Location: 515 E. Compton Blvd.
Assessor's Parcel No: 6166-022-900
County: Los Angeles

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made this ____ day of _____, 20___, by and between the Compton Unified School District, a California public school district located in the County of Los Angeles, California ("District"), and _____, a _____ ("Purchaser"). District and Purchaser may be individually referred to herein as "Party" or collectively referred to herein as "Parties."

RECITALS

A. District intends to sell to Purchaser, and Purchaser intends to purchase from District ("Purchase"), certain buildings, improvements and fixtures constructed or located on the real property and all easements and rights benefiting or appurtenant to the real property, which is comprised of **approximately 13,986 square feet, located at 515 E. Compton Blvd, in the city of Compton, California, Assessor's Parcel Number 6166-022-900** (collectively "Property"), as more specifically described in **Exhibit "A"**, attached hereto and hereby incorporated herein by this reference.

B. As owner of the Property, District is authorized to sell the Property to Purchaser.

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

AGREEMENT

1 PROPERTY TO BE PURCHASED.

1.1 District is the owner, in fee, of the Property. District agrees to sell and grant to Purchaser fee title to the Property described in **Exhibit "A"** and convey by a grant deed substantially in the form of **Exhibit "B"**, attached hereto and hereby incorporated herein by this reference.

1.2 Purchaser agrees to pay **_____ ($_____)** ("Purchase Price") for the Property, payable as follows:

1.2.1 District shall pay the Bid Security amount of Ten Thousand Dollars ($10,000) into the escrow opened pursuant to the section entitled "Establishment of Escrow" within two (2) business days of the Effective Date of this Agreement. The Bid Security shall be credited to the Purchase Price.

1.2.2 The remaining portion of the Purchase Price, in the amount of **_____ ($_____)**, shall be due and payable at the Close of Escrow, subject to the conditions set forth in this Agreement.

2 DEFINED TERMS.

2.1 ALTA Title Policy. The term "ALTA Title Policy" shall mean the American Land Title Association ("ALTA") 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 CLTA Title Policy. The term "CLTA Title Policy" shall mean the California Land Title Association ("CLTA") owner's coverage policy of title insurance to be issued by the Title Company upon the Close of Escrow pursuant to the terms of this Agreement.

2.3 **Close of Escrow**. The term "Close of Escrow" or "Closing" shall mean the consummation of the purchase of the Property by District and Purchaser and the recordation of the grant deed for the Property, in accordance with the terms and provisions of this Agreement.

2.4 **Due Diligence/Feasibility Period.** The time period extending nine (9) months after the Effective Date within which time the Purchaser shall proceed to conduct all its investigations of the Property and obtain all required approvals for use of the Property and within which time the Purchaser may terminate this Agreement for any or no reason without penalty, as set forth herein this Agreement. Purchaser shall have the right to extend the Due Diligence Period, at its sole discretion, for up to an additional three (3) months ("Extended Due Diligence Period") by providing written notice to District prior to the last day of the Due Diligence Period, or as otherwise mutually agreed to in writing by the Parties. In the event Purchaser terminates this Agreement during the Due Diligence Period or Extended Due Diligence Period, the Bid Security shall be fully refundable to Purchaser within five (5) business days.

2.5 **Effective Date**. The term "Effective Date" shall mean the last date on which this Agreement is executed by District or Purchaser.

3 **CONDITIONS TO CLOSE**.

3.1 **Exchange of Documents.** Within five (5) days of the Effective Date, District will deliver to Purchaser, to the extent not previously delivered by Purchaser, all documents in Purchaser's possession relating to the Property. During the Due Diligence Period or Extended Due Diligence Period, Purchaser shall have the right to review and approve all service contracts, lease agreements, plans, studies, correspondence, and reports relative to the current operation of the Property. District shall provide a copy of any and all of the following, without limitation to the extent in the actual possession of District or reasonably obtainable by District:

3.1.1 Environmental indemnification agreements applicable to the Property;

3.1.2 Reports by third-party consultants or governmental entities concerning any soil, environmental, or civil engineering assessments of the Property;

3.1.3 Documents and certifications related to ad valorem property taxes assessed on the Property;

3.1.4 Reports regarding potentially hazardous materials on, or related to, the Property; and

3.1.5 Correspondence, notices of violation, or other documentation from any environmental agency with respect to the Property.

