mediation shall occur within thirty (30) days of said notice unless mutually agreed otherwise by the parties in writing and the costs thereof shall be split equally by the parties.

9.6 Contractual Liability: The parties agree that this is a valid written contract for purposes of NMSA 1978, Section 37-1-23.

9.7 No Third-Party Beneficiary: This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions, or remedies to any person or entity as a third party beneficiary, decree, or otherwise.

9.8 Entirety and Amendments: This Agreement embodies the entire Agreement between the parties and supersedes all prior agreements and understandings relating to the Property. This Agreement may be amended or supplemented only by an instrument in writing executed by both parties.

9.9 Time: Time is of the essence in the performance of this Agreement.

9.10 Attorney's Fees: Should either party employ attorneys to enforce any of the provisions hereof, the party against whom any final judgment is entered, including but not limited to, judgment on appeal to the New Mexico Supreme Court, shall pay, to the extent allowed by law, the prevailing party's reasonable costs, charges, and expenses, including reasonable attorneys' fees, expended or incurred in connection therewith.

9.11 Notices: All notices required or permitted hereunder shall be in writing and shall be served on the parties at the addresses set forth in Section 1.1. Any such notices shall be either (a) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered upon actual date of receipt, or, (b) sent by overnight delivery for next business day delivery using a nationally recognized overnight courier, in which case notice shall be deemed delivered upon actual date of receipt, or, (c) sent by facsimile, in which case notice shall be deemed delivered upon transmission of such notice and evidence of receipt of said transmission, with a hard copy mailed the same business day, or (d) sent by personal delivery, in which case notice shall be deemed delivered upon receipt. A party's address may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. As regards notice by email transmission, the parties agree that an email transmission shall not be a proper form of notice under this agreement. provided, the sender require that the email recipient acknowledge receipt of the email and upon such acknowledgment the notice shall be deemed to have been delivered; if acknowledgment of receipt of email is not forthcoming on the day the email was sent, the attempt to give notice via email shall be disregarded and the party seeking to give notice shall do so by one of the methods enumerated above in this Article 9.11.

9.12 Construction: The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

9.13 Calculation Of Time Periods: Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday for national banks in the location where the Property is located, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, or legal holiday.

9.14 Execution in Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts shall constitute one Agreement. To facilitate execution of this Agreement, the parties may execute and exchange telephonic facsimile or electronic counterparts of the signature pages.

9.15 Section 1031 Exchange: At either party's request (with notice thereof and copies of all documents for execution by either party to be given to the other party not less than five (5) business days prior to Closing), either party shall execute such documents and perform such other acts as the other party reasonably requests in cooperation with such party's effort to have the sale of the Property to Purchaser considered to be part of a so-called "like-kind exchange" under applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), provided:

- (a) All such documents shall be prepared by or at the direction and expense of the party making such request;

- (b) Neither party shall incur any expense or be required to assume any obligations in connection with the performance of this Section; and
- (c) Any such requested conduct will not delay the closing of the transaction beyond the specified Closing Date.

By this Agreement or acquiescence to the exchange, neither party shall (1) have its rights under this Agreement affected or diminished in any manner, or (2) be responsible for compliance with or be deemed to have warranted to the other that the exchange in fact complies with the Code.

