



RESOLUTION #24-25:11

**AUTHORIZING STAFF TO PROCEED WITH SALE OF PROPERTY (FORMER SIERRA HIGH SCHOOL) AND MAKING RELATED FINDINGS**

**WHEREAS**, pursuant to California Education Code section 17455, the governing board of a school district may sell real property belonging to the school district that is not needed by the district for school classroom buildings at the time of delivery of title or possession, provided that such sale is made in compliance with Article 4 (commencing with Section 17455) of Chapter 4 of Part 10.5 of Division 1 of Title 1 of the California Education Code; and

**WHEREAS**, the Azusa Unified School District ("District") was the owner of approximately 9 acres of real property located at 1134 Barranca Ave, City of Glendora, County of Los Angeles, State of California, referred to as Assessor's Parcel Numbers 8632-001-900 ("Parcel"); and

**WHEREAS**, in accordance with Education Code section 17388 et seq., on August 9, 2022, the District's Board of Education ("Board") appointed a Facility Advisory (7-11) Committee ("Committee") to review and make recommendations regarding the Parcel, and on August 8, 2023 the Board adopted the Committee's recommendation that the Parcel be declared "surplus"; and

**WHEREAS**, the District offered the Parcel for sale to public entities as set forth in Education Code section 17464; and

**WHEREAS**, upon receiving no offers from these public entities, the District requested a waiver from the State Board of Education, pursuant to Education Code Sections 33050 et seq., waiving certain portions of the statutory sale of surplus property process ("Waiver"); and

**WHEREAS**, the Waiver was approved on July 10, 2024, authorizing the District to proceed with a Request for Proposals process and allowing the District to select a buyer for the Parcel is in the best interests of the District; and

**WHEREAS**, staff received a number of offers for purchase of the Parcel and informed the Board about the details of the top offers submitted; and

**WHEREAS**, after evaluating the offers, the staff suggested the Board to select the offer submitted by Melia Homes, Inc. ("Buyer") whose offer was in the best interests of the District; and

**WHEREAS**, on September 10, 2024, the Board approved the offer submitted by Buyer; and

**WHEREAS**, effective January 1, 2020, Government Code section 54220 et seq. requires certain local agencies to provide a notice of availability to certain housing authorities and other designated public agencies prior to disposing of certain surplus property unless the local agency finds that the property at issue is “exempt surplus land,” as defined in Government Code section 54221(f); and

**WHEREAS**, the District determined (and the California Department of Housing and Community Development is in the process of confirming) that the Parcel constitutes “exempt surplus land” as defined by Government Code section 54221(f)(1)(l) because the land was subject to the Committee process set forth in Education Code section 17388; and

**WHEREAS**, pursuant to Education Code section 17470, the District took reasonable steps to locate and notify the prior owner from whom the District acquired the Parcel of the proposed sale; and

**WHEREAS**, the District desires to sell the Parcel to Buyer, and Buyer desires to purchase the Parcel from District pursuant to the terms of the Purchase and Sale Agreement (“PSA”), attached hereto as **Exhibit A**, presented at this meeting and considered by the Board; and

**WHEREAS**, the Board analyzed the sale of the Parcel in accordance with the requirements of the California Environmental Quality Act (“CEQA”) as set forth in the California Public Resources Code section 21000 et seq. and the State CEQA Guidelines, and the Board has found that the sale of the Parcel is exempt from CEQA and will therefore file a Notice of Exemption with the County Clerk; and

**WHEREAS**, pursuant to California Code of Regulations, Title 14, section 15061, the District has considered whether the sale of the Parcel may have a significant effect on the environment and has concluded through its own independent review and analysis that the sale of the Parcel will not have a significant impact on the environment; and

**WHEREAS**, it is in the best interests of the District to sell the Parcel.

**NOW, THEREFORE BE IT RESOLVED**, the Board of Education of the Azusa Unified School District does hereby resolve, determine, and order as follows:

1. The foregoing recitals are hereby adopted as true and correct.
2. The District superintendent, or designee thereof, is authorized and directed to execute the PSA and any amendments and accompanying documents and to take all further action necessary to effectuate the intent of this Resolution.
3. The District superintendent, staff, and consultants are directed and authorized to take all necessary steps to effectuate the sale and transfer of the Parcel in accordance with the terms and conditions of the PSA.
4. The District’s real estate legal counsel, Fagen Friedman & Fulfroost, LLP, is authorized and directed to prepare, review, and approve all appropriate documents, opinions, and instructions as necessary to carry out the terms

and provisions of the PSA and sale of the Parcel as approved by this authorizing Resolution.

5. The Parcel is exempt surplus land in accordance with Government Code sections 54220 et seq.
6. The disposition and sale of the Parcel falls within the exemption set forth in Code of Regulations, Title 14, section 15061(b)(3), because the sale involves merely the transfer of title and, thus, it can be seen with certainty that the sale will not have a significant effect on the environment.
7. The disposal and sale of the Parcel falls within the exemptions set forth in Code of Regulations, Title 14, sections 15061(b)(2) and 15312, because it is the sale of government owned property and is not barred by any of the exceptions set forth in Code of Regulations, Title 14, section 15300.2.
8. The sale of the Parcel will not result in damage to scenic resources pursuant to Public Resources Code section 21084.
9. The District's superintendent, or designee thereof, is directed to file the Notice of Exemption from CEQA, attached hereto as **Exhibit B**, with the County Clerk.

**PASSED AND ADOPTED** by the Board of Education of the Azusa Unified School District, Los Angeles County, California, on this 12th day of November, 2024, by the following vote, which constitutes at least a two-thirds majority of the Board.

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ATTEST: \_\_\_\_\_

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President of the Board of Education  
Azusa Unified School District

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Clerk of the Board of Education  
Azusa Unified School District

**EXHIBIT A**

**PURCHASE AND SALE AGREEMENT**

**AGREEMENT**

**OF**

**PURCHASE AND SALE**

**by and between**

**AZUSA UNIFIED SCHOOL DISTRICT**

**(“Seller”)**

**and**

**MELIA HOMES, INC.**

**(“Buyer”)**

## AGREEMENT OF PURCHASE AND SALE

This AGREEMENT OF PURCHASE AND SALE (“**Agreement**”) is entered into by and between the Azusa Unified School District, a school district organized and existing under the State of California (“**Seller**”), and Melia Homes, Inc., a California corporation (“**Buyer**”) as of the **Effective Date** (as defined in Article IX). Seller and Buyer may each be referred to individually as a “**Party**” or collectively as “**Parties**.”

### ARTICLE I: PURCHASE AND SALE OF PROPERTY

#### Section 1.1 Sale.

(a) Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, subject to the terms and conditions set forth below, Seller’s right, title and interest in that certain real property, formerly known as Sierra High School, consisting of approximately nine (9) acres of land located at 1134 Barranca Ave, Glendora, California, in the City of Glendora, County of Los Angeles, California, identified by Assessor Parcel Number (“**APN**”) 8632-001-900, legally described in **Exhibit A-1** and depicted in **Exhibit A-2**, each attached hereto (together with all rights, privileges, appurtenances, easements, reversions, and remainders, the “**Property**”).

(b) Buyer intends to develop the Property for residential purpose.

#### Section 1.2 Purchase Price.

(i) The purchase price of the Property is Thirty-One Million Dollars (\$31,000,000) (“**Purchase Price**”).

(b) The Purchase Price shall be paid as follows:

(i) Within three (3) business days after the Effective Date of this Agreement, a deposit in the amount of Five Hundred Fifty Thousand Dollars (\$550,000) (“**Initial Deposit**”) shall be placed in escrow with Escrow Holder (as defined herein) by Buyer.

(ii) Within three (3) business days after Seller’s receipt of the Notice of Approval (defined below), Buyer shall deposit an additional One Million Fifty Thousand Dollars (\$1,050,000) (“**Second Deposit**”) into escrow with Escrow Holder. The Initial Deposit and the Second Deposit may each be referred to as a “**Deposit**” and collectively as the “**Deposits**.”

(iii) Except in the event of a default by Seller, the Deposits and the Extension Fees shall become non-refundable immediately upon Buyer’s delivery to Seller of its Notice of Approval (as defined below). The Deposits and the Extension Fees shall be applicable to the Purchase Price at the Close of Escrow.

(iv) The balance of the Purchase Price, as adjusted based on subsections (a) and (b) above, shall be deposited into escrow by Buyer and released to Seller on the date that the grant deed to the Property is recorded pursuant to this Agreement (the “**Closing**” or “**Close of Escrow**”).

(v) In the event that Buyer timely delivers its Notice of Approval and deposits the Second Deposit with Escrow Holder, Seller may elect to cause the Initial Deposit, the Second Deposit and the Extension Fees to be released from Escrow Holder to Seller by delivering written notice to Buyer and Escrow Holder and concurrently delivering to Escrow Holder an original memorandum of purchase agreement, in the form attached hereto as **Exhibit C**, duly executed and acknowledged and in recordable form (the “**Memorandum**”), together with an original termination of memorandum of purchase agreement, in the form attached hereto as **Exhibit D**, duly executed and acknowledged and in recordable form (the “**Termination of Memorandum**”). Escrow Holder is authorized and instructed to cause the Memorandum to be recorded in the Official Records of the County. Upon confirmation of recordation of the Memorandum, Escrow Holder shall release to Seller the Initial Deposit, the Second Deposit and the Extension Fees without further instruction. In the event this Agreement terminates for any reason other than Seller’s default, Escrow Holder is authorized and instructed to cause the Termination of Memorandum to be recorded in the Official Records of the County.