3.2 **Conditions to Purchaser's Obligation to Purchase Property.** Purchaser's obligation to purchase the Property under this Agreement is subject to the fulfillment, and Purchaser's approval on or prior to the Closing Date or as otherwise specified herein, of each of the following conditions, each of which is for the benefit of Purchaser and any or all of which may be waived by Purchaser in writing at its option; provided, however, if any of the following conditions have not been fulfilled to Purchaser's satisfaction and approved or waived by Purchaser as provided for herein, the provisions of the section "Conditions to Benefit Purchaser with Respect to Purchase of Property" shall apply:

3.2.1 **Conveyance of Property.** On the Close of Escrow, District shall convey to Purchaser title to the Property in fee simple by recordation of the grant deed for the Property ("Grant Deed"), with the covenants implied into a grant deed under California Civil Code section 1113. It shall be a condition to Purchaser's obligation to close that District 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 Purchaser shall approve as

indicated herein, including the section "Issuance of a Preliminary Title Report Acceptable to Purchaser." Possession of the Property and the risk of loss with regard to the Property shall pass to Purchaser at the time of the recordation of the Grant Deed.

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

3.2.3 **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, the Purchaser's Policy.

3.2.4 **Issuance of a Preliminary Title Report Acceptable to Purchaser**.

3.2.4.1 Issuance by Title Company within ten (10) days of the Effective Date of a current preliminary title report with respect to the Property, accompanied by legible copies of all documents referred to in the report.

3.2.4.2 Within ten (10) days after Purchaser's receipt of the preliminary title report, Purchaser shall provide written notice to District of any objections that Purchaser has with respect to the exceptions to title listed in the preliminary title report ("Title Report Notice"). District shall have ten (10) days from the date of the Title Report Notice to cure any exceptions to which Purchaser objects, or agree to cause such exception removed or eliminated prior to or at the Closing, to the reasonable satisfaction of Purchaser, unless a longer period is mutually agreed to in writing by the Parties. If District notifies Purchaser in writing that it elects not to attempt to remove one of Purchaser's objections, or if the Purchaser's objection to any exception to title cannot be removed or eliminated to the reasonable satisfaction of Purchaser, the provisions of the section "Conditions to Benefit Purchaser with Respect to Purchase of Property" shall apply. District's failure to timely respond to any Title Report Notice from Purchaser shall be deemed an election by District to not cure any objection(s) identified therein.

3.2.4.3 Purchaser shall not be required to object to deeds of trust, mortgages, mechanics' liens, judgments or other monetary liens encumbering the Property ("Monetary Liens"), and District shall remove all Monetary Liens prior to the Close of Escrow. In the event of a failure by District to remove a Monetary Lien, the provisions of the section "Termination" shall apply.

3.2.5 **Removal of Any Tenant and Tenant's Personal Property.** Except as otherwise provided for herein this Agreement or agreed to in writing by the Parties, District shall provide any statutory or contractually required notice to vacate or notice terminating tenancy to any tenant currently in possession of the Property and shall ensure any such tenant has vacated and removed all personal property and debris from the Property prior to the Closing Date. Purchaser shall not be responsible for removing from the Property either (i) any tenant, (ii) District's or any tenant's personal

property, or (iii) any debris. Purchaser shall not be responsible for payment of any relocation costs of District or any tenant of the Property.

3.2.6 **Validity of District's Representations and Warranties at Close of Escrow**. The representations and warranties of District 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.

3.2.7 **Satisfaction of District's Obligations with Respect to Conveyance of Property**. District shall have timely performed all of the obligations required by the terms of this Agreement to be performed by District and all conditions to District's obligations set forth in the section "Conditions to District's Obligation to Sell Property" shall have been satisfied or waived.

3.3 **Damage or Condemnation Prior to Closing.** District shall promptly notify Purchaser 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, the Purchaser may, at its option, elect either to:

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

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

3.4 **Proration Prior to Closing.** All items of income and expense relating to the Property, including, without limitation, collected rent and additional rent, real estate taxes, all utilities applicable to the Property, other operating charges or expenses, and any other matters customarily adjusted at Close of Escrow, are to be adjusted and prorated, as applicable, as of midnight of the day immediately preceding the Closing Date.

