

Assessor's Parcel No: 4284-038-020
County: Los Angeles

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made and entered into on this 28th day of July 2017, ("Effective Date") at Santa Monica, California by and between the Santa Monica-Malibu Unified School District, a California public school district located in the County of Los Angeles, California, ("District"), and the Christian Church (Disciples of Christ) of the Pacific Southwest Region, a religious non-profit organization ("Seller"). District and Seller may be individually referred to herein as a "Party" or collectively referred to as "Parties."

RECITALS

1. Seller intends to sell to District, and District intends to purchase from Seller certain real property and all easements and rights benefiting or appurtenant to the real property, which is comprised of approximately .6 acres located at 1515 Maple Street in Santa Monica, California 90405 (collectively "Property"), as more specifically described in Exhibit "A," attached and made a part hereto.
2. Seller is authorized to sell the Property to District by Seller's Board of Directors.

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth District and Seller agree as follows:

AGREEMENT

1 PROPERTY TO BE PURCHASED

- 1.1 Seller is the owner, in fee, of the Property. Seller agrees to sell and grant to District fee title to the Property described in Exhibit "A" and convey by a grant deed substantially in the form of Exhibit "B," attached hereto.
- 1.2 District agrees to pay **Five Million Dollars (\$5,000,000)** ("Purchase Price") for the Property, payable as follows:
 - 1.2.1 District shall deposit **Two Hundred Thousand Dollars (\$200,000)** earnest money ("Deposit") into the escrow opened pursuant to the section entitled "Establishment of Escrow" within thirty (30) days of the Effective Date of this Agreement. If the sale of the Property as contemplated hereunder is consummated, the Deposit shall be credited against the Purchase Price. If Seller breaches this Agreement, the Deposit will be returned to District within five (5) business days. If the sale is not consummated because of District's default hereunder, the Deposit shall be paid to and retained by Seller as liquidated damages and Seller's sole remedy.

IN CONFORMANCE WITH CIVIL CODE SECTION 1677, PARTIES HAVE AGREED THAT SELLER'S ACTUAL DAMAGES, IN THE EVENT OF A FAILURE TO CONSUMMATE THIS SALE BECAUSE OF A DISTRICT DEFAULT, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. AFTER NEGOTIATION, PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT,

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THE AMOUNT OF THE DEPOSIT IS A REASONABLE ESTIMATE OF THE DAMAGES THAT SELLER WOULD INCUR IN SUCH EVENT. BY PLACING ITS INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

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- 1.2.2** The remaining portion of the Purchase Price in the amount of **Four Million Eight Hundred Thousand Dollars (\$4,800,000)**, shall be due and payable at the Close of Escrow (defined below), subject to the conditions set forth in this Agreement.

2 DEFINED TERMS

- 2.1 Title Policy.** The term "Title Policy" shall mean the American Land Title Association ("ALTA") or California Land Title Association ("CLTA") owner's extended coverage policy of title insurance to be issued by the Title Company upon the Close of Escrow pursuant to the terms of this Agreement.
- 2.2 Opening of Escrow.** Promptly upon full execution of this Agreement, Parties shall open an escrow with First American Title Insurance Company, National Commercial Services La Jolla office, Attention: Lieng Smith, 4380 La Jolla Village Drive, Suite 110, San Diego, California 92122 ("Escrow Holder" or "Title Company"), and each Party shall deposit with the Escrow Holder a duly executed copy of this Agreement (the "Opening of Escrow") which shall constitute the initial escrow instructions.
- 2.3 Existing Leases.** The term "Existing Leases" shall collectively mean all leases, subleases, lease guarantees, tenant financial information, and rental and use arrangements, if any, in Seller's possession, affecting the Property, together with all amendments and modifications thereto. Seller's sole tenant on the Property is Circle of Children School ("Tenant"). Seller acknowledges that there are some groups (Alcoholics Anonymous, a Chinese congregation and a comedy group) that use the Property without a written lease agreement ("Users"). Seller will notify these groups that at District's sole discretion that they may continue to use the Property or alternative space provided by District through District's Facilities Use program.
- 2.4 Close of Escrow.** The term "Close of Escrow" shall mean the consummation of the purchase of the Property by District and Seller and the recordation of the grant deed for the Property ("Grant Deed"), in accordance with the terms and provisions of this Agreement.