**(c) IF THE SALE OF THE PROPERTY AS CONTEMPLATED IN THIS AGREEMENT IS CONSUMMATED, THEN THE DEPOSITS SHALL BE CREDITED AGAINST THE PURCHASE PRICE. IF ESCROW FAILS TO CLOSE DUE TO THE FAILURE OF THE ENTITLEMENT CONDITION (AS DEFINED BELOW), THEN BUYER MAY TERMINATE THIS AGREEMENT, IN WHICH EVENT SELLER SHALL RETAIN THE DEPOSITS, AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER EXCEPT AS PROVIDED IN SECTIONS 6.1 AND 8.3. IF ESCROW FAILS TO CLOSE DUE TO SELLER’S DEFAULT, THEN BUYER MAY TERMINATE THIS AGREEMENT, IN WHICH EVENT THE DEPOSITS SHALL BE IMMEDIATELY RETURNED TO BUYER AND THEREAFTER NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER EXCEPT AS PROVIDED IN SECTION 6.1 AND SECTION 8.3 BELOW.**

**(d) IN THE EVENT OF A BREACH BY SELLER OF ITS OBLIGATIONS HEREUNDER, AFTER THE LAPSE OF THE APPLICABLE NOTICE AND CURE PERIOD PROVIDED FOR HEREIN, AND PROVIDED THAT BUYER IS NOT IN DEFAULT UNDER THIS AGREEMENT, THEN BUYER SHALL HAVE, AT ITS ELECTION, THE RIGHT TO (i) TERMINATE THIS AGREEMENT, IN WHICH EVENT THE DEPOSITS SHALL BE IMMEDIATELY RETURNED TO BUYER AND THEREAFTER NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER EXCEPT AS PROVIDED IN SECTION 6.1 AND SECTION 8.3 BELOW OR (ii) PURSUE ANY REMEDIES AVAILABLE AT LAW OR IN EQUITY.**

**(e) IF ESCROW FAILS TO CLOSE DUE TO BUYER’S BREACH OF THIS AGREEMENT, AFTER THE LAPSE OF THE APPLICABLE NOTICE AND CURE PERIOD PROVIDED FOR HEREIN, AND PROVIDED SELLER IS NOT IN BREACH, THEN SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES. SUCH DAMAGES WILL, HOWEVER, BE EXTREMELY DIFFICULT AND IMPRACTICAL TO**

**ASCERTAIN FOR THE FOLLOWING REASONS: (A) THE DAMAGES TO WHICH SELLER WOULD BE ENTITLED IN A COURT OF LAW WILL BE BASED IN PART ON THE DIFFERENCE BETWEEN THE ACTUAL VALUE OF THE PROPERTY AT THE TIME SET FOR THE CLOSE OF ESCROW AND THE PURCHASE PRICE FOR THE PROPERTY AS SET FORTH IN THIS AGREEMENT; (B) PROOF OF THE AMOUNT OF SUCH DAMAGES WILL BE BASED ON OPINIONS OF VALUE OF THE PROPERTY, WHICH CAN VARY IN SIGNIFICANT AMOUNTS; AND (C) IT IS IMPOSSIBLE TO PREDICT AS OF THE DATE ON WHICH THIS AGREEMENT IS MADE WHETHER THE VALUE OF THE PROPERTY WILL INCREASE OR DECREASE AS OF THE DATE SET FOR THE CLOSE OF ESCROW. BUYER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS WHICH WOULD RESULT IF SELLER FILED A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. THEREFORE, IF ESCROW FAILS TO CLOSE DUE TO BUYER'S BREACH UNDER THIS AGREEMENT, AFTER THE LAPSE OF THE APPLICABLE NOTICE AND CURE PERIOD PROVIDED FOR HEREIN THEN SELLER SHALL BE ENTITLED TO THE DEPOSITS, WHICH ARE AND SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369. IN ADDITION, IN SUCH EVENT SELLER SHALL BE ENTITLED TO RECEIVE AND RETAIN COPIES OF BUYER'S WORK PRODUCT AS PROVIDED IN SECTION 8.8 BELOW. BY INITIALING THIS PROVISION IN THE SPACES BELOW, SELLER AND BUYER SPECIFICALLY AFFIRM THEIR RESPECTIVE AGREEMENTS CONTAINED IN THIS ARTICLE AND AGREE THAT SUCH SUM IS A REASONABLE SUM CONSIDERING THE CIRCUMSTANCES AS THEY EXIST ON THE DATE OF THIS AGREEMENT. THE ABOVE LIQUIDATED DAMAGES SHALL NOT LIMIT BUYER'S OBLIGATIONS (OR SELLER'S DAMAGES FROM BUYER'S BREACH OF THE OBLIGATIONS) OF INDEMNITY, HOLD HARMLESS AND DEFENSE PROVIDED IN THIS AGREEMENT NOR LIMIT SELLER'S RIGHT TO RECOVER ATTORNEYS' FEES AND COSTS OF SUIT IF NECESSARY TO RECOVER OR RETAIN THE LIQUIDATED DAMAGES OR TO ENFORCE BUYER'S OBLIGATIONS OF INDEMNITY, HOLD HARMLESS AND DEFENSE PROVIDED IN THIS AGREEMENT.**

Buyer's Initials \_\_\_\_\_

Seller's Initials \_\_\_\_\_

**ARTICLE II: CONDITIONS**

**Section 2.1 Buyer's Conditions Precedent.**

Buyer's obligation to purchase the Property is conditioned upon the following:



(a) Seller's delivery of all information regarding the Property in Seller's possession to Buyer within ten (10) business following the Effective Date. Such items, if available, include the following: (i) a survey of the Property, reflecting among other matters, the location of all exceptions and easements; (ii) copies of all leases, contracts and other obligations affecting the Property; (iii) all environmental geological, engineering, soil and other reports, tests results and studies which have been performed with respect to the Property; (iv) all governmental permits and approvals which have been issued or applied for regarding the development, construction, operation or use of the Property.

(b) Within the Feasibility Review Period, Buyer's review and approval of the preliminary title report for the Property ("**Preliminary Report**") issued by First American Title Company 1250 Corona Pointe Court, Suite 200 Corona, CA 92879 (the "**Title Company**" or "**Escrow Holder**") together with copies of the underlying documents. Seller shall cause the Preliminary Report to be delivered to Buyer within ten (10) business days after the Effective Date. If Buyer does not exercise its right to terminate this Agreement pursuant to Section 2.2 below, then Buyer shall be deemed to have approved the exceptions to title set forth in Schedule B of the last Supplement (as defined herein), title commitment, or pro forma policy issued by Title Company prior to the expiration of the Feasibility Review Period, except that, if applicable, Seller shall pay any delinquent real property taxes and assessments, and current real property taxes and assessments shall be prorated as of the date of Closing.

(c) Within the Feasibility Review Period, Buyer's review and approval of all third-party reports and assessments (including, but not limited to, environmental, archaeological, biological, geological, and hydrological reports and assessments), surveys, maps, plans and specifications, leases and occupancy agreements, and service contracts pertaining to any of the Property that are in Seller's possession or control, which Seller covenants to deliver to Buyer or make available for viewing via an Internet website established for that purpose within ten (10) business days following the Effective Date of this Agreement.

(d) Within the Feasibility Review Period, Buyer's review and approval of the physical condition of the Property, including but not limited to inspection and testing of the geotechnical conditions affecting the Property with respect to Buyer's intended use and improvement of the Property.

(e) Within the Feasibility Review Period, Buyer's review and approval of all zoning, land use, building, environmental and other statutes, rules, or regulations applicable to the Property.

(f) Buyer's review and approval of the Supplements, if any, pursuant to the provisions of Section 2.3 below.

(g) Buyer has not terminated this Agreement pursuant to Section 2.2, 3.2 or Article V below.

(h) Subject to Section 3.2 below, Seller's representations and warranties set forth in Section 3.1 (a) and (b) below are true in all material respects as of the date of Closing.

(i) Satisfaction of the condition precedent regarding Permitted Exceptions pursuant to Section 4.1 below and Title Company is irrevocably and unconditionally prepared and committed to issue to Buyer a standard CLTA Owner's Policy of Title Insurance in favor of Buyer, showing fee title to the Property vested in Buyer and with liability coverage in an amount equal to the Purchase Price. Seller shall be responsible for the premium for a standard CLTA Title Policy. Buyer at its sole cost shall be responsible for any ALTA survey necessary to support ALTA extended coverage, and Buyer shall be responsible for the cost of an ALTA Title Policy.

(j) Escrow Holder has received all deliveries to be made by Seller at or prior to Closing.

(k) Thirty (30) calendar days after the date of final approval from the City of Glendora ("**City**"), the County of Los Angeles ("**County**") and any other applicable governmental or quasi-governmental authorities of the Entitlements (as defined herein). Final approval of the Entitlements means that (i) the Tentative Map has been prepared in compliance with the Map Act, (ii) the Tentative Map provides for the development of the Property into homes in accordance with Buyer's development plans for the Property (See Section 1.1), (iii) the City has issued its final written decision approving the Tentative Map and establishing all of the conditions of approval for the Final Map conforming to the Tentative Map, (iv) the City has issued its final written decision designating the Property in the City's General Plan and zoning the Property to permit residential use with a density of at least the number of residential lots included in the Tentative Map, any CEQA clearance or approvals necessary to development in accordance with the Tentative Map, improvement plans for all required infrastructure improvements associated with such development, arrangements and allocation of sufficient capacity for all utility services associated with development in accordance with the Tentative Map and related improvements plans, and approval of any necessary site development permit and an unrestricted grading permit (collectively, the "**Entitlements**"). This condition precedent is referred to as the **Entitlement Condition**.