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

3.6 **Conditions to District's Obligation to Sell Property.** District's obligation to sell 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:

3.6.1 **Vacate Property**. District is able to vacate the Property and deliver possession to the Property to Purchaser on the Closing Date;

3.6.2 **Validity of Purchaser's Representations and Warranties at Close of Escrow**. The representations and warranties of Purchaser 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;

3.6.3 **Satisfaction of Purchaser's Obligations**. Purchaser shall have timely performed all of the obligations required by the terms of this Agreement to be performed by Purchaser;

3.6.4 **Governing Board Acceptance of Purchase.** Final acceptance and approval of this Agreement by the District's governing Board.

3.6.5 **Delivery of Funds and Documents**. Purchaser shall have delivered to Escrow Holder each of the following:

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

3.6.5.2 One (1) Preliminary Change of Ownership Report (the "PCOR") for the Property.

3.6.5.3 A closing statement prepared by Escrow Holder and approved in writing by Purchaser.

3.6.5.4 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.

4 <u>ESTABLISHMENT OF ESCROW</u>.

4.1 **Time to Open Escrow.** Within five (5) business days of the Effective Date of this Agreement, an escrow shall be opened to consummate the purchase of the Property pursuant to this Agreement.

4.2 **Escrow Holder.** District shall open the escrow by delivering a fully executed counterpart of this Agreement to _____ Title Company, at _____, to the attention of (the "Escrow Holder"). In addition, District and Purchaser 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.

5 <u>CLOSING</u>.

5.1 **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 in the county wherein the Property is located, or other mutually-agreed upon location, on or before DATE, or such earlier or later date as the District and Purchaser may mutually agree upon in writing (the "Closing Date").

5.1.1 In the event any of the conditions to Close of Escrow set forth in the Section herein entitled "Conditions to Close" have not been fulfilled by the Closing Date, the Close of Escrow may be extended for up to an additional three (3) months by either Party.

5.1.2 If the Close of Escrow is either caused to be extended or requested to be extended by the Escrow Holder, the Close of Escrow will be extended for a mutually agreed upon time up to an additional thirty (30) days, and neither the Party shall be deemed to have requested the extension nor shall either be liable for any additional payment.

5.2 **Grant Deeds.** Prior to Close of Escrow, District shall deposit the executed Grant Deed into escrow.

5.3 **Other Documents.** As required and applicable, District shall prepare or cause to be prepared the following documents:

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

5.3.2 One (1) District's Affidavit of Nonforeign Status (the "FIRPTA Affidavit"), for the Property;

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

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

5.3.5 Such other documents as are reasonably necessary for issuance of the required CLTA or ALTA Title Policy.

5.4 **Encumbrances.** District shall pay current accrued but unpaid assessments and bonds due on the Property through the Closing Date, if applicable. District shall pay in full any liens, claims, or mortgages encumbering the Property, if applicable.

5.5 **Purchaser's Fees and Costs.** Purchaser shall be responsible for paying Purchaser's fees and costs associated with the Purchase as is customary of a buyer in Los Angeles County, including:

5.5.1 Its own fees for recording the Grant Deed on the Property;

5.5.2 The cost above the cost of the CLTA Title Policy, if Purchaser so chooses, of an ALTA Title Policy, with or without a survey, and preliminary title report on the Property;

5.5.3 All documentary transfer taxes payable in connection with the recordation of the Grant Deed on the Property;

5.5.4 Any endorsements to the title insurance policy on the Property requested by Purchaser;

5.5.5 One-half of the Escrow Holder's fees and other customary charges for document drafting, recording, and miscellaneous charges; and

5.5.6 Its legal costs and consultants' fees associated with consummating the Purchase.

5.6 **District's Fees and Costs.** District shall be responsible for paying District's fees and costs associated with the Purchase as is customary of an owner/seller in Los Angeles County, including, but not limited to:

5.6.1 The cost of a CLTA Title Policy and preliminary title report for the Property;

5.6.2 One-half of the Escrow Holder's fees and other customary charges for document drafting, recording, and miscellaneous charges; and