3 CONDITIONS OF PURCHASE

- 3.1 Terms.** Terms and conditions of the purchase:
- 3.1.1 Obtain Required Approvals for Property.** District shall, at its sole expense, use commercially reasonable and diligent efforts in good faith to obtain all required approvals for use of the Property for District purposes, including, but not limited to, the following approvals (collectively, the "Educational Approvals"):
- 3.1.1.1** California Department of Education (CDE) approval(s), if any, for use of the Property for school purposes;

- 3.1.1.2** California Department of Toxics Substances Control (DTSC) approval(s), if any, for use of the Property for school purposes;
- 3.1.1.3** California Environmental Quality Act ("CEQA") document(s)/requirements with respect to environmental impacts;
- 3.1.1.4** All appropriate state and local regulatory agencies, including the Office of Public School Construction, the State Allocation Board and/or Division of the State Architect (DSA), if applicable;
- 3.1.1.5** Parties understand and agree that it shall be a condition to the Close of Escrow that Educational Approvals have been obtained, and that all applicable appeal periods have run without challenge, unless specifically waived in writing by District. In the event that District is unable to attain all Educational Approvals, District may terminate this Agreement without any further obligations hereunder, and the Deposit shall be returned to District, except as specifically provided herein;
- 3.1.1.6** Seller shall cooperate with District and shall take all reasonable steps to assist District in seeking the Educational Approvals.
- 3.1.1.7** District will have 35 days from the Opening of Escrow to obtain the approvals listed above. At or prior to the end of the 35 days, District shall notify Seller and the Escrow Holder in writing of whether it will proceed or cancel escrow in accordance with Section 10.4 below.

3.1.2 CEQA Compliance. District and Seller recognize that the activities contemplated by this Agreement are subject to environmental review under CEQA, and that District, as a lead agency for the Property's future use, must comply with the requirements set forth in CEQA and in 14 California Code of Regulations sections 15000, et seq. ("CEQA Guidelines"). Notwithstanding the foregoing, pursuant to CEQA Guidelines Section 15004(b)(2)(A), Parties acknowledge that (i) approval and execution of this Agreement by Parties does not constitute District authorizing, approving, or awarding a "project" as defined by CEQA, and (ii) this Agreement is binding on Parties, subject to compliance with CEQA prior to District's future use of the Property as intended. Neither Party shall challenge or support any challenge to the other Party's use of the Property, or CEQA compliance document related thereto, now or in the future. In the event that District is unable to comply with CEQA, District may terminate this Agreement without any further obligations hereunder, and the Deposit shall be returned to District, except as specifically provided herein.

3.1.3 Conveyance of Property. On the Close of Escrow, Seller shall convey to District title to the Property in fee simple by recordation of the Grant Deed for the Property. It shall be a condition to District's obligation to close that Seller shall clear title of all title defects, liens, encumbrances, deeds of trust and mortgages, if any, except for non-delinquent real estate taxes for the current fiscal year not yet due and such exceptions to title as District shall approve as indicated herein, including the section "Issuance of a Preliminary Title Report Acceptable to District." Possession of the Property and the risk of loss with regard to the Property shall pass to District at the time of the recordation of the Grant Deed.

3.1.4 Issuance of Title Insurance. Evidence of title to the Property shall be the issuance at the Close of Escrow by Title Company of a CLTA owner's coverage policy of title insurance (or an ALTA owner's coverage policy of title insurance, at District's option) insuring fee simple title to the Property in the condition required by the section "Issuance of a Preliminary Title Report Acceptable to District" and containing such endorsements as District shall require. District shall not be obligated to provide any indemnification of the Title Company to induce it to issue the title policy to District, or to remove, insure over or affirmatively cover any otherwise unpermitted exception to title, except with the prior consent of District after full disclosure to District of the nature and substance of such exception and indemnity. Seller will provide the Title Company with a customary and reasonable owner's affidavit permitting the Title Company to provide extended coverage to District on the Property.

4 CONDITIONS TO CLOSE

4.1 Conditions to District's Obligation to Purchase Property. District's obligation to purchase the Property under this Agreement is subject to the fulfillment, and District's approval on or prior to the Closing Date, of each of the following conditions, each of which is for the benefit of District and any or all of which may be waived by District in writing at its option:

4.1.1 Delivery of Title. Delivery of title to the Property in the condition required herein, and the issuance by the Title Company of, or the irrevocable commitment by the Title Company to issue, District's Policy.

4.1.2 Issuance of a Preliminary Title Report Acceptable to District. Within five (5) days after the Opening of Escrow, issuance of a current preliminary title report with respect to the Property, accompanied by legible copies of all documents referred to in the report. Within seven (7) days after District's receipt of the preliminary title report, District shall provide notice to Seller of any objections that District has with respect to the exceptions to title listed in the preliminary title report. Seller shall have ten (10) days from the date of notice to cure any exceptions to which District objects, or agree to cause such exception removed or eliminated prior to or at the Closing, to the reasonable satisfaction of District, unless a longer period is mutually agreed by Parties. If District's objection to any exception to title cannot be removed or eliminated to the reasonable satisfaction of District, the Deposit shall be returned to District, and the provisions of the section "Conditions to Benefit District with Respect to Purchase of Property" shall apply. District shall not be required to object to deeds of trust, mortgages, mechanics' liens, judgments or other monetary liens encumbering the Property ("Monetary Liens"), and Seller shall remove all Monetary Liens at or prior to the Close of Escrow. In the event of a failure by Seller to remove a Monetary Lien, the provisions of the section "Termination" shall apply. Notwithstanding the foregoing, neither (i) the Title Company's standard printed exceptions; (ii) matters affecting title created by or with the consent of District; nor (iii) liens to secure taxes and assessments not yet due and payable shall give rise to any objection to title by District.