9.16 Disclaimer: EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE DOCUMENTS EXECUTED AT CLOSING, IT IS UNDERSTOOD AND AGREED THAT THE PROPERTY IS BEING SOLD AND CONVEYED HEREUNDER "**AS IS, WHERE IS, WITH ALL FAULTS**", WITH NO RIGHT OF SETOFF OR REDUCTION IN THE PURCHASE PRICE AND WITHOUT ANY REPRESENTATION OR WARRANTY BY SELLERS EXCEPT AS EXPRESSLY SET FORTH HEREIN. SELLERS HAVE NOT MADE AND ARE NOT MAKING, EXCEPT AS HEREIN MADE IN WRITING, ANY OTHER EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH RESPECT TO THE PROPERTY, FITNESS FOR ANY PARTICULAR PURPOSE OF THE PROPERTY, ACCURACY OF DIMENSIONS, AND RELATING IN ANY WAY TO HAZARDOUS MATERIALS OR ANY ENVIRONMENTAL MATTERS, SUITABILITY OF SOIL OR GEOLOGY, OR ABSENCE OF DEFECTS OR HAZARDOUS OR TOXIC MATERIALS OR WASTES; AND PURCHASER ACKNOWLEDGES AND REPRESENTS THAT PURCHASER IS ENTERING INTO THIS AGREEMENT WITHOUT RELYING UPON ANY SUCH STATEMENT, REPRESENTATION OR WARRANTY MADE BY SELLERS OR BY SELLERS' AGENT OR BY ANY OTHER PERSON AND, EXCEPT AS HEREIN EXPRESSLY SET FORTH IN WRITING, IS ACQUIRING THE PROPERTY BASED SOLELY UPON PURCHASER'S OWN INSPECTIONS, INVESTIGATIONS AND FINANCIAL ANALYSIS. PURCHASER ACKNOWLEDGES IT HAS HAD AN ADEQUATE OPPORTUNITY TO INSPECT THE PROPERTY AND PROPERTY INFORMATION AND HAS CONSULTED WITH SUCH EXPERTS AND PROFESSIONALS AS IT DEEMS APPROPRIATE.

(This section intentionally left blank)

IN WITNESS WHEREOF, the parties have entered into this Purchase and Sale Agreement effective as of the date first written above.

**THE LOS ALAMOS SCHOOL OF GYMNASTICS  
BY AND THROUGH ITS PRESIDENT MILES BEUX I**

**BY:** \_\_\_\_\_  
**MILES BEUX**  
**DATED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2026**

**ATTEST**

**INCORPORATED COUNTY OF LOS ALAMOS**

\_\_\_\_\_  
**MICHAEL D. REDONDO,**  
**COUNTY CLERK**

**By:** \_\_\_\_\_  
**ANNE W. LAURENT, IN HER CAPACITY AS COUNTY  
MANAGER AND AS AN AUTHORIZED AGENT OF THE  
INCORPORATED COUNTY OF LOS ALAMOS**  
**DATED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2026**

**Approved as to form:**

\_\_\_\_\_  
**J. ALVIN LEAPHART**  
**COUNTY ATTORNEY**

## INCORPORATED COUNTY OF LOS ALAMOS LEASE AGREEMENT

This Lease Agreement ("Agreement") entered into by and between the INCORPORATED COUNTY OF LOS ALAMOS, an incorporated county of the State of New Mexico, whose address is 2300 Trinity Drive, Los Alamos, New Mexico 87544, hereinafter "Lessor," and LOS ALAMOS SCHOOL OF GYMNASTICS, INC., a New Mexico nonprofit corporation, whose address is 555 North Mesa Road, Los Alamos, New Mexico 87544, hereinafter "Lessee," is executed on the date set forth opposite the signature of the authorized representatives of the parties but is effective December 1, 1997.

This Agreement replaces and supersedes the Lease Agreement entered into between the parties on September 8, 1986, as designated under Los Alamos County Ordinance No. 85-55, and expresses the entire agreement between the parties with reference to the premises leased herein.

In consideration of the mutual promises and covenants herein contained, the Lessor and the Lessee agree as follows:

### Section One. Demise of Premises

Lessor leases to Lessee and Lessee leases from Lessor, for the purposes of conducting thereon a lawful business of providing opportunities for youth to participate in gymnastics and gymnastics-related activities, and for no other purpose, the following described real property located on North Mesa in Los Alamos County, New Mexico, hereinafter referred to as the "Premises":

A portion of the Northeast quarter of Tract B, North Mesa No. 1, Los Alamos County, New Mexico.

Beginning at a point which bears S 88 29'25" E, a distance of 55.00 feet from the Northwest corner of Tract B, North Mesa Tract No. 1 as the same is shown on the plat thereof as filed for record with the County Clerk of the County of Los Alamos, State of New Mexico as Document No. 6164 on the 4th day of March, 1966, in Book 1 - Page 76 of the Records of Plats;

Thence bearing S 88 29'25" E a distance of 310.00 feet to a point;

Thence bearing S 00 23'20" W a distance of 152.50 feet to a point;

Thence bearing N 84 20'44" W a distance of 311.25 feet to a point;

Thence bearing N 00 23'20" E a distance of 130.00 feet to the Point of Beginning.