5.6.3 District's legal costs, broker's fees, and consultants' fees associated with consummating the Purchase.

5.7 **Failure to Close.** If, as a result of no fault of District or Purchaser, escrow fails to close, the Parties shall split equally the Escrow Holder's Cancellation fees and charges. In the event escrow fails to close through the fault of District, District shall pay any and all cancellation costs incurred as well other expenses in connection therewith and Purchaser shall bear no expense with respect to the same. In the event this escrow fails to close through the fault of Purchaser, Purchaser shall pay any and all cancellation costs incurred as well as

other costs and expenses in connection therewith and District shall bear no expense with respect to the same.

5.8 **Delivery of Property.** District shall maintain the Property until the Close of Escrow as it would in the ordinary course and shall perform all normal 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. Prior to Close of Escrow, District shall remove any personal property from the Property. On Close of Escrow, District shall deliver the Property to Purchaser in substantially the same condition except for reasonable wear and tear and the removal of District's personal property.

6 REPRESENTATIONS AND WARRANTIES.

6.1 Limited District Warranties

6.1.1 **"As-Is Sale".** EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, IT IS UNDERSTOOD AND AGREED BY PURCHASER THAT THE PROPERTY IS CONVEYED TO PURCHASER IN ITS "AS-IS" CONDITION AND "WITH ALL FAULTS," AND DISTRICT MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, REGARDING THE CONDITION OF TITLE OF THE PROPERTY, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY, THE ZONING OR OTHER LAND USE PROVISIONS OR RESTRICTIONS AFFECTING THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR USE BY PURCHASER, ANY MATTERS WHICH WOULD BE DISCLOSED BY AN INSPECTION OF THE PROPERTY, OR ANY OTHER MATTERS AFFECTING OR CONCERNING THE PROPERTY (WHETHER OR NOT OF PUBLIC RECORD).

6.1.2 **Limited Warranties**. Purchaser hereby affirms and acknowledges that neither District nor any of its officers, agents, employees, advisors and/or attorneys (collectively the "District Exculpated Parties") have made nor has Purchaser 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, Purchaser 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 the District Exculpated Parties, or will be relied upon, and Purchaser hereby releases the District Exculpated Parties from any claims with respect to the suitability of use of the Property for Purchaser 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. Purchaser is acquiring the Property based solely on its own independent investigation and inspection of the Property and its suitability for Purchaser purposes, and in no way in reliance on any information provided by District or any of the other District Exculpated Parties other than the representations and warranties expressly contained herein. This release includes claims of which Purchaser is presently unaware or which Purchaser does not presently suspect to exist which, if known by Purchaser, would materially affect Purchaser's release to District.

This Section entitled "Limited Warranties" does not release District from any obligation hereunder, the breach of this Agreement, or losses resulting from the reckless or intentional misconduct of the District.

INITIALS: District _____ Purchaser _____

6.2 District Representations and Warranties. In consideration of Purchaser entering into this Agreement and as an inducement to Purchaser to purchase the Property from District, District makes the following representations and warranties, each of which is material and is being relied upon by Purchaser (the continued truth and accuracy of which shall constitute a condition precedent to Purchaser's obligations hereunder):

6.2.1 District Authority to Execute Agreement. The execution, delivery, and performance of this Agreement by the persons designated below have been specifically authorized by District. District, through those authorized persons, has the legal right, power, and authority to enter into this Agreement, to consummate the transactions contemplated hereby, and to convey the Property to Purchaser.

6.2.2 Property Representations and Warranties. District warrants and represents to Purchaser with respect to the Property the following:

6.2.2.1 No Pending Litigation. District does not have actual knowledge of litigation pending pertaining to the Property.

6.2.2.2 Hazardous Substances. District is unaware of:

6.2.2.2.1 Any Hazardous Substances, discharges, leaks, releases, or spills on, in or under the Property, except for the following: _____.

6.2.2.2.2 Use or storage of Hazardous Substances on the Property, except the following: _____.

6.2.2.2.3 Investigations, assessments, evaluations, sampling, testing, or monitoring of Hazardous Substances on the Property or adjacent parcels, except for the following: _____.