4.1.3 State and Local Regulatory Agencies' Approval. Acceptance and approval of District's purchase of the Property by any and all appropriate state and local regulatory agencies, including the Office of Public School Construction, the State Allocation Board and/or DSA, if applicable, including all Educational Approvals.

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4.1.4 Board of Education Acceptance of Purchase. Final acceptance and approval of the purchase by District's Board of Education.

4.1.5 Environmental Compliance. If the Property is not acceptable to District because of the results of any environmental assessment, the provisions of the section "Conditions to Benefit District with Respect to Purchase of Property" shall apply. District shall have no obligation to Seller under this Agreement to perform any work of remediation in connection with or resulting from information obtained through any assessments performed.

4.1.6 Satisfaction of Seller's Obligations with Respect to Conveyance of Property. Seller shall have timely performed all of the obligations required by the terms of this Agreement to be performed by Seller and all conditions to Seller's obligations set forth in the section "Conditions to District's Obligation to Purchase Property" shall have been satisfied or waived. All representations and warranties made by Seller to District in this Agreement shall be true and correct as of the Closing Date.

4.1.7 Existing Leases. Seller shall provide District with legible copies of all Existing Leases.

4.2 Limited Seller Warranties

4.2.1 Limited Warranties. District hereby affirms and acknowledges that neither Seller nor any of its officers; agents, managers, members, employees, advisors and/or attorneys (collectively the "Seller Exculpated Parties") have made nor has District relied upon any representation, warranty or promise whether oral or written, express or implied, by operation of law or otherwise, with respect to the Property or any other subject matter of this Agreement except as otherwise expressly set forth in this Agreement. Without limitation, District acknowledges that, except as specifically set forth to the contrary in this Agreement, no warranties or representations, expressed or implied, of any kind whatsoever have been made by any of Seller Exculpated Parties, or will be relied upon, and District hereby releases Seller Exculpated Parties from any claims with respect to the suitability of use of the Property for school purposes, general plan designation, zoning, value, use, tax status or physical condition of the Property, or any part thereof, or matters affecting or concerning the Property, including, without limitation, the flood elevations, drainage patterns, soil and subsoil composition and compaction level, and other conditions at the Property, or with respect to the existence or non-existence of hazardous substances (as defined in the section "Hazardous Substances") in, on, under or around the Property, or with respect to the accuracy of any title report or commitment, soils report or any other plans or reports relating to the Property or its use or development, or neighborhood or area uses or factors affecting or concerning use or development of the Property, or other matters otherwise in any way relating to the Property or the transactions contemplated hereby. District is acquiring the Property based solely on its own independent investigation and inspection of the Property and its suitability for its purposes, and in no way in reliance on any information provided by Seller or any of the other Seller Exculpated Parties other than the representations and warranties expressly contained herein.

4.3 Seller Representations and Warranties. Seller warrants and represents to District with respect to the Property, the following:

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- 4.3.1 No Pending Litigation.** It does not have knowledge of litigation pending pertaining to the Property.
- 4.3.2 Hazardous Substances.** It does not have knowledge of:
- 4.3.2.1** Any Hazardous Substances (as defined below), discharges, leaks, releases, or spills on, in or under the Property, except for the following: None.
 - 4.3.2.2** Use or storage of Hazardous Substances on the Property, except the following: None.
 - 4.3.2.3** Investigations, assessments, evaluations, sampling, testing, or monitoring of Hazardous Substances on the Property or adjacent parcels, except for the following: None.
- 4.3.3 Existing Leases.** Seller represents and warrants that Seller is not in default under the Existing Leases and, except as disclosed to District by Seller in writing, to Seller's knowledge the Tenant is not in default under the Existing Leases. During the term of this Agreement, Seller (1) shall not enter into any new leases or lease/use arrangements of any portion of the Property; (2) shall oppose any additional exceptions, fees, or other burdens on any portion of the Property.
- 4.3.4 Estoppel Certificate.** Seller shall use reasonable efforts to obtain from Tenant and Users under the Existing Leases on or before the Closing estoppel certificates in form and substance reasonably satisfactory to District that confirms that the Existing Leases shall expire on June 30, 2018 for Tenant, and upon Closing for Users. The Estoppel Certificate shall be dated within thirty (30) days prior to Closing.
- 4.3.5 Violations.** Seller has not received written notice of any violation of any statute, ordinance, regulation or administrative or judicial order or holding, whether or not appearing in public records, with respect to the Property or any improvements on the Property.
- 4.3.6 Condemnation.** There are no pending, or, to its knowledge without any duty of investigation, threatened proceedings in eminent domain or otherwise, which would affect the Property or any portion thereof.
- 4.3.7 No Notices.** It has not received written notice of any change contemplated in any applicable laws, ordinances or restrictions, or written notice of any judicial or administrative action, or written notice of any action by adjacent landowners, or written notice of natural or artificial conditions upon the Property that would prevent, impede, limit, or render more costly District's contemplated use of the Property to the extent such contemplated use is actually known to it.
- 4.3.8 Future Uses.** It will not oppose, challenge, or submit or cause to be submitted any comments, evidence, or otherwise, against District's contemplated future use of the Property or its CEQA documentation.

