

SCHOOL BOARD CONTRACT REVISIONS

The most notable substantive contract changes to the draft contract provided in response to prior requested changes from the school board are noted below.

1. The payment period for the purchase price has been reduced from 3 years to 2.
2. Interest will be charged on the amount of the purchase price remaining unpaid after 1 year, until paid. The amount of the rate is under discussion.
3. The School Board must approve any improvements to the property until the purchase price is paid in full.
4. The School Board will not pay the City for any improvements to the property made by City if the property is returned to the School Board for non-payment.
5. The covenant to prohibit multi-family residential use of the property defines multi-family as more than one unit per building instead of as defined by the City's land development regulations from time to time.
6. The School Board has added a restriction against any change in the zoning of the property, or its being designated historic, until the purchase price has been paid.
7. If the property is sold within 10 years by the City, a percentage of the net profits from the sale of the property must be paid to the School Board, within the annual time periods as follows:
 - 1: 75%
 - 2: 70%
 - 3: 65%
 - 4: 60%
 - 5: 55%
 - 6: 50%
 - 7: 45%
 - 8: 40%
 - 9: 35%
 - 10: 30%
8. Until the purchase price is paid, the School Board will remain a named insured on a \$1million liability policy.