6.2.2.3 Contracts Concerning the Property. District does not have actual knowledge of any contracts, licenses, commitments, or undertakings respecting the Property or the performance of services on the Property, or the use of the Property or any part of it by which the Purchaser would become obligated or liable to any person, except for the following: _____.

6.2.2.4 Violations. District 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.

6.2.2.5 Status of Title. District has not leased or otherwise transferred all or any portion of the Property, nor to its knowledge does any third party have any right to acquire or occupy all or any portion of the Property, including, without limitation any prior owner of the Property.

6.2.2.6 **Condemnation**. There are no pending or, to District's knowledge without any duty of investigation, threatened proceedings in eminent domain or otherwise, which would affect the Property or any portion thereof.

6.2.2.7 **No Notices.** District 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 the Purchaser's contemplated use of the Property to the extent such contemplated use is actually known to District.

6.2.2.8 **Inaccuracies.** If any representation or warranty of the District in this section "District Representations and Warranties" becomes inaccurate after the Effective Date other than as a result of a prior misrepresentation by the District or as a result of the affirmative act of the District, the District shall promptly notify the Purchaser of the inaccuracy. The District whose representation or warranty became inaccurate for reasons other than due to a prior misrepresentation or affirmative act of the District, 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 the Purchaser within ten (10) days after the Purchaser learns of the inaccuracy, the Purchaser may terminate this Agreement and the Parties shall have no further obligation to each other, other than those which expressly survive termination of this Agreement.

6.3 **Purchaser's Representations and Warranties.** In consideration of District entering into this Agreement and as an inducement to District to sell the Property to Purchaser, Purchaser makes the following representations and warranties (the continued truth and accuracy of which shall constitute a condition precedent to District's obligations hereunder):

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

6.3.2 **Purchaser Authority to Execute Agreement**. Purchaser is a _____ duly formed under the laws of the State of California and this Agreement and the execution and delivery thereof by the persons designated below have been specifically authorized by Purchaser. Purchaser has the legal right, power, and authority to enter into this Agreement, to consummate the transactions contemplated hereby, and to acquire and accept the Property from District.

6.4 **Authority of Executing Officers**. Each individual executing this Agreement on behalf of the Parties is duly authorized to execute and deliver this Agreement on behalf of their respective Party.

6.5 **Hazardous Substances.**

6.5.1 District warrants with respect to the Property, that it has no actual 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 Purchaser to liability to third parties. District represents to Purchaser 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 thereof. Without limiting the other provisions of this Agreement, District agrees that it will cooperate with the Purchaser's investigation of matters relating to the foregoing provisions of this paragraph, and provide access to, and copies of, any data and/or documents relating to potentially hazardous substances used at the Property and any disposal practices followed to the extent that such documents are in the possession of the District.

6.5.2 For purposes of this Agreement, the term "hazardous substances" means:

6.5.2.1 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 Hazardous Material Transportation Conservation and Recovery Act, 42 United States Code section 1801 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 25170.1 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;

6.5.2.2 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;

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

6.5.2.4 Asbestos.

6.5.3 The representations, warranties, and covenants contained in this section will survive the Close of Escrow.

7 BROKER COMMISSION/AGENCY.

7.1 With respect to the transaction related to this Agreement District has been represented by _____ ("District Broker"), and Purchaser has been represented by _____ ("Purchaser Broker") (collectively "Brokers"). District agrees to and will be responsible for payment of any Brokers' real estate commission, real estate finder's fee, real estate

acquisition fee, or other real estate brokerage-type compensation ("Real Estate Compensation") owed thereto. Brokers' Real Estate Compensation for the Purchase of the Property shall be no more than three percent (3%) of the Purchase Price divided between the Brokers as follows: _____.

7.2 Except for District Broker and Purchaser Broker, each Party warrants that no other broker has participated in this transaction and that neither Party has been represented by any other broker in connection with the purchase and sale of the Property. Each Party hereby agrees to indemnify, defend, and hold harmless the other from any and all loss, cost, liability, or expense (including but not limited to attorneys' fees and returned commissions) resulting from any claims for Real Estate Compensation by any broker, agent, person, or entity based upon the acts contemplated by this Agreement.