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4.3.9 Inaccuracies. If any representation or warranty of Seller in this section "Seller Representations and Warranties" becomes inaccurate after the Effective Date other than as a result of a prior misrepresentation by Seller, or as a result of the affirmative act of Seller, Seller shall promptly notify District of the inaccuracy. If any representation or warranty of Seller becomes inaccurate for reasons other than due to a prior misrepresentation or affirmative act of Seller, Seller shall not be in breach or default of this Agreement as a result of such inaccuracy, but shall take commercially reasonable efforts, diligently and in good faith, to correct such inaccuracy. If the inaccuracy cannot be corrected to the reasonable satisfaction of District within thirty (30) days after District learns of the inaccuracy, District may terminate this Agreement and District and Seller shall have no further obligation to each other, other than those which expressly survive termination of this Agreement.

4.3.10 Seller Authority to Execute Agreement. Seller is a non-profit organization duly formed under the laws of the State of California, and this Agreement and the execution, delivery, and performance thereof by the persons designated below have been specifically authorized by Seller. Seller has the legal right, power, and authority to enter into this Agreement, to consummate the transactions contemplated hereby, and to convey the Property to District.

4.3.11 Authority of Executing Officer. Each individual executing this Agreement on behalf of Seller is duly authorized to execute and deliver this Agreement on behalf of Seller.

4.3.12 Validity of Seller's Representations and Warranties at Close of Escrow. The representations and warranties of Seller set forth in this Agreement shall be true on and as of the close of escrow as if those representations and warranties were made on and as of such time.

4.4 District's Representations and Warranties. District hereby represents and warrants to Seller that as of the date of this Agreement and as of the Closing, this Agreement and all documents executed by District which are to be delivered to Seller at the Closing are or at the time of Closing will be duly authorized, executed, and delivered by District, and are or at the Closing will be legal, valid, and binding obligations of District, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which District is a party or to which it is subject.

4.5 Survival of Representations and Warranties. All representations and warranties contained herein shall survive the Close of Escrow or termination of this Agreement.

4.6 Hazardous Substances

4.6.1 Seller warrants with respect to the Property, that it has no knowledge that there are Hazardous Substances (as defined below) in existence on or below the surface of the Property, including without limitation, contamination of the soil, subsoil or groundwater, which constitutes a violation of any law, rule, or regulation of any governmental entity having jurisdiction thereof, or which exposes the other to liability to third parties. Seller represents to District that it has not used the Property, or any portion thereof, for the production, disposal, or storage of any hazardous substances, and it has no actual knowledge that there has been such prior use with respect to the Property, or any portion thereof; or that there has been any proceeding or inquiry by any governmental authority with respect to the presence of such hazardous substances on the Property or any portion

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thereof. Without limiting the other provisions of this Agreement, Seller agrees that it will cooperate with District's investigation of matters relating to the foregoing provisions of this paragraph, and provide access to, and copies of, any data and/or documents dealing with potentially hazardous substances used at the Property and any disposal practices followed.

4.6.2 For purposes of this Agreement, the term "Hazardous Substances" means:

4.6.2.1 Any substance, product, waste, or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to the Comprehensive Environment Response, Compensation and Liability Act (CERCLA), 42 United States Code Section 9601 et seq.; the Atomic Energy Act, 42 United States Code Section 2011 et seq.; the Hazardous Materials Transportation Act, 49 United States Code Section 5101 et seq.; the Resources Conservation and Recovery Act, 42 United States Code Section 6901 et seq.; the Clean Water Act, 33 United States Code Section 1251 et seq.; the Toxic Substances Control Act, 15 United States Code Section 2601 et seq.; the California Hazardous Waste Control Act, Health and Safety Code Section 25100 et seq.; the California Hazardous Substance Account Act, Health and Safety Code Section 25330 et seq.; the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code Section 25249.5 et seq.; California Health and Safety Code Section 25280 et seq. (Underground Storage or Hazardous Substances); the California Hazardous Waste Management Act, Health and Safety Code Section 25170 et seq.; California Health and Safety Code Section 25501 et seq. (Hazardous Materials Release Response Plans and Inventory); or the California Porter-Cologne Water Quality Control Act, Water Code Section 13000 et seq., all as amended (the above-cited California state statutes are hereinafter collectively referred to as "the State Toxic Substances Laws") or any other federal, state, or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous or toxic substance hereafter in effect;

4.6.2.2 Any substance, product, waste, or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court;

4.6.2.3 Petroleum or crude oil other than petroleum and petroleum products which are contained within regularly operated motor vehicles; and

4.6.2.4 Asbestos.

4.7 **Damage or Condemnation Prior to Closing.** Seller shall promptly notify District of any knowledge it obtains of casualty to the Property or any condemnation proceeding commenced prior to the Close of Escrow. If any such damage or proceeding relates to, or may result in, the loss of any material portion of the Property, District may, at its option, elect either to:

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4.7.1 Terminate this Agreement, and neither District nor Seller shall have any further rights or obligations hereunder; or

4.7.2 Continue Agreement in effect, in which event upon the purchase of the Property affected by condemnation, District shall be entitled to any compensation, awards, or other payments or relief resulting from such casualty or condemnation proceeding.