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Said area contains 1.005 acres more or less.

**Section Two. Term**

The term of this Agreement shall be for thirty (30) years, commencing on December 1, 1997, and ending on November 30, 2027.

**Section Three. Compensation**

The Lessee will pay to the Lessor rental payments based on the following schedule. Payments shall be received by the Lessor on or before the first day of each month for that month.

December 1, 1997 - November 30, 2002:	Monthly payments of Six Hundred Twenty-Five Dollars (\$625.00).
December 1, 2002 - November 30, 2027:	Monthly payments of One Thousand Seventy-Five Dollars (\$1,075.00).

Should the parties agree to extend the Agreement for an additional term, a new rent schedule will be negotiated by the parties based on an updated appraisal of the Premises.

**Section Four. Title and Quiet Possession**

- A. Lessor represents that Lessor is the owner of the Premises in fee simple and has full right to make this Agreement and that Lessee shall have quiet and peaceable possession of the Premises during the term hereof. Lessor makes no representation as to the encumbrances, easements, exceptions or reservations, if any, which exist on the Premises at the time of execution of this Agreement and Lessee is leasing the Premises subject to such encumbrances, easements, exceptions or reservations.
- B. To protect the health and safety of the public or any person or persons using or occupying the Premises, and to minimize danger from all hazards to life and property, the Lessee will take all reasonable precautions with its use of the Premises and shall comply with all health, safety and fire protection rules, laws, regulations and requirements of the Lessor, and any other pertinent regulatory body.
- C. It shall be the responsibility of the Lessee to reasonably enforce and prohibit smoking of any kind within the enclosed or public premises used or occupied by the Lessee during the term of this Agreement in accordance with the provisions of Chapter 8.36 of the Code of the Incorporated County of Los Alamos.

**Section Five. Abandonment of Premises**

Lessee shall not vacate or abandon the Premises at any time during the term hereof; if Lessee shall abandon, vacate or surrender the Premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the Premises shall be

deemed to be abandoned, at the option of Lessor, except such property as may be encumbered; provided, however, that no such property left on the Premises after its abandonment shall become property of the Lessor until six (6) months after the actual date of such abandonment.

#### **Section Six. Encumbrance of Lessee's Leasehold Interest**

Notwithstanding Section Eleven or any other provision of this Agreement, Lessee may encumber by mortgage, assignment, or deed of trust, or other proper instrument, its leasehold interest and estate in the Premises, together with all buildings and improvements placed by Lessee thereon, as security for any indebtedness of Lessee. The execution of any such mortgage, assignment, or deed of trust, or other instrument, or the foreclosure thereof, or any sale thereunder, either by judicial proceedings or by virtue of any power reserved in such mortgage, assignment, or deed of trust, or conveyance by Lessee to the holder of such indebtedness, or the exercising of any right, power, or privilege reserved in any mortgage, assignment, or deed of trust, shall not be held as a violation of any of the terms or conditions hereof, or as an assumption by the holder of such indebtedness personally of the obligations hereof. The Lessor agrees that, in the event any encumbrance of the Lessee's interest in the Premises is foreclosed, the Lessor will accept the beneficiary of such encumbrance (or trustee) or any purchaser therefrom, or any purchaser at a foreclosure sale, as the Lessee hereunder and such Lessee may use the Premises for any lawful purpose, subject to approval by Lessor.

#### **Section Seven. Delivery of Possession**

If Lessor, for any reason whatsoever, cannot deliver possession of the Premises to Lessee at the commencement of the lease term, as hereinbefore specified, this Agreement shall not be void or voidable, nor shall Lessor be liable to Lessee for any loss or damage resulting therefrom; but in that event there shall be a proportionate reduction of rent covering the period between the commencement of the lease term and the time when Lessor delivers possession.

