



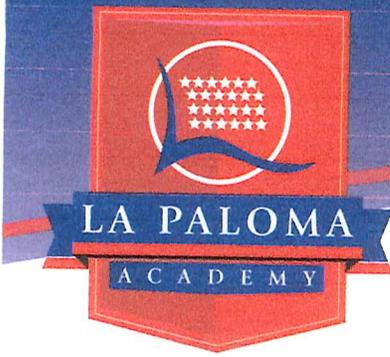
March 31, 2016

This letter sets forth proposed terms and conditions upon which **ARIZONA COMMUNITY DEVELOPMENT CORPORATION dba LA PALOMA ACADEMY**, an Arizona Corporation, or assignee (“purchaser”) would consider acquiring from **Hillcrest Academy, Inc.** (“seller”) the property located 3761 S. POWER RD, Mesa, Arizona 85212 (“the Property”).

1. **Purchase price:** Seven Million dollars (\$7,000,000) subject to customary preparations and adjustments.
2. **Earnest money deposit:** Twenty thousand dollars (\$20,000) of which the entire amount will be nonrefundable upon by her acceptance of property and following the inspection period.
3. **Conditions:**
  - a. Buyer shall have one hundred and eighty (180) days for all due diligence items for the opening of escrow inspection period.
  - b. Subject Buyer shall close on the property before December 31, 2016 (the “Close of Escrow”) following the expiration of the inspection period.
  - c. In connection with purchaser’s investigation of the Property within five (5) days of the opening of escrow, Seller shall deliver to purchaser the following materials for Purchaser’s review:
    - A current preliminary title report, with all Schedule B documents (the “Report”) relating to the property;
    - Any reports or studies in Seller’s possession relating to soil, drainage or other environmental conditions relating to the Property;
    - A full and complete list of past and present legal and administrative actions arising from or relating to the Property to the extent Seller has knowledge of such actions;
    - Any documents in Seller’s possession regarding zoning, land use, signage, plans, entitlements, or special improvement or taxing district affecting the property; and
    - Copies of any leases, contracts, options, right of first refusal or franchise agreements, recorded or unrecorded, affecting the property.
  - d. At the close of escrow, Seller shall provide Purchased with an Alta extended coverage owner’s policy of title insurance issued by Escrow Agent in the full amount of the Purchase Price, subjects only to items approved by Purchaser. Seller shall pay the cost of a standard owner’s policy and Purchasers shall pay an incremental cost of extended coverage.

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e. The Property will be free and clear of all liens, claims, and encumbrances at the Close of Escrow, other than those excepted in writing by Buyer.

f. All existing contracts shall be assigned to Buyer at Buyers option.

This letter represents preliminary understandings between the parties and is not a binding agreement. The parties agree to negotiate to finalize a binding, definitive agreement encompassing the terms of this letter, but neither party shall have any obligation to the other party if, in good faith, they are unable to reach agreement on the additional provisions of such a binding, definitive agreement by July 1, 2016.

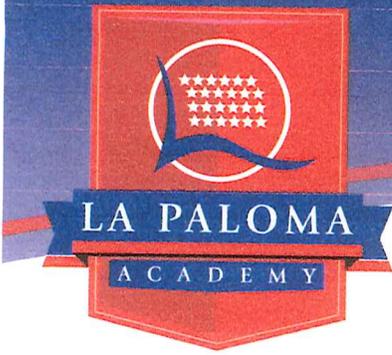
If the foregoing is acceptable, please evidence consent by executing a copy of this letter and return it to us by facsimile transmission or otherwise. We look forward to working with you to successfully complete this transaction.

Thank you for your consideration.

Respectfully submitted,

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ARIZONA COMMUNITY DEVELOPMENT CORPORATION dba LA PALOMA ACADEMY

5704 E. Grant Rd, Tucson, AZ 85712

520-545-5075 Office

520-202-5838 Fax

**AGREED AND ACCEPTED:**

**Seller:**

**Hillcrest Academy, INC**

William Rubasch

By: Resident William Rubasch

Its: \_\_\_\_\_

Date: 3/31/16

**Buyer:**

ARIZONA COMMUNITY DEVELOPMENT CORPORATION dba

LA PALOMA ACADEMY

[Signature]

By: Laerambres

Its: Director

Date: 3-31-16

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