4.8 Conditions to Benefit District with Respect to Purchase of Property. The conditions contained in the section "Conditions to Close" are intended solely for the benefit of District with respect to the Property. If Seller is unable to deliver title to the Property as required herein, or the conditions described in the section "Conditions to District's Obligation to Purchase Property" are not satisfied or if District does not give its approval as provided in that section, District shall have the right, at its sole election, either to proceed with the purchase and the Close of Escrow in accordance with the terms hereof, or, in the alternative, to terminate this Agreement. In the event District elects to terminate this Agreement for the reasons provided herein, District shall bear its own costs, and neither Party shall have any further rights or obligations under this Agreement.

4.9 Conditions to Seller's Obligation to Sell Property. Seller's obligation to sell the Property under this Agreement is subject to the fulfillment, and Seller's approval on or prior to the Closing Date, of each of the following conditions, each of which is for the benefit of Seller and any or all of which may be waived by Seller in writing at its option: (i) Seller is able to vacate the Property and deliver possession to the Property to District on the Closing Date; (ii) there shall be no breach of District's representations and warranties set forth herein; (iii) and District shall have delivered to Escrow Holder each of the following:

4.9.1 Cash or other immediately available funds in the amount of the Purchase Price (including the Deposit) and sufficient to pay all of District's other costs associated with the Close of Escrow as provided herein;

4.9.2 One (1) Preliminary Change of Ownership Report (the "PCOR"), for the Property;

4.9.3 A closing statement prepared by Escrow Holder and approved in writing by District;

4.9.4 A fully executed assignment and assumption Agreement assigning Seller's obligations under Existing Leases and assumed by District in a form reasonably acceptable to Seller and District; and

4.9.5 Any other documents, instruments or records which are reasonably required by Escrow Holder to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

5 ESTABLISHMENT OF ESCROW

5.1 Time to Open Escrow. Seller has opened an escrow to consummate the purchase of the Property pursuant to this Agreement.

5.2 Escrow Holder. After the Opening of Escrow, District and Seller agree to execute, deliver, and be bound by any reasonable or customary supplemental escrow instructions of Escrow Holder, or other instruments as may reasonably be required by Escrow Holder, in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not

amend, or supersede any portion of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, this Agreement shall control.

6 CLOSING

6.1 Selection of Closing Date. The Close of Escrow hereunder shall be held and delivery of all items to be delivered at the Closing under the terms of this Agreement shall be performed at the offices of the Title Company on or before the earlier of fifteen (15) calendar days from the Notice to Proceed (defined below), Fifty-Five (55) calendar days from the Opening of Escrow, or such earlier or later date as District and Seller may mutually agree upon in writing (the "Closing Date"). Any Party requiring the Closing Date be extended shall provide the other Party at least two (2) weeks prior written notice of the need for an extended Closing Date.

6.1.1 In the event any of the conditions to Close of Escrow set forth in the section "Conditions to Close" have not been fulfilled by the Closing Date, the Close of Escrow may be extended one time for up to an additional thirty (30) days ("Extended Closing Date") by either District or Seller. Party requesting or requiring the extension shall credit the other Party the sum of Fifteen Thousand Dollars (\$15,000) for the 30-day period or prorated portion thereof extended beyond the Closing Date.

6.2 Grant Deeds. At least three (3) days prior to Close of Escrow, Seller shall deposit an executed Grant Deed into escrow.

6.3 Other Documents. As required, Seller shall prepare or obtain the following documents:

6.3.1 Two (2) originals of a Natural Hazard Disclosure Statement, for the Property;

6.3.2 One (1) Seller's Affidavit of Non-foreign Status (the "FIRPTA Affidavit"), for the Property;

6.3.3 One (1) Real Estate Withholding Certificate (the "Form 593-C"), for the Property;

6.3.4 One (1) Estoppel Certificate; and

6.3.5 Such other documents as are reasonably necessary for issuance of the required Title Policy.

6.4 Encumbrances. Seller shall pay in full any liens, claims, or mortgages encumbering the Property, if applicable.

6.5 Costs and Expenses. Except as otherwise specified in this Agreement, Seller and District shall pay the costs and expenses incurred pursuant to this Agreement as follows:

6.5.1 Seller shall pay one hundred percent (100%) of the Los Angeles County Transfer Taxes, fifty percent (50%) of the Escrow Holder's fees, and the costs of a CLTA Title Policy;

6.5.2 District shall pay fifty percent (50%) of the Escrow Holder's fees and other customary charges for document drafting, recording, and miscellaneous charges, and the additional cost of an ALTA Title Policy;