As used herein, "approval" includes expiration of all applicable protest, challenge, appeal, and referendum periods without a protest, challenge, appeal, or referendum being filed (or if a protest, challenge, appeal, or referendum has been filed, then on the date that such protest, challenge, appeal, or referendum has been resolved on terms satisfactory to Buyer). Buyer's pursuit of the Entitlements and negotiations with the City of Glendora, the County of Los Angeles and other applicable governmental and quasi-governmental authorities shall be at the sole expense of Buyer. Seller shall cooperate, at no out-of-pocket cost to Seller, with Buyer in its efforts to obtain the Entitlements and shall timely execute any and all applications, consents, and other documents in form and substance reasonably acceptable to Seller for obtaining Entitlements reasonably requested by Buyer.

(l) Seller shall have performed and observed in all material respects all covenants and agreements of this Agreement to be performed and observed by Seller.

## **Section 2.2 Feasibility Review Period.**

(a) Buyer shall have until 5:00 p.m. California time on the first business day that is Sixty (60) days following the Effective Date of this Agreement (the “**Feasibility Review Period**”) to review and approve the matters described in Section 2.1(a)-(f) (subject to the provisions of Section 2.3 pertaining to Supplements delivered after the end of the Feasibility Review Period) above, including the due diligence materials, in Buyer’s sole discretion (“**Feasibility Review**”). The Feasibility Review Period shall be automatically extended by a period equal to the period of any delay by Seller in timely providing the diligence materials to Buyer pursuant to Section 2.1(a); provided, however, no such extension of the Feasibility Review Period should be more than ten (10) calendar days.

(b) If Buyer determines to proceed with the purchase of the Property, then Buyer shall, before the end of the Feasibility Review Period, notify Seller and Escrow Holder in writing of its approval of all of the matters described in Section 2.1(a)-(d) (“**Notice of Approval**”). If Buyer does not deliver a Notice of Approval to Seller or Escrow Holder prior to the end of the Feasibility Review Period, Buyer shall be deemed to have elected not to proceed with the purchase, and this Agreement will automatically terminate, whereupon the Initial Deposit shall be returned to Buyer.

(c) If Buyer determines (in its sole discretion) not to proceed with the purchase of the Property for any reason, Buyer shall, before the end of the Feasibility Review Period, notify Seller and Escrow Holder in writing that Buyer has elected to terminate this Agreement, in which event the Initial Deposit shall be immediately returned to Buyer by Escrow Holder without any further action or authorization required of Seller.

## **Section 2.3 Supplemental Report.**

In the event the Title Company issues any supplement or amendment to the Preliminary Report (“**Supplement**”) during the term of this Agreement, Buyer shall have until the later of the end of the Feasibility Review Period, and the earlier of (1) five (5) business days following delivery of the Supplement to Buyer or (2) the Closing Date, to deliver its notice to Seller objecting to any exception contained in the Supplement which was not disclosed in the Preliminary Report or any prior Supplement and Buyer deems materially adversely affects the market value of the Property or Buyer’s planned development of the Property.

(a) Seller shall have five (5) business days after receipt of notice of objection to a Supplement to give Buyer either (a) written notice that Seller elects to attempt to cause such objections to be removed from title on or before the Closing or (b) written notice that Seller elects not to attempt to cause the objections to be removed. If Seller does not give Buyer written notice as provided in the immediately preceding sentence, then Seller shall not be deemed in breach or default under this Agreement but shall be deemed to have elected under clause (b) not to attempt to cause removal of the objections. If Seller gives (or is deemed to have given) Buyer notice under clause (b), Buyer shall have five (5) business days thereafter to elect to proceed with the purchase

and sale contemplated under this Agreement or to terminate this Agreement. If Buyer fails to give Seller written notice of its election within said five (5) business days, Buyer shall be deemed to have elected to waive its objections to the Supplement and to proceed with the Closing. The Closing Date shall be extended as necessary to accommodate the foregoing procedure.

(b) If Seller gives notice under clause (a) above and notwithstanding good faith efforts is unable to remove all or any one or more of the objections to the Supplement prior to the Closing, Seller shall not be deemed in Breach under this Agreement, and if Buyer is unwilling to accept title subject to the objections, Buyer shall have the right to terminate this Agreement. In the event Buyer terminates this Agreement pursuant to this Section, the Deposits shall be immediately returned to Buyer, whereupon neither Party shall have any obligations hereunder or liabilities to one another, except to the extent set forth in Section 6.1 and Section 8.3 hereof.

(c) If Seller gives notice under clause (a), above, and does not remove all or any one or more of the objections to the Supplement prior to the Closing and Buyer elects to proceed with the Closing, then Buyer shall be deemed to have waived all such objections, and all matters so objected to and not removed as of the Closing shall be deemed approved by Buyer for all purposes. Notwithstanding the foregoing, and except as otherwise expressly provided in this Agreement, if (as permitted by this Section 2.3) Buyer objects to any exception in a Supplement which was voluntarily created or caused by Seller after the Effective Date of this Agreement, or which is a deed of trust, mortgage, judgment lien, mechanic's lien or other monetary lien created or suffered by Seller, then Seller shall be obligated to remove such exception (or to cause Title Company to issue an appropriate endorsement satisfactory to the Buyer with respect thereto) on Close of Escrow and Seller's failure to do so shall be a breach of this Agreement.

#### **Section 2.4 Seller's Conditions Precedent.**

Seller's obligation to sell the Property is conditioned upon the following:

(a) Buyer has not terminated this Agreement pursuant to any right or election of Buyer to terminate provided under this Agreement.

(b) Escrow Holder has received the Purchase Price in a manner provided for in this Agreement.

(c) All of the representations and warranties of Buyer as set forth in Section 3.3 of this Agreement are true in all material respects as of the date of Closing.

(d) Buyer has performed and observed in all material respects, all covenants and agreements of this Agreement to be performed and observed by Buyer.

(e) Seller has received all necessary waivers and approvals from the applicable government entities, including but not limited to, the California Department of Education, State Board of Education and California Department of Housing and Community Development, as applicable to the sale. Seller shall attempt to obtain such approvals prior to the expiration of the Feasibility Review Period.

## **ARTICLE III: BUYER'S EXAMINATION**

### **Section 3.1 Representations and Warranties of Seller.**

Subject to the provisions of Section 3.2 below, Seller hereby makes the following representations and warranties:

(a) This Agreement (i) has been duly authorized, executed and delivered by Seller, and (ii) does not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(b) Seller has the power and authority to enter into this Agreement and to perform its obligations under it. This Agreement is, and all other instruments, documents and agreements to be executed, and delivered by Seller in connection with this Agreement shall be, duly authorized, executed, and delivered by Seller and the valid, binding, and enforceable obligations of Seller (except as enforcement may be limited by bankruptcy, insolvency, or similar laws).

(c) To the Seller's Actual Knowledge (as defined below), there are no unrecorded leases, easements, licenses, or other agreements that grant third parties any possessory or usage rights to all or any part of the Property.

(d) Seller has not used the Property and, to Seller's Actual Knowledge without investigation, the Property has never been used as a landfill, waste disposal site (including, without limitation, construction waste), or cemetery/burial site.

Each of the representations and warranties of Seller contained in Section 3.1 (a)-(d): (a) is true as of the Effective Date; (b) shall be deemed restated as of the Closing; and (c) shall survive the Close of Escrow as provided in Section 3.22 below.

Seller's Actual Knowledge as used herein refers exclusively to matters within the current, actual (as opposed to constructive) knowledge of Arturo Ortega, Seller's Superintendent or Latasha Jamal, Seller's Assistant Superintendent, Business Services ("**Seller's Representatives**"). No duty of inquiry or investigation on the part of Seller will be required or implied in instances when Seller's knowledge is referred to and in no event shall Seller's Representatives have any personal liability for representations or warranties or covenants of Seller that involve Seller's knowledge.

### **Section 3.2 Survival of Representations and Warranties.**

The representations and warranties of Seller in Section 3.1 above and the representations and warranties of Buyer in Section 3.3 shall survive for a period of one hundred eighty (180) days after the Closing. Any claim which Buyer or Seller may have at any time against the other for a breach of any such representation or warranty, whether known or unknown, which is not asserted by written notice to Seller or Buyer within such 180-day period shall not be valid or effective, and the Party shall have no liability with respect thereto.

### **Section 3.3 Representations and Warranties of Buyer.**

Buyer represents and warrants to Seller as follows:

(a) This Agreement does not and at the time of Closing will not violate any provision of any agreement or judicial order to which Buyer is a party or to which Buyer is subject.

(b) Buyer has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Buyer's creditors, (iii) suffered the appointment of a receiver to take possession of all, or substantially all, of Buyer's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Buyer's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

(c) Buyer is duly formed, validly existing and in good standing under the laws of the State of California, and doing business in good standing in the State of California as Melia Homes, Inc. Buyer has duly authorized, executed and delivered this Agreement.

(d) The execution and delivery of this Agreement and all associated documents, and the performance by Buyer of the duties, covenants, and obligations to be performed by Buyer under this Agreement, constitute legal, valid, and binding obligations of Buyer.