7.3 For the duration of this Agreement and so long as this Agreement is effective, neither District nor Purchaser's Broker shall negotiate or commit to sell, lease, or otherwise transfer the Property or any portion thereof to any other party.

8 **MUTUAL INDEMNIFICATION.** District and Purchaser 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 Deeds and transfer of title or, if title is not transferred pursuant to this Agreement, any termination of this Agreement.

9 **TERMINATION.** This Agreement may be terminated by either District or Purchaser without further liability in the event of a breach by the other of any term, condition, or covenant contained herein.

10 **SPECIFIC PERFORMANCE.** Neither District nor Purchaser waives the right of specific performance if permitted by law. District and Purchaser expressly recognize that specific performance shall be available to enforce performance of this Agreement.

11 **RIGHT TO ENTER PROPERTY**.

11.1 From the Effective Date until the end of the Due Diligence Period or Extended Due Diligence Period (the "Inspection Period"), the Purchaser 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, Purchaser and its representatives shall have the right of access to the Property throughout the Inspection Period, for the purpose, at its own expense, of obtaining data and making surveys, tests, inspections, and other studies deemed necessary, and in order to prepare any architectural and reconstruction plans necessary with regard to the Property as required by local and California state regulatory agencies.

11.2 Upon at least twenty-four (24) hours prior notice, Purchaser may enter on the Property for the purposes permitted herein, subject to the following:

11.2.1 All such inspections shall be conducted in a manner so as not to interfere with Purchaser's use of the Property;

11.2.2 District shall have the right to have a representative present;

11.2.3 Reasonable precautions shall be exercised to avoid damage and protect persons or property;

11.2.4 District assumes no liability for loss or damage to property or injuries to or deaths of agents, contractors, or employees of Purchaser by reason of the Purchaser's exercise of privileges given in this section;

11.2.5 Purchaser agrees to indemnify and hold harmless District from any damage caused by its activities authorized in this section. Purchaser shall indemnify District for any damage or destruction to the roads or fences, or other property, occurring by reason of the exercise of rights granted herein, or to replace or restore said property to its preexisting condition; and

11.2.6 All due diligence activities shall be in accordance with applicable laws.

11.3 At least three (3) days prior to the completion of the Due Diligence Period or Extended Due Diligence Period, Purchaser shall deliver to District a disapproval notice stating that its inspection has disclosed a defect in the Property or revealed other matters which in Purchaser's sole and absolute discretion make acquiring the Property unacceptable (the "Disapproval Notice"), which Disapproval Notice shall describe the defect or matter (a "Defect") in reasonable particularity. If the Disapproval Notice asserts a Defect, District may, at its election and at its sole cost and expense, take such action as may be necessary to correct such Defect within ten (10) days after its receipt of the Disapproval Notice. In the event the District elects to correct the Defect, the Close of Escrow may be extended for a time period sufficient to cure the Defect. The election of the District to correct or not to correct any Defect shall be evidenced by District's written notice to Purchaser delivered within ten (10) days after District's receipt of the Disapproval Notice. If Seller elects not to cure the Defect, then Purchaser shall have the election of: (i) terminating this Agreement without liability on the part of the Purchaser; or (ii) waiving the defect and accepting the property without any liability on the part of the District (except that the District shall 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 Purchaser of District's written notice electing not to cure the Defect.

11.4 Purchaser shall limit its activities on the Property to those due diligence investigations described herein and shall take reasonable efforts to minimize interruption to any tenant of the Property.

12 **UNAVOIDABLE DELAYS.** Whenever performance is required of either Party 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 the District or Purchaser from the timely payment of any monies required to be paid under this Agreement.

13 **GENERAL PROVISIONS**.

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

13.2 **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	**PURCHASER**
Compton Unified School District	_____
501 S. Santa Fe	_____
Compton, CA 90221	_____
ATTN: _____	ATTN: _____
Facsimile: _____	Facsimile: _____
Telephone: _____	Telephone: _____
With a copy to:	**With a copy to:**
David Huff, Esq.	_____
Orbach Huff Suarez & Henderson LLP	_____
1901 Avenue of the Stars, Suite 575	_____
Los Angeles, CA 90067	ATTN: _____
Facsimile: (310) 788-9200	Facsimile: _____
Telephone: (310) 788-9210	Telephone: _____

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.