- 6.5.3** Any costs incurred through the Escrow relating to the Property that are not specifically allocated to Seller or District under this Agreement shall be apportioned in the manner customary in Los Angeles County.
- 6.6 District's Fees and Costs.** District shall be responsible for paying its own fees and costs associated with the purchase, including:
- 6.6.1** Any endorsements to the Title Policy requested by District;
- 6.6.2** Its legal costs and consultants' fees associated with consummating the purchase.
- 6.7 Seller's Fees and Costs.** Seller shall be responsible for paying Seller's fees and costs associated with the purchase, including, but not limited to:
- 6.7.1** Its legal costs, broker's fees and consultants' fees associated with consummating the purchase.
- 6.8 Failure to Close.** If, as a result of no fault of Seller or District, escrow fails to close, District and Seller shall split equally the Escrow Holder's Cancellation fees and charges. In the event escrow fails to close through the fault of Seller, Seller shall pay any and all cancellation costs incurred as well as other expenses in connection therewith and District shall bear no expense with respect to the same. In the event escrow fails to close through the fault of District, District shall pay any and all cancellation costs incurred as well as other costs and expenses in connection therewith and Seller shall bear no expense with respect to the same.
- 6.9 Delivery of Property.** Seller shall maintain the Property until the Close of Escrow as it would in the ordinary course and shall perform all repairs and maintenance to be performed from the Effective Date to the Closing Date in order to maintain the Property in the condition in which it is as of the Effective Date, except for reasonable wear and tear. On Close of Escrow, Seller shall deliver the Property to District in substantially the same condition except for reasonable wear and tear, as on the Effective Date. From and after the end of the Feasibility Review Period (defined below) until the Close of Escrow, Seller shall provide written notice to District of all damage to the Property beyond normal wear and tear, and all repairs or maintenance to the Property not considered "routine" (collectively "Repairs"). Such notice shall detail the nature of the Repairs, the work necessary to repair the damage and the timeframe for completing the repair work.
- 7 MUTUAL INDEMNIFICATION.** District and Seller shall indemnify the other Party and hold it harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties, damages and losses, including, without limitation, reasonable attorneys' fees, resulting from any breach of warranty or breach of covenant made, or in any document, certificate, or exhibit given or delivered to the other pursuant to or in connection with this Agreement. The indemnification provisions of this section "Mutual Indemnification" shall survive the delivery of the Grant Deed and transfer of title or, if title is not transferred pursuant to this Agreement, any termination of this Agreement.
- 8 TERMINATION.** This Agreement may be terminated by either District or Seller without further liability in the event of a breach by the other Party of any term, condition, or covenant contained herein. If any Party desires to terminate this Agreement, such termination shall only be effective if the terminating Party gives notice thereof to the other Party within seven (7) days of the date the terminating Party becomes aware of the facts or events giving rise to such termination right.

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- 9 SPECIFIC PERFORMANCE.** Neither District nor Seller waives the right of specific performance to the extent permitted by law. District and Seller expressly recognize that specific performance shall be available to enforce performance of this Agreement.

10 RIGHT TO ENTER PROPERTY

- 10.1** The "Feasibility Review Period" shall be thirty-five (35) days from the Opening of Escrow, District shall have the right, at its own expense and pursuant to the provisions of this section, to select a licensed contractor and/or other qualified professional(s), to conduct inspections, tests, surveys, or other studies, including, but not limited to, environmental studies or assessments (the "Inspections") of the Property, and to conduct other due diligence and feasibility investigations regarding the ownership, use and development of the Property, as deemed necessary. In addition, District and its representatives shall have the right of access to the Property throughout the Feasibility Review Period, for the purpose, at its own sole expense, of obtaining data and making surveys, tests, inspections, and other studies deemed necessary.
- 10.2** Upon at least twenty-four (24) hours prior notice, District may enter on the Property for the purposes permitted herein, subject to the following:
- 10.2.1** All such inspections shall be conducted in a manner so as not to interfere with Seller's conduct of business on the Property;
- 10.2.2** Reasonable precautions shall be exercised to avoid damage and protect persons or property;
- 10.2.3** District agrees to indemnify and hold Seller harmless from any damage caused by its activities authorized in this section including testing, inspections, entry and/or activities upon the Property by District, its agents, contractors and subcontractors. Notwithstanding the foregoing, to the extent any claims arise from or relate to a condition of the Property existing prior to District's exercise of the inspection rights granted herein or which arise from the acts of parties other than District or its agents, contractors or employees ("Buyer Parties"), District's indemnification and other obligations under this Section shall not apply to such claims. Without limiting the foregoing, District shall not be liable for any claims or diminution in value arising or resulting from: (A) District's discovery of any pre-existing condition (including, without limitation, the existence of Hazardous Substances) in, on, under or about the Property; or (B) any exacerbation of a pre-existing condition in, on, under or about the Property, except to the extent, if any, said exacerbation results from malicious, intentional, willful or negligent acts or omissions of the Buyer Parties; and
- 10.2.4** All due diligence activities shall be in accordance with applicable laws.
- 10.3** Prior to the expiration of the Feasibility Review Period, District shall have the right to deliver to Seller a disapproval notice stating that its Inspections have disclosed a defect in the Property or revealed other matters which in District's sole and absolute discretion make acquiring the Property unacceptable, which notice (the "Disapproval Notice") shall describe the defect or matter (a "Defect") in reasonable particularity. If the Disapproval Notice asserts a Defect, Seller may, at its election and at its sole cost and expense, take such action as may be necessary to correct such Defect within thirty (30) days after its receipt of the Disapproval Notice. In the event Seller elects to correct the Defect, the Close of Escrow may be extended for a time period

