

Torrence Lytle School - Bates Proposal

The Bates verbally accepted the previous transaction (see below) but did not sign Purchase Contract before expiration date. We proposed a new transaction (see below) that was significantly different and more traditional. Unlike the previous transaction, no seller financing is involved and the property is only released upon payment of the purchase price and evidence of \$5.9 million of committed financing. This is being presented for HLC approval.

A summary of changes is given below. The Proposed Purchase and Sales Agreement is attached included on the HLC website as a separate items.

	<u>Previous Transaction</u>	<u>Proposed Transaction</u>
Purchases Price	\$409,296.26	No Change
Earnest Money	\$10,000 - half at Closing/Half at End of Feasibility Period	No Change
Amount to be Paid at Closing	\$0	\$399,296.26
Note at Closing (6 months)	\$399,296.26	NA
Deed of Trust on Property	Yes	NA
Executed Reconveyance Deed to HLC	Yes	NA
Guarantors	Regina and Tyson Bates	NA
Feasibility Period	45 Days	No Change
Settlement Date	20 Days after End of Feasibility Period	Later of 20 Days after End of Feasibility Period or 150 Days after Contract Effective Date
Covenants	HLC Standard Presevation Covenants	No Change
Evidence of Financing	Provision of Commitment Letter from Lender for \$5.9 Million 90 - 120 days after Closing	Provision of Committee Letter from Lender for \$5.9 Million 10 Days Prior to Closing
Financial and Other Information	Personal Financial Statements, Tax Returns, Current Business Financial Statements	Not Required since not Providing a Loan and Sale is Subject to Commitment Letter on Financing.