#### **Section Eight. Uses Prohibited**

Lessee shall not use or permit the Premises, or any part thereof, to be used for any purpose or purposes other than the purpose or purposes for which the Premises are hereby leased, and no such use shall be made or permitted of the Premises or acts done, which will cause a violation of the applicable laws or regulations of the County of Los Alamos, the State of New Mexico or the United States. Further, as long as the Lessee is in possession of the Premises and no substitution for Lessee has occurred as contemplated in Section Six hereof, Lessee shall only permit the Premises to be used for the provision of gymnastic and gymnastics-related activities, such as training, instruction and performance.

#### **Section Nine. Waste and Nuisance Prohibited**

During the term of this Agreement, Lessee shall comply with all applicable laws affecting the Premises, the breach of which might result in any penalty on Lessor or forfeiture of Lessor's title to the Premises. Lessee shall not commit, or suffer to be committed, any waste on the Premises, or any nuisance.

**Section Ten. Notice to Holder of Encumbrance**

If Lessee shall encumber its leasehold interest in the Premises and if Lessee or the holder (or trustee for any such holder) of the indebtedness secured by such encumbrance shall give notice to Lessor of the existence thereof and the address of such holder, Lessor will mail to such holder at such address a duplicate copy of all notices in writing which Lessor may serve on Lessee during this Agreement; such copies shall be mailed to such holder at the same time such notices are served on Lessee. Such holder may, at its option, at any time before the rights of Lessee shall be terminated as provided herein, pay any of the rents due hereunder, or pay any taxes and assessments, or do any other act or thing required of Lessee by the terms hereof, or do any act or thing that may be necessary and proper to be done in the observance of the covenants and conditions hereof, or to prevent the termination hereof; all payments so made, and all things so done and performed by such holder shall be as effective to prevent a foreclosure of the rights of Lessee thereunder as the same would have been if done and performed by Lessee; provided, however, that nothing herein shall be construed so as to allow the Lessee to encumber Lessor's interest in the Premises. Lessor shall, at all times, be the owner in fee simple subject to Lessee's leasehold interest of the Premises and Lessee, for its part, shall at all times keep Lessor's interest free of any encumbrance of any nature whatsoever, including but not limited to materialmen's liens, mechanics' liens, mortgages, deeds of trust, and other instruments.

**Section Eleven. Subletting and Assignment**

Lessee may not sublet or assign the Premises without the prior written consent of the Lessor. Lessor may withhold its consent for any reason. Any subletting or assignment of the Premises will not relieve the Lessee from any of its obligations under this Agreement.

**Section Twelve. Notices**

All notices, demands, or other writings in this Agreement which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed as follows:

To Lessor: County Administrator  
Incorporated County of Los Alamos  
P. O. Box 30  
Los Alamos, New Mexico 87544

To Lessee: Program Director  
Los Alamos School of Gymnastics  
555 North Mesa Road  
Los Alamos, New Mexico 87544  
(505) 662-9523

The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

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**Section Thirteen. Taxes and Assessments**