(e) Buyer is an experienced and sophisticated developer of real property within the State of California.

Each of the representations and warranties of Buyer contained in this Section shall be deemed remade by Buyer as of the Closing and shall survive the Closing as provided in Section 3.2 above.

### **Section 3.4 Buyer's Independent Investigation.**

(a) Subject to the representations and warranties set forth in Section 3.1 (as qualified by Section 3.2) and representations, warranties, and covenants in the balance of this Agreement and/or any documents executed and/or delivered by Seller at Closing (collectively, the "Express Representations"), Buyer acknowledges and agrees that under the terms of this Agreement it will have, before the end of the Feasibility Review Period, a full opportunity to inspect and investigate each and every aspect of the Property, either independently or through agents of Buyer's choosing, including, without limitation:

(i) All matters relating to title, together with all governmental and other legal requirements such as taxes, assessments, zoning, use permit requirements and building codes.

(ii) The physical condition and all other physical and functional aspects of the Property. Such examination of the physical condition of the Property shall include an examination for the presence or absence of Hazardous Materials, as defined below, which shall be performed or arranged by Buyer at Buyer's sole expense; provided however, Buyer shall not conduct any "Phase II" environmental testing (or any testing equivalent to that required for a

“Phase II” environmental report or any testing involving soil borings, subsoil, soil vapor, ground water, soil load-bearing tests or other tests involving physical invasion of the surface of the Property or physical sampling) without Seller’s prior written approval and consent, which Seller shall not unreasonably withhold. For purposes of this Agreement, “Hazardous Materials” shall mean, without limitation, any substance, chemical, waste or other material which is listed, defined or otherwise identified as “hazardous” or “toxic” under any federal, state, local or administrative agency ordinance, law, ruling, regulation or decision, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 5101 et seq.; Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; Refuse Act, 33 U.S.C. §§ 407 et seq.; Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 11001 et seq.; Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq. to the extent it includes the emission of any Hazardous Material and includes any Hazardous Material for which hazard communication standards have been established; California Hazardous Substance Account Act, California Health & Safety Code §§ 25300 et seq.; California Asbestos Notification Laws, California Health & Safety Code §§ 25915 et seq.; California Hazardous Waste Control Law, California Health & Safety Code §§ 22100 et seq.; California Hazardous Materials Release Response Plans and Inventory Act, California Health & Safety Code §§ 25500 et seq.; California Clean Air Act, California Health & Safety Code §§ 39608 et seq.; California Toxic Pits Cleanup Act, California Health & Safety Code §§ 25208 et seq.; California Pipeline Safety Act, California Government Code §§ 51010 et seq.; California Toxic Air Contaminants Law, California Health & Safety Code §§ 39650 et seq.; California Porter-Cologne Water Quality Act, California Water Code §§ 13000 et seq.; California Toxic Injection Well Control Act, California Health & Safety Code §§ 25159.10 et seq.; California Underground Storage Tank Act, California Health & Safety Code §§ 25280 et seq.; California Occupational Carcinogens Control Act, California Labor Code §§ 9000 et seq.; or any regulation, order, rule or requirement adopted thereunder, as well as any formaldehyde, urea, polychlorinated biphenyls, petroleum, petroleum product or by-product, crude oil, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixture thereof, radon, asbestos, and “source,” “special nuclear” and “by-product” material as defined in the Atomic Energy Act of 1985, 42 U.S.C. §§ 3011 et seq.

(iii) Any easements and/or access rights affecting the Property.

(iv) Any other documents or agreements of significance affecting the Property that have been made available to Buyer or actually known to an officer of Buyer.

(v) All other matters of material significance affecting the Property and actually known by an officer of Buyer as of Closing.

**(b) BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS SELLING AND BUYER IS BUYING THE PROPERTY ON AN “AS IS” AND “WITH ALL FAULTS” BASIS, AND THAT SELLER DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, CONCERNING THE PROPERTY,**

**EXCEPT FOR EXPRESS REPRESENTATIONS DEFINED HEREIN. WITHOUT LIMITING THE FOREGOING, BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, FUTURE OR OTHERWISE WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION: (1) THE PRESENCE OF HAZARDOUS MATERIALS IN, ON, UNDER THE PROPERTY; (2) GEOLOGICAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, WATER TABLE, UNDERGROUND WATER RESERVOIRS, AND LIMITATIONS REGARDING THE WITHDRAWAL OF WATER; (3) WHETHER OR NOT AND THE EXTENT TO WHICH THE PROPERTY OR ANY PORTION THEREOF IS AFFECTED BY ANY STREAM (SURFACE OR UNDERGROUND), BODY OF WATER, FLOOD PRONE AREA OR FLOOD PLAIN; (4) SOIL CONDITIONS; (5) USAGES OF ADJOINING PROPERTIES; AND/OR (6) THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE.**

(c) Buyer acknowledges that it will have the opportunity during the Feasibility Review Period to complete all physical and financial examinations relating to the acquisition of the Property and, subject to the Express Representations, will acquire the same solely on the basis of such examinations and the title insurance protection afforded by the Title Policy and not on any information provided or to be provided by Seller. Buyer further acknowledges and agrees that any information provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. Seller shall not be liable for any failure to investigate the Property nor, except for the Express Representations, shall Seller be bound in any manner by any verbal or written statements, representations, appraisals, environmental assessment reports, or other information pertaining to the Property furnished by Seller, or by any real estate broker, agent, representative, employee, or other person acting on Seller's behalf. It is understood and agreed that the Property is sold by Seller and purchased by Buyer subject to the foregoing and that Seller's sole source of liability, if any, to Buyer with respect to the condition of the Property and other matters referenced above shall be Seller's Express Representations.

### **Section 3.5 Release.**

(a) Without limiting the above, effective on the Closing, Buyer, on behalf of itself and its successors and assigns, waives its right to recover from, and forever releases and discharges, Seller, Seller's board of trustees, employees, volunteers and agents, and their respective heirs, successors, personal representatives and assigns (collectively, the "Seller Related Parties"), from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or



indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with errors, omissions or other conditions affecting the Property, including, but not limited to (i) the physical condition of the Property, the environmental condition of the Property and Hazardous Materials on, under or about the Property, or (ii) any law or regulation applicable to the Property, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 6903, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 1401, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 5101, et seq.), and the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.), and any other federal, state or local law.

**(b) IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THE AMOUNT OF THE PURCHASE PRICE REFLECTS, AND THE PROPERTY IS BEING SOLD BY SELLER AND PURCHASED BY BUYER SUBJECT TO THE FOREGOING DISCLAIMERS AND ABOVE RELEASE OF CERTAIN KNOWN AND UNKNOWN CLAIMS. AS PART OF THE PROVISIONS OF THIS SECTION 3.5, BUT NOT AS A LIMITATION, BUYER HEREBY AGREES THAT THE MATTERS RELEASED HEREIN ARE NOT LIMITED TO MATTERS WHICH ARE KNOWN OR SUSPECTED, AND AS TO THE MATTERS RELEASED HEREIN BUYER HEREBY WAIVES (EFFECTIVE ON THE CLOSING) ANY AND ALL RIGHTS AND BENEFITS WHICH IT NOW HAS, OR IN THE FUTURE MAY HAVE CONFERRED UPON IT, BY VIRTUE OF THE PROVISIONS OF SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA, WHICH PROVIDES AS FOLLOWS:**

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.**

\_\_\_\_\_  
**Seller's Initials**

\_\_\_\_\_  
**Buyer's Initials**

Notwithstanding the foregoing, none of the releases and waivers of Buyer set forth in this Article III shall apply to any matter to the extent arising from or relating to: (a) any of the Express Representations; (b) Seller's performance or breach of any of its obligations expressly set forth in this Agreement and/or any document or instrument delivered by Seller at Close of Escrow; (c) the fraud, gross negligence, or willful misconduct of Seller or any of its employees, consultants, representatives, and agents; and/or (d) any third-party claims for personal injury, death, or property damage occurring prior to Close of Escrow and not caused by Buyer, its employees, agents, consultants or contractors.

**Section 3.6 Survival.** The provisions of this Article III shall survive the Closing subject to the limitations and qualifications contained in such provisions.

## **ARTICLE IV: TITLE**

### **Section 4.1 Conditions of Title.**

As a condition precedent to Buyer's obligation to close escrow, the Title Policy (as defined below) shall be subject to no exceptions other than the following permitted exceptions (collectively, "**Permitted Exceptions**"):

- (a) Non-delinquent liens for real estate taxes and assessments;
  - (b) Any exceptions disclosed by the Preliminary Report and any Supplements approved or deemed approved by Buyer pursuant to this Agreement, and any other exceptions to title which would be disclosed by an inspection and/or survey of the Property;
  - (c) All matters of record caused by or consented to or waived by Buyer;
- and
- (d) All pre-printed exceptions, qualifications and exclusions in the Title Policy jacket.

### **Section 4.2 Evidence of Title.**

Delivery of title in accordance with the foregoing shall be evidenced by the willingness of the Title Company to issue, at Closing, its 2006 Extended Coverage Owner's Policy of Title Insurance in the amount of the Purchase Price showing title to the Property vested in Buyer, subject to the Permitted Exceptions, and including such endorsements as Title Company has committed to issue prior to the expiration of the Feasibility Review Period, as evidenced by Title Company delivering pro formas (the "**Title Policy**"). Failure of Buyer to timely obtain or supply the requisite survey for the issuance of extended title insurance coverage shall not extend the Feasibility Review Period. If Seller causes a previous ALTA survey of the Property to be updated for Buyer, at Buyer's written request, Buyer shall reimburse Seller for the costs and expense of such update at the Closing. Seller shall be responsible for the cost of any endorsements or other title curative instruments it is obligated to provide under this Agreement, and Buyer shall be responsible for any other endorsements requested by Buyer and/or Buyer's lender.