13.3 **Confidentiality.** The Parties hereby acknowledge and agree that all terms and conditions of the transaction contemplated by this Agreement and the contents of any negotiations therefor shall be kept confidential to the extent permissible by applicable law, subject to disclosure thereof, without limitation, by court order or pursuant to the California Public Records Act, Government Code section 6250 et seq.

13.4 **Entire Agreement of District and Purchaser.** This Agreement and the attached exhibits constitute the entire agreement between the District and Purchaser 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 Purchaser.

13.5 **California Law.** This Agreement shall be governed by and the rights, duties, and obligations of the District and Purchaser 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."

13.6 **Attorneys' Fees.** If either the District or Purchaser files any action or brings any proceedings against the other Party 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 Purchaser, 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.

13.7 **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 the District or Purchaser 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.

13.8 **Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of the District and Purchaser hereto and their respective heirs, legal representatives, successors, and assigns.

13.9 **Assignment.** Neither the District nor Purchaser may assign, transfer or convey its rights or obligations under this Agreement without the prior written consent of the other Party to this Agreement which consent shall not be unreasonably withheld, and then only if assignee assumes in writing all of the prior Party's obligations hereunder; provided, however, neither the District nor Purchaser shall be released from its obligations hereunder by reason of such assignment.

13.10 **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.

13.11 **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 the Parties.

13.12 **Disputes.** A dispute which cannot be resolved by the Parties' representatives shall be submitted to non-binding mediation. The mediator's fees shall be divided equally between the Parties. If a dispute is unresolved after mediation, 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 of Los Angeles, 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.

13.13 **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.

13.14 **Severability.** The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions hereof unenforceable, invalid, or illegal.

13.15 **Survival of Warranties, Covenants, and Obligations.** The warranties, covenants, and obligations of District and Purchaser 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 of the Property is consummated.

13.16 **Incorporation of Recitals and Exhibits.** The Recitals and each exhibit attached hereto are hereby incorporated herein by reference.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

ACCEPTED AND AGREED on the date indicated below:

Dated: _____, 20___	Dated: _____, 20___
Compton Unified School District	**Purchaser**
By: _____	By: _____
Print Name: _____	Print Name: _____
Print Title: _____	Print Title: _____

Attachments:

Exhibit "A": **Legal Description of Property**

Exhibit "B": **Grant Deed / Certificate of Acceptance**

Exhibit "A"
Legal Description of the Property

Real property in the City of Compton, County of Los Angeles, State of California, described as follows:

THAT PORTION OF LOT 3 IN RANGE 2 OF THE TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 540, MISCELLANEOUS RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE NORTH LINE OF LEMON STREET (NOW COMPTON BOULEVARD), 50 FEET WEST ALONG SAID LINE FROM THE SOUTHEAST CORNER OF THE LAND CONVEYED TO FRANKLYN S. WHALEY, BY DEED, RECORDED IN BOOK 1238, PAGE 136 OF DEEDS, RECORDS OF SAID COUNTY, SAID CORNER BEING WESTERLY 195.45 FEET, MORE OR LESS, FROM THE WEST LINE OF WILLOW STREET, EXTENDING NORTH OF SAID LEMON STREET, AS SHOWN ON TRACT NO. 4563, RECORDED IN BOOK 49, PAGE 81 OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTH AT RIGHT ANGLES TO SAID LEMON STREET 150 FEET; THENCE EAST PARALLEL WITH THE NORTH LINE OF LEMON STREET 50 FEET; THENCE SOUTH AT RIGHT ANGLES TO SAID LAST MENTIONED LINE 150 FEET TO THE NORTH LINE OF SAID LEMON STREET; THENCE WEST ALONG SAID LAST MENTIONED LINE 50 FEET TO THE POINT OF BEGINNING. EXCEPT THEREFROM, THE SOUTH 10.5 FEET, TAKEN TO WIDEN SAID LEMON STREET AS DESCRIBED IN THE DEED TO CITY OF COMPTON, RECORDED IN BOOK 4858, PAGE 275 OF OFFICIAL RECORDS OF LOS ANGELES COUNTY. ALSO, LOT 15 IN BLOCK 12 OF TRACT 5085, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 59, PAGES 80, 81 AND 82 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 6166-022-900