- A. **Taxes as Additional Rental.** As additional rental hereunder, Lessee shall pay, promptly and before delinquency, all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, or imports, whether general or special, ordinary or extraordinary, of every name, nature and kind whatsoever, including all governmental charges which may be lawfully levied, or which may become a lien or charge on or against the land hereby demised, or any part thereof, the leasehold interest of Lessee herein, any building or buildings, or any other improvements now or hereafter on the Premises, or on or against Lessee's estate hereby created which may be a subject of taxation, or on or against Lessor by reason of its ownership of the fee underlying this Agreement, during the entire term hereof, excepting only those taxes hereinafter specifically excepted.
- B. **Assessments Affecting Improvements.** Specifically and without in any way limiting the generality of the foregoing, Lessee shall pay all special assessments and levies or charges lawfully made against the Premises or the improvements thereon by any municipal or political subdivision for local improvements, and shall pay the same before they become delinquent and as required by the acts and proceedings under which any such assessments or levies are made by any municipal or political subdivision.
- C. **Contesting Taxes.** If Lessee shall in good faith desire to contest the validity or amount of any tax, assessment, levy, or other governmental charge herein agreed to be paid by Lessee, Lessee shall be permitted to do so in accordance with applicable law, and to defer payment of such tax or charge, the validity or amount of which Lessee is so contesting, until final determination of the contest, on giving to Lessor written notice thereof prior to the commencement of any such contest, which shall be at least thirty (30) days prior to delinquency, and on protecting the Lessor on demand by a good and sufficient surety bond (or other security satisfactory to Lessor) against any such tax, levy, assessment, rate, or governmental charge, and from any costs, liability, or damage arising out of any such contest.
- D. **Disposition of Rebates.** All rebates on account of any such taxes, rates, levies, charges, or assessments required to be paid and paid by Lessee under the provisions hereof shall belong to Lessee, and Lessor will, on the request of Lessee, execute any receipts, assignments, or other acquittances that may be necessary in the Premises in order to secure the recovery of any such rebates, and will pay over to Lessee any such rebates that may be received by Lessor.
- E. **Receipts.** Lessee shall obtain and deliver receipts or duplicate receipts for all taxes, assessments, and other items required hereunder to be paid by Lessee, promptly on payment thereof.
- F. **Payments in Lieu of Taxes.** In the event Lessee is not subject to personal property taxes imposed on the building and equipment located on the Premises for the purpose of conducting business, and, to the extent that the Premises are, in whole or in part, exempt from property taxation solely by reason of the Lessor being the owner thereof, the Lessee will pay to the Lessor, at the same time as property taxes are due and

payable, a sum equal to the amount which would be due if the Premises were owned by the Lessee, to be prorated by the Lessor among the taxing districts in which the Premises are located provided that nothing contained herein shall be deemed to constitute an admission by the Lessee that the Lessee is liable for, or that the Premises are subject to, any tax, assessment or charge; and provided, further, that the Lessee is hereby afforded the right and privilege to apply for and receive any tax abatement, refund, or reduction available under the laws of the Lessor, the State of New Mexico or any other taxing authority.

#### **Section Fourteen. Construction of New Building**

- A. **Plans and Specifications.** Lessee will erect an addition to the existing building on the Premises and will pay all permit, application and other fees required in connection with the construction and occupancy of such building. Lessor hereby approves the erection of such building substantially as shown on the plans and specifications previously filed by Lessee with Lessor. Lessee shall maintain any posting made by Lessor of Lessor's non-responsibility for the costs of construction of the new building.
- B. **Alterations, Improvements and Changes Permitted.** Lessee shall have the right to make such alterations, improvements and changes to any building which may from time to time be on the premises as Lessee may deem necessary, or to replace any such building, provided that prior to making any material structural alterations, improvements, or changes, or to replacing any such building, Lessee shall obtain Lessor's written approval of plans and specifications therefor, which approval Lessor shall not unreasonably withhold, provided that the structural integrity of the building shall not be adversely affected by any such alterations, improvements, or changes. Lessee shall maintain any posting made by Lessor of Lessor's non-responsibility for the cost of any construction, addition, improvement or alteration.

#### **Section Fifteen. Repairs and Destruction of Improvements**

Any improvements that Lessee shall choose to erect on the Premises shall be its property subject to the terms and conditions herein provided. In the event of their destruction, partial or whole, the Lessor shall bear no obligation to repair or replace the same. The damage or destruction of any buildings on the premises shall not release the Lessee from any obligation hereunder except as hereinafter expressly provided.

#### **Section Sixteen. Utilities**

Lessee shall fully and promptly pay for all water, gas, heat, light, power, telephone service, and other public utilities of every kind furnished to the premises throughout the term hereof, and all other costs and expenses in connection with the use, operation and maintenance of the premises and all activities conducted thereon, and Lessor shall have no responsibility of any kind for such costs or expenses.