## **ARTICLE V: RISK OF LOSS**

Risk of loss resulting from any condemnation or eminent domain proceeding which is commenced or has been threatened before the Closing, and risk of loss to the Property due to fire, flood or any other cause before the Closing, shall remain with Seller.

If before the Closing the Property or any portion of it is materially damaged, or if the Property or any portion of it is subjected to a bona fide threat of condemnation or becomes the subject of any proceedings, judicial, administrative or otherwise, with respect to the taking by eminent domain or condemnation, then Seller shall notify Buyer in writing. If the threat of condemnation is to a material portion of the Property, or the Property has been materially damaged, Buyer may

terminate this Agreement by written notice to Seller, within thirty (30) business days after Buyer learns of the damage or taking, in which event the Deposits shall be immediately returned to Buyer. If the Closing Date is within the 30-business day period, then the Closing shall be extended to the next business day following the end of the 30-business day period.

If no such election is made, and in any event if the damage is not material, this Agreement shall remain in full force and effect and the purchase, less any interest taken by eminent domain or condemnation, shall be effected with no further adjustment, and upon the Closing of this purchase, Seller shall assign, transfer and set over to Buyer all of the right, title and interest of Seller in and to any awards that have been or that may thereafter be made for such taking, and Seller shall assign, transfer and set over to Buyer any insurance proceeds that may thereafter be made for such damage or destruction giving Buyer a credit at Closing for any deductible under such policies.

For the purposes of this section, the phrases “material damage” and “materially damaged” mean damage that has an adverse effect on the access, timing or cost to develop, and/or marketability of the residential subdivision contemplated by Buyer and which effect reasonably exceeds eight percent (8%) of the Purchase Price to repair, which, for the avoidance of doubt, shall not include fire or water damage to existing buildings on the Property to be demolished by Buyer, or any damage to the Property caused by Buyer or Buyer’s employees, contractors, agents, or representatives, or in the case of actual or threatened condemnation, a “material” portion means the likely condemnation award would exceed eight percent (8%) of the of the Purchase Price.

## **ARTICLE VI: BROKERS EXPENSES**

### **Section 6.1 Brokers.**

The Parties represent and warrant to each other that no broker or finder was instrumental in arranging or bringing about this transaction except for DCG Strategies, 7600 Dublin Blvd., Suite 275 Dublin, CA 94568 (“**Seller’s Broker**”). At Closing, Seller shall pay a commission to Seller’s Broker, which shall be paid pursuant to a separate agreement between Seller and Seller’s Broker. If any other person claims a commission or finder’s fee from this purchase and sale transaction, then the party through whom such person makes his claim shall indemnify, defend and hold harmless the other party (the “**Indemnified Party**”) from such claim, and shall indemnify the Indemnified Party and hold the Indemnified Party harmless from any and all costs, damages, claims, liabilities or expenses (including without limitation, reasonable attorneys’ fees and disbursements) incurred by the Indemnified Party arising from or related to such claim. The provisions of this Section 6.1 shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement.

### **Section 6.2 Expenses.**

Except as otherwise provided in this Agreement, each Party shall pay its own expenses incurred in connection with this Agreement.

## ARTICLE VII: CLOSING AND ESCROW

### Section 7.1 Escrow Instructions.

Upon execution of this Agreement, the Parties shall deposit an executed counterpart of this Agreement with the Escrow Holder, and this instrument shall serve as the instructions to Escrow Holder for consummation of the purchase and sale. Seller and Buyer agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

### Section 7.2 Closing.

(a) The Closing shall be held, and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of the Escrow Holder no later than the earlier of (the “**Closing Date**”): (1) eighteen (18) months after mutual execution of the Agreement or (2) thirty (30) calendar days after the date the City has Finally Approved the Entitlements. “**Finally Approved**” means, with respect to the Entitlements, that (a) the Tentative Map has been prepared in compliance with the Map Act, (b) the Tentative Map provides for the development of the Property into homes in accordance with Buyer’s development plans for the Property, (c) the City has issued its final written decision approving the Tentative Map and establishing all of the conditions of approval for the Final Map conforming to the Tentative Map, (d) the City has issued its final written decision designating the Property in the City’s General Plan and zoning the Property to permit residential use with a density of at least the number of residential lots included in the Tentative Map, and (e) all time periods for initiating a legal challenge (appeal, writ, referendum or otherwise) of the City’s approval of the Entitlements have passed without a legal challenge having been initiated, or, if a legal challenge has been initiated, it has been resolved on terms and conditions satisfactory to Buyer in its reasonable discretion.

(b) Buyer shall have the right, upon written notice to Seller, to extend the Closing Date twice, each extension for up to thirty (30) days (each thirty (30)-day period, an “**Extension Period**”) by delivering notice to the Seller not fewer than ten (10) days prior to the then-current Closing Date and by paying to Seller an “**Extension Fee**” in the amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000) for each Extension Period. Buyer shall pay the Extension Fee within three (3) business days following the first day of each Extension Period. The Extension Fees shall be non-refundable except in the event of a Seller default under this Agreement and shall be applicable to the Purchase Price.

### Section 7.3 Deposit or Delivery of Documents.

(a) On or before the Closing, Seller shall deposit into escrow the following items:

(i) Grant Deed. A duly executed and acknowledged Grant Deed (“**Deed**”) conveying the Property to Buyer subject to the Permitted Exceptions, in the form of Grant Deed attached hereto as **Exhibit B**.

(ii) Seller’s Certificate – Federal. A federal certificate of non-foreign status (“**Federal Certificate**”), duly executed by Seller, in the form normally used by the Escrow Holder.

(iii) Seller’s Certificate – State. A California Franchise Tax Board Form 593-W, duly executed by Seller (“**State Certificate**”).

(b) On or before the Closing, Buyer shall deposit into escrow the following items:

(i) Purchase Price and Closing Costs. The balance of the Purchase Price and Buyer’s share of closing costs and proration charges payable pursuant to this Agreement.

(c) Buyer and Seller shall each deposit such other instruments as are reasonably required by the Escrow Holder or otherwise required to close the escrow and consummate the purchase and sale of the Property in accordance with the terms of this Agreement.

(d) At Closing, Seller shall deliver sole and exclusive possession of the Property to Buyer.

#### **Section 7.4 Prorations; Costs and Expenses.**

(a) Seller, being a public school district organized and existing under the laws of the State of California, is exempt from payment of real property taxes. Personal property taxes, special assessments, and any owners’ association and maintenance district assessments on the Property (“**Special Taxes**”), to the extent applicable to Seller, shall be prorated on the basis that Seller is responsible for (i) Special Taxes for the fiscal year of the applicable taxing authorities occurring prior to the “**Current Tax Period**”, and (ii) that portion of Special Taxes for the Current Tax Period determined on the basis of the number of days which have elapsed from the first day of the Current Tax Period to the Closing, inclusive, whether or not the same shall be payable prior to the Closing. The phrase “Current Tax Period” refers to the fiscal year of the applicable taxing authority in which the Closing occurs. In the event that as of the Closing the actual Special Tax bills for the year or years in question are not available and the amount of Special Taxes to be prorated cannot be ascertained, then the rates and assessed valuation of the previous year, with known changes, shall be used, and when the actual amount of Special Taxes for the year or years in question are determinable, then Special Taxes will be re-prorated between the Parties to reflect the actual amount of Special Taxes, provided that a party makes written demand on the one from whom it is entitled to such adjustment within one (1) year after the Closing. Any corrected adjustment or proration shall be paid in cash to the party entitled thereto. For clarity, Seller, as a public school district, is not responsible for any real property taxes, prorated or not.

(b) Seller shall pay the costs of obtaining a CLTA Title Policy and shall pay all City and County documentary transfer taxes and one-half (½) of the following items: (i) the escrow fee; and (ii) the recording fees for the Deed. Buyer shall pay one-half (½) of the following items: (i) the escrow fee; and (iii) the recording fees for the Deed. Buyer shall be solely responsible for the cost of an ALTA Title Policy on the Property, for any endorsement to the Title Policy requested by Buyer and/or Buyer's lender and for all costs related to Buyer's financing (if any). Buyer shall also pay any costs for obtaining or updating any ALTA survey. If, as a result of no fault of Buyer or Seller, escrow fails to close, Buyer and Seller shall share equally all of Escrow Holder's and Title Company's fees and charges. All other closing costs shall be borne in accordance with the Escrow Holder's standard practice. In the event this Agreement is terminated as the result of a breach by either party, the breaching party shall pay all escrow and title cancellation fees.

(c) Seller and Buyer agree that if any of the prorations and credits in this Section 7.4 cannot be calculated accurately as of the Closing, then the same shall be calculated as soon as reasonably practical after the Closing and either party owing the other a sum of money based on such subsequent prorations or credits shall promptly pay said sum to the other party.

(d) At least five (5) business days prior to Close of Escrow, Escrow Holder shall deliver a preliminary closing statement to Buyer and Seller that sets forth the Purchase Price, prorations, and other costs and expenses payable in connection with the transaction.

(e) The provisions of this Section 7.4 shall survive the Closing.