Exhibit "B"
Grant Deed / Certificate of Acceptance

THE GRANT DEED / CERTIFICATE OF ACCEPTANCE SHALL BE SUBSTANTIALLY SIMILAR TO THE ATTACHED FORM

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Compton Unified School District
501 S. Santa Fe
Compton, CA 90221
ATTN: Alejandro Alvarez, Ed.D.
Deputy Superintendent/CAO

EXEMPT FROM RECORDING FEES PURSUANT TO GOV'T. CODE SECTION 27383 AND DOCUMENTARY TRANSFER TAX PURSUANT TO REVENUE AND TAXATION CODE SECTION 11922

SPACE ABOVE FOR RECORDER'S USE ONLY

GRANT DEED

APN No.: 6166-022-900; County of Los Angeles

GRANTOR: **Compton Unified School District**
A California public school district

HEREBY GRANTS TO: **PURCHASER**
A _____ ("Grantee")

that certain real property located in the City of Compton, State of California, more particularly described in the legal description attached hereto as Exhibit "A" also known as 515 E. Compton Blvd, Compton, CA 90221.

The real property conveyed by Grantor to Grantee by this Grant Deed shall be subject to: (a) all liens, encumbrances, easements, covenants, conditions and restrictions of record; (b) all matters that would be revealed or disclosed in an accurate survey of the real property; (c) all matters that would be revealed or disclosed by a physical inspection of the real property; (d) a lien not yet delinquent for taxes for real property and personal property, and any general or special assessments against the real property; and (e) zoning ordinances and regulations and any other laws, ordinances or governmental regulations restricting or regulating the use, occupancy or enjoyment of the real property.

COMPTON UNIFIED SCHOOL DISTRICT
A California public school district

By: _____
Name: _____
Title: _____
Date: _____

Exhibit "A" to Grant Deed
Legal Description of Property

Real property in the City of Compton, County of Los Angeles, State of California, described as follows:

THAT PORTION OF LOT 3 IN RANGE 2 OF THE TEMPLE AND GIBSON TRACT, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 540, MISCELLANEOUS RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE NORTH LINE OF LEMON STREET (NOW COMPTON BOULEVARD), 50 FEET WEST ALONG SAID LINE FROM THE SOUTHEAST CORNER OF THE LAND CONVEYED TO FRANKLYN S. WHALEY, BY DEED, RECORDED IN BOOK 1238, PAGE 136 OF DEEDS, RECORDS OF SAID COUNTY, SAID CORNER BEING WESTERLY 195.45 FEET, MORE OR LESS, FROM THE WEST LINE OF WILLOW STREET, EXTENDING NORTH OF SAID LEMON STREET, AS SHOWN ON TRACT NO. 4563, RECORDED IN BOOK 49, PAGE 81 OF MAPS, RECORDS OF SAID COUNTY; THENCE NORTH AT RIGHT ANGLES TO SAID LEMON STREET 150 FEET; THENCE EAST PARALLEL WITH THE NORTH LINE OF LEMON STREET 50 FEET; THENCE SOUTH AT RIGHT ANGLES TO SAID LAST MENTIONED LINE 150 FEET TO THE NORTH LINE OF SAID LEMON STREET; THENCE WEST ALONG SAID LAST MENTIONED LINE 50 FEET TO THE POINT OF BEGINNING. EXCEPT THEREFROM, THE SOUTH 10.5 FEET, TAKEN TO WIDEN SAID LEMON STREET AS DESCRIBED IN THE DEED TO CITY OF COMPTON, RECORDED IN BOOK 4858, PAGE 275 OF OFFICIAL RECORDS OF LOS ANGELES COUNTY. ALSO, LOT 15 IN BLOCK 12 OF TRACT 5085, IN THE CITY OF COMPTON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 59, PAGES 80, 81 AND 82 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 6166-022-900

CERTIFICATE OF ACKNOWLEDGMENT OF NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____ before me, _____
(here insert name and title of the officer)
personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

Commission expires _____,
20___