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**Section Seventeen. Liens**

- A. **Lessee's Duty to Keep Premises Free of Liens.** Lessee shall keep all of the Premises and every part thereof and all buildings and other improvements at any time located thereon free and clear of any and all mechanics', materialmen's, and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of Lessee, any alterations, improvements, or repairs or additions which Lessee may make or permit or cause to be made, or any work or construction, by, for, or permitted by Lessee on or about the premises, or any obligations of any kind incurred by Lessee (other than as permitted in Section Ten of this Agreement), and at all times shall promptly and fully pay and discharge any and all claims on which any such lien may or could be based, and shall indemnify Lessor against all such liens and claims of liens and suits or other proceedings pertaining thereto. Lessee shall give Lessor written notice no less than thirty (30) days in advance of the commencement of any construction, alteration, addition, improvement, or repair estimated to cost in excess of Ten Thousand Dollars (\$10,000.00) in order that Lessor may post appropriate notices of Lessor's nonresponsibility.
- B. **Contesting Liens.** If Lessee desires to contest any such lien, it shall notify Lessor of its intention to do so within thirty (30) days after the filing of such lien. In such case, and provided that Lessee shall on demand protect Lessor by a good and sufficient surety bond (or other security satisfactory to Lessor) against any such lien and any cost, liability, or damage arising out of such contest, Lessee shall not be in default hereunder until thirty (30) days after the final determination of the validity thereof, within which time Lessee shall satisfy and discharge such lien to the extent held valid; but the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon, and such delay shall be a default of Lessee hereunder. In the event of any such contest, Lessee shall protect and indemnify Lessor against all loss, expense, and damage resulting therefrom.

**Section Eighteen. Indemnification of Lessor**

Lessor shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by Lessee or by any person whosoever may at any time be using or occupying or visiting the Premises or be in, on, or about the same, whether such loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of Lessee or of any occupant, subtenant, visitor, or user of any portion of the premises, or shall result from or be caused by any other matter or thing whether of the same kind as or of a different kind than the matters or things above set forth, and Lessee shall indemnify Lessor against all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death, or damage. The foregoing shall not apply to loss, injury, death, or damage arising by reason of the negligence or misconduct of Lessor, its agents, or employees.

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**Section Nineteen. Insurance**

Lessor shall procure and maintain continuously in effect with respect to the Premises and any improvements thereon policies of insurance against such risks and in such amounts as are prudent for an owner of properties comparable to the Premises and any improvements thereon. Lessee shall further secure and maintain all necessary worker's compensation insurance as may be required by law to cover Lessee's employees.

**Section Twenty. Redelivery of Premises**

Lessee shall pay the rent and all other sums required to be paid by Lessee hereunder in the amounts, at the times, and in the manner herein provided, and shall keep and perform all the terms and conditions hereof on its part to be kept and performed, and, at the expiration or sooner termination of this Agreement, peaceably and quietly quit and surrender to Lessor the Premises in good order and condition subject to the other provisions of this Agreement. In the event of the nonperformance by Lessee of any of the covenants of Lessee undertaken herein, this Agreement may be terminated as herein provided.

**Section Twenty-One. Default**

In the event of any default in the terms of this Agreement by Lessee, Lessor, in addition to the other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Lessee. Should Lessor elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, Lessor may terminate this Agreement.

**Section Twenty-Two. Lessor's Right to Perform**

In the event that Lessee by failing or neglecting to do or perform any act or thing herein provided by it to be done or performed, shall be in default hereunder and such failure shall continue for a period of sixty (60) days after written notice from Lessor specifying the nature of the act or thing to be done or performed, then Lessor may, but shall not be required to, do or perform or cause to be done or performed such act or thing (entering on the Premises for such purposes, if Lessor shall so elect), and Lessor shall not be held liable or in any way responsible for any loss, inconvenience, annoyance, or damage resulting to Lessee on account thereof, and Lessee shall repay to Lessor on demand the entire expense thereof, including compensation to the agents and employees of Lessor. Any act or thing done by Lessor pursuant to the provisions of this section shall not be or be construed as a waiver of any such default by Lessee, or as a waiver of any covenant, term, or condition herein contained or the performance thereof, or of any other right or remedy of Lessor, hereunder or otherwise. All amounts payable by Lessee to Lessor under any of the provisions of this Agreement, if not paid when the same become due as in this Agreement provided, shall bear interest from the date then becoming due until paid at the rate of fifteen percent (15%) per annum, compounded annually.