## **ARTICLE VIII: MISCELLANEOUS**

### **Section 8.1 Notices.**

Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by electronic mail with confirmation of receipt, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

To Buyer: Melia Homes, Inc.  
Address: 9860 Irvine Center Drive  
Irvine, CA 92618  
Attn: BJ Delzer  
Telephone: 949.759.4367  
Email: [bj@melia-homes.com](mailto:bj@melia-homes.com)

With copy to: Browning Law Group, APC  
Address: 18881 Von Karman Ave. Ste 370  
Irvine, CA 92612  
Attn: John R. Browning

Telephone: 949.234.6266  
Email: [john@browninglawgroup.com](mailto:john@browninglawgroup.com)

To Seller: Azusa Unified School District  
Address: 546 S. Citrus Avenue  
Azusa, California 91702  
Attn: Arturo Ortega, Superintendent  
Telephone: 626.858.6152  
Email: [aortega@azusa.org](mailto:aortega@azusa.org)

With copy to: Fagen Friedman & Fulfrost LLP  
Address: 1525 Faraday Avenue, Suite 300  
Carlsbad, California 92009  
Attn: Sarah Polito, Esq.  
Telephone: 760.422.9916  
Email: [spolito@f3law.com](mailto:spolito@f3law.com)

Or to such other address as either Party may from time to time specify in writing to the other Party. Any notice shall be effective only upon delivery. Notice to a party shall not be effective unless and until each required copy of such notice specified above (or as the parties may from time to time specify by notice in accordance with this Section) is given. The inability to deliver a notice because of a changed address of which no notice was given, or any rejection or other refusal to accept any notice, shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any telephone numbers set forth above are provided for convenience only and shall not alter the manner of giving notice set forth in this Section.

### **Section 8.2 Entire Agreement.**

This Agreement, together with the Exhibits (which are incorporated herein by this reference), contains all representations, warranties and covenants made by Buyer and Seller and constitutes the entire understanding between the Parties. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement together with the Exhibits.

### **Section 8.3 Entry and Indemnity.**

In connection with any entry by Buyer, or its agents, employees or contractors onto the Property, which Buyer shall have the right to do in accordance with the terms of this Agreement, Buyer shall email Seller to provide advance written notice of any entry no less than forty-eight (48) hours prior to such entry to [aortega@azusa.org](mailto:aortega@azusa.org) and shall conduct such entry and any inspections in accordance with applicable law and the requirements of this Section. Without limiting the foregoing, prior to any entry to perform any on-site testing, Buyer shall give Seller written notice, including the identity of the company or persons who will perform such testing and the proposed scope of the testing. Seller or its representative may be present to observe any testing or other inspection performed on the Property. Upon the request of Seller, Buyer shall promptly deliver to Seller copies of any third-party reports relating to any testing or other inspection of the Property

performed by Buyer's consultants or contractors (excluding attorney/client privileged material and Buyer's bona fide confidential proprietary information). Seller shall not disclose any such reports provided by Buyer, except to the extent required by law and Buyer makes no warranty as to the accuracy, completeness or content of any such reports or documents. Following the expiration of the Feasibility Review Period and continuing until the Closing, Buyer shall, upon request from Seller not more often than monthly, provide a summary of the current status of Buyer's discussions with any governmental authority with respect to the Entitlements and Seller, at Seller's election, shall be entitled to have a representative present at the coordinated time of any prescheduled meeting with a governmental authority regarding the Property. Buyer shall maintain, and shall contractually require that its contractors maintain, liability insurance in amounts and in form and substance adequate to insure against all liability of Buyer and its agents, employees or contractors (and in any event not less than \$1 million, single-limit coverage and \$2 million aggregate coverage), arising out of any entry or inspections of the Property pursuant to the provisions hereof, and Buyer shall provide Seller with evidence of its insurance coverage upon request by Seller. Buyer shall defend, indemnify and hold Seller and the other Seller Related Parties harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, reasonable attorneys' fees) to the extent arising out of or relating to any entry on the Property under Section 8.3 of this Agreement by Buyer, its agents, employees or contractors in the course of performing the inspections, testing, or inquiries provided for in this Agreement. If this Agreement is terminated, Buyer shall at its expense repair any damage caused by Buyer's tests or any other entry onto the Property by Buyer, its agents, employees or contractors and restore the Property to its condition existing immediately prior to such testing or entry. The foregoing obligations of Buyer shall survive beyond the Closing, or, if the sale is not consummated, beyond the termination of this Agreement. Notwithstanding the foregoing, Buyer shall have no responsibility or liability (including, without limitation, to defend, indemnify, or hold harmless Seller and/or any Seller Related Parties) for any of the foregoing: any act or omission of Seller and/or any Seller Related Parties, any adverse condition or defect on or affecting the Property not caused by Buyer or its employees, agents, consultants, or contractors but discovered or impacted during their inspections including, without limitation, the pre-existing presence or discovery of any matter (such as, but not limited to, any Hazardous Materials), and/or the discovery of any facts affecting the Property or Buyer's disclosure of such facts to Seller or to any third party as required by law.

#### **Section 8.4 Time of the Essence.**

Time is of the essence in the performance of each of the Parties' respective obligations contained herein. If the Closing Date or other date on which any approval (or disapproval) or performance is due falls on a date when Escrow Holder is not open for business, such approval (or disapproval) or performance date shall be extended to the next day on which Escrow Holder is open for business.

#### **Section 8.5 Computation of Time.**

The time in which any act under this Agreement is to be done shall be computed by excluding the first day and including the last day. If the last day of any time period stated herein falls on a Saturday, Sunday, day on which nationally chartered commercial banks in the State of California are authorized or required by applicable law to close, or on days officially designated as District



holidays (“Holiday”), then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or Holiday. Unless preceded by the word “business,” the word “day” shall mean a calendar day. The phrase “business day” or “business days” shall mean any day other than Saturday, Sunday or Holiday.

#### **Section 8.6 Enforcement and Attorneys’ Fees.**

In the event a dispute arises concerning the performance, meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute (as the court shall determine) shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights, including, without limitation, arbitration and court costs and reasonable attorneys’ fees and disbursements and experts’ fees. Any such attorneys’ fees and other expenses incurred by either party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such attorneys’ fees obligation is intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment.

#### **Section 8.7 Assignment.**

Buyer’s rights and obligations under this Agreement shall not be assignable without the prior written consent of Seller, which consent may be withheld in Seller’s sole discretion. Buyer shall in no event be released from any of its obligations or liabilities hereunder in connection with any assignment. In no event shall Buyer have the right to assign its rights or obligations hereunder to any party which could not make the representations and warranties contained in Section 3.3 above, and in connection with any assignment pursuant to the terms hereof, the assignee shall reconfirm in a written instrument acceptable to Seller and delivered to Seller prior to the assignment said representations and warranties as applied to the assignee and shall assume in writing all of the Buyer’s obligations under this Agreement.

Notwithstanding the foregoing, Buyer may assign this Agreement and its rights and obligations hereunder, with five (5) days’ prior written notice to Seller, but without obtaining Seller’s prior written consent, so long as the assignment is to one of the following: (a) a corporation, partnership, limited liability company or other entity that (i) controls, is controlled by, or under common control with Buyer or Buyer’s parent company (including, without limitation, any partnership in which a general partner is, or any limited liability company whose manager, managing member, administrative member, or majority member is, Buyer or Buyer’s parent company, or is controlled by or under common control with Buyer or Buyer’s parent company), or (ii) results from the merger or consolidation with Buyer; (b) to a “landbanker” pursuant to a “landbanking” transaction in which the “landbanker” holds the Property as security or pursuant to an option agreement or purchase agreement or similar arrangement whereby Buyer or an entity described in clause (a) has the right to acquire the Property from such landbanker; or (c) a partnership, limited liability company, or other joint venture company between Buyer and (A) one or more of the legal entities described in subparagraph (a) and/or (B) an institutional or other investor or group of investors that is one of Buyer’s landbanking entities, or a partnership, limited liability company, or corporation that is wholly-owned, directly or indirectly, by such investor(s). Subject to the provisions of this Section, this Agreement shall inure to the benefit of and be binding upon the

parties hereto and their respective successors and assigns. No assignment shall relieve the assigning party from liability hereunder.

#### **Section 8.8 Work Product.**

In the event of termination of this Agreement for any reason other than Seller's breach, Buyer shall assign (as and to the extent assignable) and deliver to Seller, and does hereby assign without the need for any further act or instrument, all reports, plans, studies, documents, written information and the like which has been generated by Buyer's third party consultants in connection with Buyer's proposed acquisition, development, use or sale of the Property and all Entitlements (other than documents and information that is/are proprietary in nature, marketing studies, architectural renderings, models, elevation, and plans, and matters subject to attorney-client or similar privileges) (collectively, "Work Product"), but Buyer makes no warranty as to the accuracy, completeness or content of the Work Product and Seller acknowledges that all Work Product is provided on an "AS-IS" "WHERE-IS" basis and without any representation or warranty of any kind by Buyer, and Seller's use thereof is limited to the extent that the ownership of said materials remains with the consultant that prepared said materials. In such event, Buyer shall deliver copies of the Work Product which has been assigned to Seller and not previously delivered to Seller not later than five (5) days after the date of the termination of this Agreement. The Work Product shall be fully paid for (insofar as it then currently exists, but Buyer shall have no obligation to pay for completion of any incomplete materials) and shall not be subject to any lien, encumbrance or claim of any kind. Buyer shall also return all material and information given to it by Seller or its consultant, in the same condition as delivered to Buyer.