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sufficient to cure the Defect. The election of Seller to correct or not to correct any Defect shall be evidenced by its written notice to District delivered within ten (10) days after the receipt of the Disapproval Notice. If Seller elects not to cure the Defect, then District shall have the election of: (i) terminating this Agreement without liability on the part of District; or (ii) accepting the Property and Seller shall still remain liable for its covenants, representations, and warranties as otherwise provided in this Agreement. This election shall be made within fifteen (15) days after receipt by District of Seller's written notice electing not to cure the Defect.

10.4 At or prior to the end of the Feasibility Review Period, District shall notify Seller and the Escrow Holder in writing that District, in its sole discretion, either (i) elects to proceed with Escrow by providing Notice to Proceed, in which case the Deposit shall become non-refundable subject to Seller's performance hereunder, or (ii) elects to cancel the Escrow, in which case this Agreement shall terminate and the Escrow Holder shall return the Deposit plus any interest accrued thereon to District. If District fails to deliver the Notice to Proceed by the end of the Feasibility Review Period, then District shall be deemed to have elected to cancel the Escrow.

10.5 District shall limit its activities on the Property to those due diligence investigations described herein.

11 UNAVOIDABLE DELAYS. Whenever performance is required of District or Seller under this Agreement, that Party agrees to use all reasonable diligence to perform in good faith; provided, however, if completion of performance is delayed at any time by reason of acts of God, war, civil commotion, riots, acts of terrorism, strikes, picketing, or other labor disputes, unavailability of labor or materials, damage to work in progress by reason of fire or other casualty, governmental requirements, or causes beyond the reasonable control of a Party (other than financial inability), then the time for performance shall be extended by the time of the delay actually caused and the Close of Escrow shall be appropriately extended in order to accommodate such delay. The provisions of this Section do not operate to excuse District or Seller from the timely payment of any monies required to be paid under this Agreement.

12 GENERAL PROVISIONS

12.1 Time of Essence. Time is of the essence of each provision of this Agreement in which time is an element.

12.2 Further Documents. Both Parties will, whenever and as often as it shall be reasonably requested by the other party, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such further instruments and documents as may be necessary in order to complete the sale, conveyance and transfer provided for herein, including without limitation such escrow instructions as may be required by the Escrow Holder. Both Parties will do any and all other acts and will execute, acknowledge and deliver any and all documents as may be required in order to carry out the intent and purpose of this Agreement.

12.3 No Recordation. No document or other memorandum relating to the subject matter of this Agreement shall be recorded without the prior written consent and approval of Seller and District.

12.4 Notice. Any notice required or permitted to be given under this Agreement shall be deemed to have been given, served and received if given in writing and personally delivered or either deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, or sent by overnight delivery service, or facsimile transmission, addressed as follows:

DISTRICT

Santa Monica-Malibu Unified School District
1651 16th Street
Santa Monica, California 90404
ATTN: Superintendent
Facsimile: 310-581-6720
Telephone: 310-450-8338

SELLER

Christian Church (Disciples of Christ) Pacific
Southwest Region
2401 N. Lake Avenue
Altadena, California 91001
ATTN: Bruce Indermill
Facsimile: 626-296-0385
Telephone: 626-296-0385

With a copy to:

Sarine Abrahamian, Esq.
Orbach Huff Suarez & Henderson LLP
1901 Avenue of the Stars
Suite 575
Los Angeles, CA 90067
Facsimile: 310-788-9210
Telephone: 310-788-9200

With a copy to:

Rodney Gould, Esq.
14827 Ventura Blvd., Ste. 210
Sherman Oaks, CA 91403
Facsimile: 888-270-7649
Telephone: 818-981-1760

Any notice personally given or sent by facsimile transmission shall be effective upon receipt. Any notice sent by overnight delivery service shall be effective the business day next following delivery thereof to the overnight delivery service. Any notice given by mail shall be effective three (3) days after deposit in the United States mail.