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**Section Twenty-Three. Surrender of Agreement**

The voluntary or other surrender of this Agreement by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies, or may, at the option of Lessor, operate as an assignment to it of any or all such subleases or subtenancies.

**Section Twenty-Four. Disposition of Improvements on Termination**

On termination of this Agreement for any reason, Lessee may remove any buildings and improvements on the Premises that it has caused at its expense to be erected thereon, provided that the expense of such removal will be borne in all events by the Lessee; provided, further, that in the event this Agreement is terminated for any reason and the Lessee does not remove any such improvements and buildings within six (6) months after the said termination, then and in that event such buildings and improvements may, at the option of the Lessor, become its property and it may dispose of them as it wishes; provided, however, that in the event it exercises such option to become owner of the said buildings and improvements, said exercise shall not be construed to constitute an assumption of any indebtedness existing against said buildings by the Lessor. If Lessor does not exercise its option to become owner of said buildings and improvements; it may require Lessee to remove them at Lessee's expense. In the event Lessee elects or is required by Lessor to remove such buildings and improvements upon said termination, Lessee shall restore the premises to the conditions that existed at the inception of the Agreement at its own cost.

**Section Twenty-Five. Waiver**

The waiver by Lessor of, or the failure of Lessor to take action with respect to any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition, or subsequent breach of the same, or any other term, covenant, or condition therein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Agreement, other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

**Section Twenty-Six. Periodic Inspection**

Lessor shall have the right to inspect the work and activities of Lessee in connection with its use of the Premises, at such times and in such a manner as the parties may agree, or failing agreement, at such times and in such a manner as Lessor deems reasonably appropriate.

**Section Twenty-Seven. Non-Discrimination**

Lessee shall not discriminate against any employee or applicant for employment, or any user or potential user of its services because of race, color, religion, ancestry, national origin, age, sex, marital status or physical or mental disability.

Section Twenty-Eight. Parties Bound

The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement this 20th day of May, 1998.

INCORPORATED COUNTY OF LOS ALAMOS

By Lawry Mann  
LAWRY MANN  
COUNCIL CHAIR

ATTEST:

Nita K Taylor  
NITA K. TAYLOR  
Los Alamos County Clerk

LOS ALAMOS SCHOOL OF GYMNASTICS

BY: Louise Janecky  
LOUISE JANECKY  
DIRECTOR

ATTEST:

Debbie Crane Hendricks  
Its Secretary

State of New Mexico        )  
  )ss  
County of Los Alamos        )

The foregoing instrument was acknowledged before me this 20th day of May, 1998, by Lawry Mann, Council Chair of the Incorporated County of Los Alamos, New Mexico.

WITNESS my hand and official seal.

Pauline V. Maestas  
Notary Public, State of New Mexico

My commission expires:

11-17-99

State of New Mexico        )  
  )ss  
County of Los Alamos        )

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of June, 1998, by LOUISE JANECKY, Director of the Los Alamos School of Gymnastics.

WITNESS my hand and official seal.

Brandee Cordova  
Notary Public, State of New Mexico

My commission expires:

3/30/2000

**INCORPORATED COUNTY OF LOS ALAMOS ORDINANCE NO. 409  
AN ORDINANCE LEASING CERTAIN LAND FROM THE  
INCORPORATED COUNTY OF LOS ALAMOS TO THE LOS ALAMOS  
SCHOOL OF GYMNASTICS PURSUANT TO NMSA 1978, SECTION 3-54-1.B**

**WHEREAS**, the Incorporated County of Los Alamos (hereinafter "County") is owner of the following described real estate in Los Alamos County, New Mexico, to-wit:

A portion of the Northeast quarter of Tract B, North Mesa No. 1, Los Alamos County, New Mexico.