#### **Section 8.9 Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

#### **Section 8.10 Interpretation of Agreement.**

The article, section and other headings of this Agreement are for convenience of reference only and shall not be construed to affect the meaning of any provision contained herein. Where the context so requires, the use of the singular shall include the plural and vice versa and the use of the masculine shall include the feminine and the neuter. The term "person" shall include any individual, partnership, joint venture, corporation, trust, unincorporated association, any other entity and any government or any department or agency thereof, whether acting in an individual, fiduciary or other capacity. This Agreement shall be interpreted in accordance with its reasonable meaning, and not strictly for or against either Party.

#### **Section 8.11 Indemnification of Escrow Holder.**

If this Agreement or any matter relating hereto becomes the subject of any litigation or controversy, Buyer and Seller each agree to hold Escrow Holder free and harmless from any loss or expense, including attorneys' fees, that may be suffered by it by reason thereof except for losses or expenses as may arise from Escrow Holder's negligent or willful misconduct; provided, however, that the non-prevailing party shall be solely responsible for such obligations. If conflicting demands are

made or notices served upon Escrow Holder with respect to this Agreement, the parties expressly agree that Escrow Holder shall be entitled to file a suit in interpleader and obtain an order from the court requiring the parties to interplead and litigate their several claims and rights among themselves. Upon the filing of the action in interpleader, Escrow Holder shall be fully released and discharged from any obligations imposed upon it by this Agreement.

**Section 8.12 Amendments.**

This Agreement may be amended or modified only by a written instrument signed by Buyer and Seller.

**Section 8.13 Duplicate Counterparts.**

This Agreement, and any amendments and/or escrow instructions, shall be valid if signed in duplicate counterparts. Electronic and facsimile signatures are acceptable to effectuate the terms of this Agreement.

**Section 8.14 No Partnership.**

The relationship of the Parties is solely that of Seller and Buyer with respect to the Property and no joint venture or other partnership exists between the Parties. Neither Party has any fiduciary relationship hereunder to the other.

**Section 8.15 No Third-Party Beneficiary.**

The provisions of this Agreement are not intended to benefit any third parties.

**Section 8.16 Limitation on Liability.**

Notwithstanding anything to the contrary contained herein, after the Closing the maximum aggregate liability of Seller, and the maximum aggregate amount which may be awarded to and collected by Buyer under this Agreement (including, without limitation, for any breach of representation and warranty contained herein) shall under no circumstances whatsoever exceed 10 percent (10%) of the Purchase Price.

**Section 8.17 Survival of Article VIII.**

In addition to the survival specified in Article III and Sections 6.1 and 8.3, the provisions of this Article VIII shall survive the Closing.

**Section 8.18 Binding Effect.**

Notwithstanding any provision of this Agreement to the contrary, this Agreement shall not be binding in any way on Seller or Buyer unless and until each of Seller and Buyer have duly executed and delivered this Agreement.

**Section 8.19 Authority.**

Each person who signs and delivers this Agreement on behalf of an entity warrants and represents that he/she has been duly authorized to do so and to bind such entity.

**Section 8.20 Breach.**

Neither Party shall be deemed to be in material breach or default under this Agreement (“Breach”) except upon the expiration of ten (10) days after receipt of written notice from the other Party specifying the particulars in which such party has failed to perform its obligations (or breached any of its representations or warranties) under this Agreement and such party has failed to cure such Breach before the expiration of said ten (10) period; provided, however, that the preceding shall not apply to defaults which cannot be cured, or be construed or operate to extend the Feasibility Review Period or the time limits to review and approve/disapprove title. Notwithstanding the foregoing, the cure period for delivery of any of the Deposits by the Buyer or for delivery by Seller or Buyer, as applicable, of any deliveries to be made at Closing, shall be five (5) business days following receipt of a written notice. In the event any notice of default is delivered to Buyer or Seller, the Closing Date shall be extended to the extent necessary to accommodate the cure period set forth above.

**Section 8.21 Further Assurances.**

In addition to the actions recited herein and contemplated to be performed, executed, and/or delivered by Seller and Buyer, Seller and Buyer agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at the Closing or after the Closing any and all such further acts, instruments, deeds, and assurances as may be reasonably required to consummate the transaction contemplated hereby.

**ARTICLE IX: EFFECTIVE DATE**

This Agreement, when executed by Buyer and delivered to Seller, must be approved by the Seller’s Board of Trustees (“**Board**”) prior to its effectiveness. Once so approved, Seller shall execute the Agreement and deliver its counterpart to Escrow Holder. The “**Effective Date**” of this Agreement shall be the date when this fully executed Agreement has been acknowledged by Escrow Holder .

[Signatures on the following page]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates indicated below to be effective as of the Effective Date.

**SELLER:**

Azusa Unified School District, a school district organized and existing under the laws of the State of California

By: \_\_\_\_\_

Arturo Ortega

Its: Superintendent

Date: \_\_\_\_\_

**BUYER:**

Melia Homes, Inc.

By: \_\_\_\_\_

Bernard J. Dezler

Its: CEO

Date: \_\_\_\_\_

\_\_\_\_\_

**ESCROW HOLDER:**

The undersigned Escrow Holder hereby accepts the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions, agrees to act as Escrow Holder under such agreement in strict accordance with its terms, and agrees to comply with the applicable provisions of the Internal Revenue Code with respect to the transactions contemplated hereby.

By: First American Title Company

\_\_\_\_\_

\_\_\_\_\_

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

Date: \_\_\_\_\_

## EXHIBIT A TO THE AGREEMENT

### LEGAL DESCRIPTION OF THE PROPERTY

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

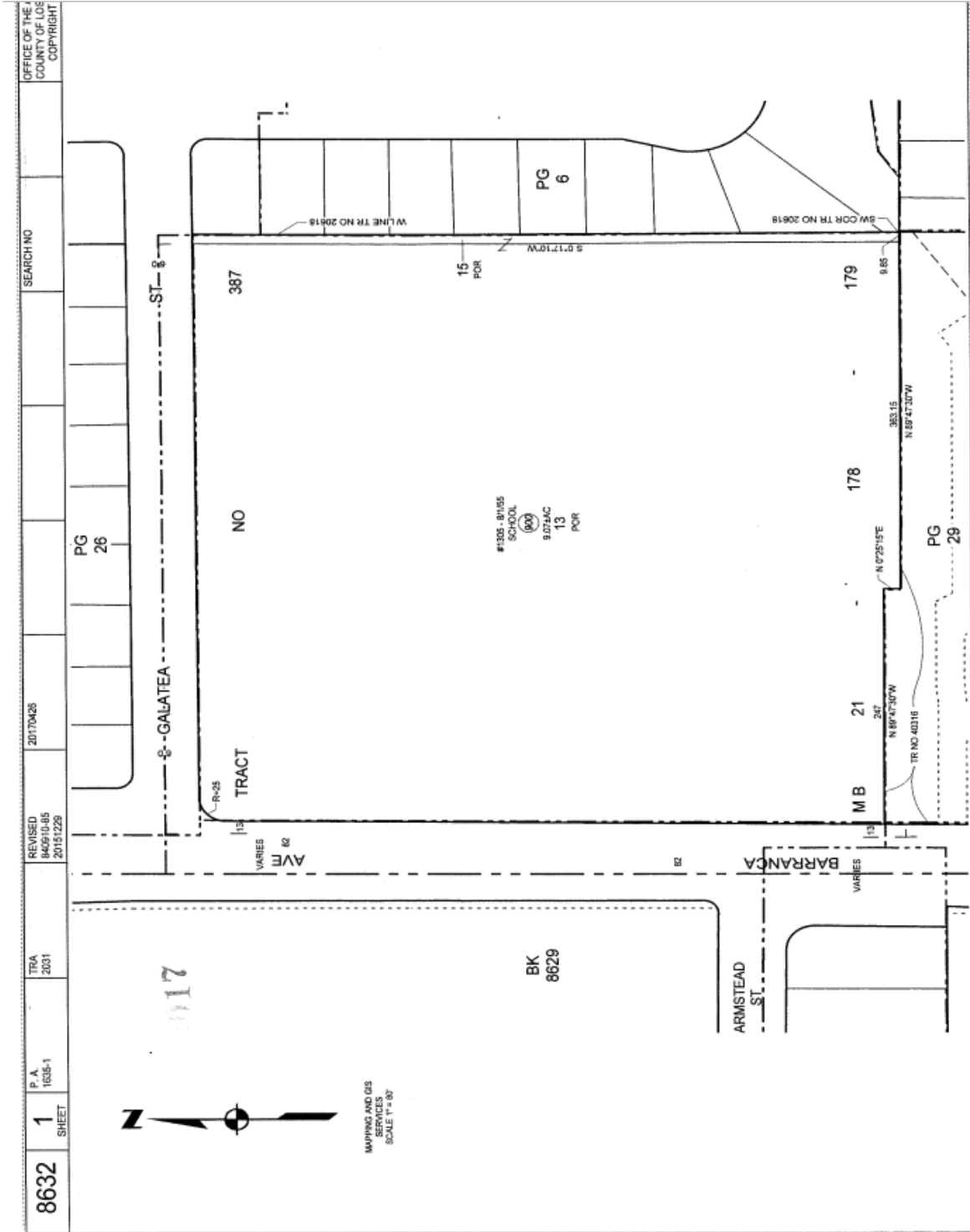
PARCEL 1: LOT 13 OF TRACT 387, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 21 PAGE 178 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPT THEREFROM THE SOUTHERLY 15 FEET OF THE WESTERLY 260 FEET OF SAID LOT 13. ALSO EXCEPT THE NORTHERLY 30.00 FEET OF SAID LOT 13. ALSO EXCEPT THAT PORTION THEREOF, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID LOT 13 DISTANT ALONG SAID WESTERLY LINE SOUTH 0° 25' 15" WEST 30.00 FEET FROM THE NORTHWEST CORNER OF SAID LOT 13; THENCE SOUTH 89° 54' 25" EAST 37.86 FEET TO BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 25.00 FEET AND A RADIAL TO SAID BEGINNING BEARING SOUTH 0° 5' 35" WEST; THENCE WESTERLY AND SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 40' 20" AN ARC DISTANCE OF 39.13 FEET; THENCE NORTH 89° 34' 45" WEST 13.00 FEET TO THE WEST LINE OF SAID LOT 13; THENCE NORTH 0° 25' 15" EAST 24.57 FEET ALONG THE WESTERLY LINE OF SAID LOT 13 TO THE POINT OF BEGINNING.