- 12.5 Entire Agreement of District and Seller.** This Agreement and the attached exhibits constitute the entire Agreement between District and Seller and supersede all prior discussions, negotiations and Agreements, whether oral or written. This Agreement may be amended or modified only by a written instrument executed by District and Seller.
- 12.6 California Law.** This Agreement shall be governed by and the rights, duties and obligations of District and Seller shall be determined and enforced in accordance with the laws of the State of California, with the exception of definitions to be construed under the Federal laws cited in the section "Hazardous Substances."
- 12.7 Attorneys' Fees.** If either District or Seller files any action or brings any proceedings against the other arising out of this Agreement, or is made a party to any action or proceeding brought by the Title Company, then, as between District and Seller, the prevailing party shall be entitled to recover, in addition to its costs of suit and damages, reasonable attorneys' fees to be fixed by the court. The "Prevailing Party" shall be the entity that is entitled to recover its costs of suit, whether or not suit proceeds to final judgment. No sum for attorneys' fees shall be counted in calculating the amount of a judgment for purposes of determining whether the prevailing party is entitled to its costs or attorneys' fees.
- 12.8 Waiver.** No waiver of any provision of this Agreement shall be considered a waiver of any other provision or of any subsequent breach of the same or any other provision, including the time for performance of any such provision. The exercise by District or Seller of any remedy provided in this Agreement or at law shall not prevent the exercise by that entity of any other remedy provided in this Agreement or at law or in equity.

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- 12.9 Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of District and Seller hereto and their respective heirs, legal representatives, successors, and assigns.
- 12.10 Assignment.** Neither District nor Seller may assign, transfer or convey its rights or obligations under this Agreement without the prior written consent of the other Party to this Agreement, and then only if assignee assumes in writing all of the prior Party's obligations hereunder; provided, however, neither District nor Seller shall be released from its obligations hereunder by reason of such assignment.
- 12.11 Counterparts.** This Agreement and all amendments and supplements to it may be executed in counterparts, and all counterparts together shall be construed as one (1) document.
- 12.12 Captions.** The captions contained in this Agreement are for convenience only and shall not in any way affect the meaning or interpretation hereof nor serve as evidence of the interpretation hereof, or of the intention of Parties.
- 12.13 Incorporation of Prior Agreements.** This Agreement contains all of the agreements of Parties hereto with respect to the matters contained herein, and no prior agreement or understanding, written or verbal, pertaining to any such matter shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by Parties hereto or their respective successors in interest.
- 12.14 Disputes.** A dispute which cannot be resolved by Parties' representatives shall be submitted to binding arbitration pursuant to the auspices and real estate transaction rules of the American Arbitration Association. The arbitrator's fees shall be divided equally between Parties. If a dispute is unresolved after arbitration, any actions or proceedings arising under, growing out of, or in any way related to this Agreement shall be instituted and prosecuted only in courts located in the County in which the Property is located in the State of California, and each Party expressly waives its right, under part II, title IV of the California Code of Civil Procedure, to cause any such actions or proceedings to be instituted or prosecuted elsewhere.
- 12.15 Time.** All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or state or national holiday.
- 12.16 Severability.** The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions hereof unenforceable, invalid or illegal.
- 12.17 Review of Form of Agreement.** Submission of this instrument for examination or signature by District or Seller does not constitute an agreement to purchase all, or any portion of, the Property, and it is not effective as an Agreement, or otherwise, until approval, execution and delivery by District and Seller.

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- 12.18 Survival of Warranties, Covenants, and Obligations.** The warranties, covenants, and obligations of District and Seller under the provisions of this Agreement to the extent the same have not been fully performed, and excepting those covenants and obligations which have been extinguished by the expiration of a specified period of time, shall survive the Close of the Escrow through which the purchase is consummated.
- 12.19 Incorporation of Recitals and Exhibits.** The Recitals and each exhibit attached hereto are hereby incorporated herein by reference.
- 12.20 Force Majeure.** If either Party is unable, in whole or in part, to perform its obligations under this Agreement, by reason of the occurrence of fire, casualty, unavoidable accident, failure of usual source of supply, strike, labor conditions, lockouts, war, acts of God, the enactment of any Federal, State, or municipal law or ordinance, or the issuance of any executive or judicial order, whether Federal, State, or municipal, or of any other legally constituted authority, or any other cause not within the control of Party claiming relief notwithstanding the exercise of due diligence, Party shall give written notice to the other Party as soon as practicable after the occurrence. The obligations of that Party shall be suspended during the continuance of the cause stated in the notice, which Party shall remedy or remove expeditiously. In such case, the obligations, terms, and conditions of this Agreement shall be extended for the period necessary to compensate for any suspension of performance subject to the terms and conditions herein.

ACCEPTED AND AGREED on the date indicated below:

Dated: 7/28, 2017

Santa Monica-Malibu Unified School District

By: 

Name: CANEY W. UPTON

Title: CHIEF OPERATIONS OFFICER

7/25/2017
Dated: 7/26/2017, 2017

Christian Church (Disciples of Christ) Pacific Southwest Region

By: Donald E. Dewey

Name: Don Dewey

Title: Regional Minister and President

By: Karen Cornwell

Name: Karen Cornwell

Title: Moderator

Exhibit "A"
Legal Description of Property

Exhibit "B"
Grant Deed/ Certificate of Acceptance