Beginning at a point which bears S 88°29'25" E, a distance of 55.00 feet from the Northwest corner of Tract B, North Mesa Tract No. 1 as the same is shown on the plat thereof as filed for record with the County Clerk of the County of Los Alamos, State of New Mexico as Document No. 6164 on the 4th day of March, 1966, in Book 1 - Page 76 of the Records of Plats;

Thence bearing S 88°29'25" E a distance of 310.00 feet to a point;

Thence bearing S 00°23'20" W a distance of 152.50 feet to a point;

Thence bearing N 84°20'44" W a distance of 311.25 feet to a point;

Thence bearing N 00°23'20" E a distance of 130.00 feet to the Point of Beginning.

Said area contains 1.005 acres more or less,

which land is not devoted to municipal uses at this time; and

**WHEREAS**, the Los Alamos School of Gymnastics (hereinafter "School"), a New Mexico non-profit corporation, desires to lease the above-described real estate to provide for regularly scheduled gymnastics training and gymnastic related events; and

**WHEREAS**, the County desires to provide regularly scheduled gymnastics training and related events to the public, and has determined that placing the real estate to the use proposed by the Los Alamos School of Gymnastics will be generally for the benefit of the people of Los Alamos; and

**WHEREAS**, the value of the property was determined by a qualified appraiser and submitted to the County in writing; and

**WHEREAS**, said lease is pursuant to state statute NMSA 1978, Section 3-54-1.B, with notice of said lease being published according to law and meets the terms and conditions set by the Council.

**NOW, THEREFORE** the Incorporated County of Los Alamos hereby ordains:

**Section 1.** The following described real estate shall be leased by the County to the Los Alamos School of Gymnastics for a term of thirty (30) years:

A portion of the Northeast quarter of Tract B, North Mesa No. 1, Los Alamos County, New Mexico.

Beginning at a point which bears S 88°29'25" E, a distance of 55.00 feet from the Northwest corner of Tract B, North Mesa Tract No. 1 as the same is shown on the plat thereof as filed for record with the County Clerk of the County of Los Alamos, State of New Mexico as Document No. 6164 on the 4th day of March, 1966, in Book 1 - Page 76 of the Records of Plats;

Thence bearing S 88°29'25" E a distance of 310.00 feet to a point;

Thence bearing S 00°23'20" W a distance of 152.50 feet to a point;

Thence bearing N 84°20'44" W a distance of 311.25 feet to a point;

Thence bearing N 00°23'20" E a distance of 130.00 feet to the Point of Beginning.


Said area contains 1.005 acres more or less,

and upon the conditions described in the attached Lease Agreement, and further upon the condition that the annual Lease payment shall be fixed at \$7,500 for five (5) years and \$12,900 for the remaining twenty-five (25) years based on appraised value of the described property.

**Section 2.** This Ordinance shall take effect seventy (70) days after the publication of notice of its adoption.

PASSED, ADOPTED, SIGNED AND APPROVED this 2<sup>nd</sup> day of September, 1997.

COUNCIL OF THE INCORPORATED  
COUNTY OF LOS ALAMOS

  
Denise Smith  
Council Chair



ATTEST: (Seal)

  
Nita K. Taylor  
Los Alamos County Clerk

## Exhibit B

### LEGAL DESCRIPTION OF PROPERTY

All improvements on certain real property owned by the Purchaser including a building commonly referred to as the Los Alamos School of Gymnastics located on the following real property:

A portion of the Northeast quarter of Tract B, North Mesa No. 1, Los Alamos County, New Mexico.

Beginning at a point which bears S 88°29'25" E, a distance of 55.00 feet from the Northwest corner of Tract B, North Mesa Tract No. 1 as the same is shown on the plat thereof as filed for record with the County Clerk of the County of Los Alamos, State of New Mexico as Document No. 6164 on the 4th day of March, 1966, in Book 1 – Page 76 of the Records of Plats;

Thence bearing S 88°29'25" E a distance of 310.00 feet to a point;

Thence bearing S 00°23'20" W a distance of 152.50 feet to a point;

Thence bearing N 84°20'44" W a distance of 311.25 feet to a point;

Thence bearing N 00°23'20" E a distance of 130.00 feet to the Point of Beginning.

Said area contains 1.005 acres more or less.