PARCEL 2: THAT PORTION OF LOT 15 OF TRACT NO. 387, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 21 PAGE 178 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF LOT 15; THENCE EASTERLY 9.85 FEET TO THE NORTHEAST CORNER OF LOT 12 OF SAID TRACT 387; THENCE NORTH 0° 12' 35" WEST 673.98 FEET; THENCE NORTH 87° 47' 30" WEST 4.84 FEET TO THE WEST LINE OF SAID LOT 15; THENCE SOUTH TO THE POINT OF BEGINNING. EXCEPT THE NORTH 30 FEET THEREOF.

**APN: 8632-001-900**

**EXHIBIT A-2 TO THE AGREEMENT**

**Depiction of Property**



8632	1	P.A.	TERA	REVISED	20170428	SEARCH NO	OFFICE OF THE
	SHEET	1626-1	2031	BA291045			COUNTY OF LOS
				20161229			COPYRIGHT

**EXHIBIT B TO THE AGREEMENT**

**FORM OF GRANT DEED**

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Mail Tax Statements To:

Same as above

\_\_\_\_\_  
(Space Above for Recorder's Use)

-----  
GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES:

DOCUMENTARY TRANSFER TAX IS \$ \_\_\_\_\_

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale.
- Unincorporated Area

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
\_\_\_\_\_, a \_\_\_\_\_ ("**Grantor**"),  
hereby GRANTS to \_\_\_\_\_, the real property located in the  
\_\_\_\_\_ more particularly described on Exhibit "A"  
attached hereto and incorporated herein by this reference, together with all rights, privileges,  
appurtenances, hereditaments, easements, reversions, and remainders pertaining thereto or used in  
connection therewith.

DATED: \_\_\_\_\_

**Grantor**

Azusa Unified School District,  
A school district organized and existing  
under the laws of the State of California

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



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 \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, 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.

Signature: \_\_\_\_\_  
(Seal)

**Exhibit A to the Grant Deed**

**LEGAL DESCRIPTION OF THE PROPERTY**

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

PARCEL 1: LOT 13 OF TRACT 387, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 21 PAGE 178 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPT THEREFROM THE SOUTHERLY 15 FEET OF THE WESTERLY 260 FEET OF SAID LOT 13. ALSO EXCEPT THE NORTHERLY 30.00 FEET OF SAID LOT 13. ALSO EXCEPT THAT PORTION THEREOF, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE WESTERLY LINE OF SAID LOT 13 DISTANT ALONG SAID WESTERLY LINE SOUTH 0° 25' 15" WEST 30.00 FEET FROM THE NORTHWEST CORNER OF SAID LOT 13; THENCE SOUTH 89° 54' 25" EAST 37.86 FEET TO BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 25.00 FEET AND A RADIAL TO SAID BEGINNING BEARING SOUTH 0° 5' 35" WEST; THENCE WESTERLY AND SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 40' 20" AN ARC DISTANCE OF 39.13 FEET; THENCE NORTH 89° 34' 45" WEST 13.00 FEET TO THE WEST LINE OF SAID LOT 13; THENCE NORTH 0° 25' 15" EAST 24.57 FEET ALONG THE WESTERLY LINE OF SAID LOT 13 TO THE POINT OF BEGINNING.

PARCEL 2: THAT PORTION OF LOT 15 OF TRACT NO. 387, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 21 PAGE 178 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF LOT 15; THENCE EASTERLY 9.85 FEET TO THE NORTHEAST CORNER OF LOT 12 OF SAID TRACT 387; THENCE NORTH 0° 12' 35" WEST 673.98 FEET; THENCE NORTH 87° 47' 30" WEST 4.84 FEET TO THE WEST LINE OF SAID LOT 15; THENCE SOUTH TO THE POINT OF BEGINNING. EXCEPT THE NORTH 30 FEET THEREOF.

**APN: 8632-001-900**

**EXHIBIT C TO THE AGREEMENT**

**FORM OF MEMORANDUM OF PURCHASE AGREEMENT**

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Melia Homes, Inc.  
9860 Irvine Center Drive  
Irvine, CA 92618  
Attention: BJ Delzer

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(Above Space For Recorder's Use Only)

**MEMORANDUM OF PURCHASE AGREEMENT**

This Memorandum of Purchase Agreement (this "**Memorandum**"), dated as of \_\_\_\_\_, 2024, is entered into by and between \_\_\_\_\_ ("**Seller**"), and MELIA HOMES, INC., a California corporation ("**Buyer**"), in connection with that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated as of \_\_\_\_\_, by and between Seller and Buyer (the "**Purchase Agreement**"), concerning that certain real property located in the City of \_\_\_\_\_, County of \_\_\_\_\_ (the "**County**"), State of California, as more particularly described on Exhibit 1 attached hereto (the "**Property**").

1. Purchase Agreement. Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, the Property on the terms and conditions set forth in the Purchase Agreement. This Memorandum is being recorded in the Official Records of the County solely to put third parties on notice of Buyer's right to purchase the Property from Seller as provided in the Purchase Agreement, and nothing contained in this Memorandum shall modify, or be interpreted to modify, the Purchase Agreement in any respect. The sole purpose of this Memorandum is to provide notice of the existence of the Purchase Agreement. In the event of any conflict between the provisions of the Purchase Agreement and the provisions of this Memorandum, the provisions of the Purchase Agreement shall prevail.

2. Termination. This Memorandum shall terminate and have no further force or effect on the earlier of (a) the recordation of a termination of memorandum of purchase agreement executed by Seller and Buyer that confirms the termination of the Purchase Agreement and this Memorandum in the Official Records of the County, (b) the Close of Escrow pursuant to the Purchase Agreement, or (c) \_\_\_\_\_, 20\_\_\_\_.

3. Counterparts. This Memorandum may be executed in one or more counterpart, all of which, when taken together, shall constitute one document.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum on the date first written above.

**EXHIBIT D TO THE AGREEMENT**

**FORM OF TERMINATION OF MEMORANDUM OF PURCHASE AGREEMENT**

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

[SELLER]

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(Above Space For Recorder's Use Only)

**TERMINATION OF MEMORANDUM OF PURCHASE AGREEMENT**

This Termination of Memorandum of Purchase Agreement ("**Termination**"), dated as of \_\_\_\_\_, \_\_\_\_\_, is entered into by and between \_\_\_\_\_ ("**Seller**"), and MELIA HOMES, INC., a California corporation ("**Buyer**"), with reference to the following facts:

**RECITALS**

A. Seller and Buyer have previously entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions (the "**Purchase Agreement**") dated as of \_\_\_\_\_, pursuant to which Seller agreed to sell to Buyer, and Buyer agreed to buy from Seller, that certain real property located in the City of \_\_\_\_\_, State of California, as more particularly described therein. Capitalized terms used and not otherwise defined in this Termination shall have the meanings set forth for them in the Purchase Agreement.

B. Pursuant to the Purchase Agreement, Buyer and Seller executed that certain Memorandum of Purchase Agreement dated as of \_\_\_\_\_, \_\_\_\_\_ (the "**Memorandum**"), which was recorded on \_\_\_\_\_, \_\_\_\_\_ as Instrument No. \_\_\_\_\_ in the Official Records of \_\_\_\_\_ County, California, and provided notice of the existence of the Purchase Agreement.

C. Seller and Buyer desire to terminate the Memorandum of Purchase Agreement as set forth below.

NOW, THEREFORE, Seller and Buyer hereby agree as follows:

1. Termination of the Memorandum. Seller and Buyer wish to terminate the Memorandum, and agree that upon recordation of this Termination, the Memorandum shall be terminated and be of no further force or effect.

2. Further Assurances. Buyer shall execute and deliver to Seller all documents, and shall take all actions, reasonably required by Seller from time to time to confirm or effect the matters set forth herein or otherwise to carry out the purpose of this Termination.

3. Attorneys' Fees. In the event of any action between the parties hereto for the enforcement or interpretation of any of the terms or conditions of this Termination, the prevailing party in such action shall be entitled to its reasonable costs and expenses, including without limitation reasonable attorneys' fees and court costs, as awarded by a court of competent jurisdiction.

4. Binding on Successors. This Termination shall be binding on and inure to the benefit of the successors in interest and assigns of the parties hereto.

5. Governing Law. This Termination shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of California.

6. Counterparts. This Termination may be executed in one or more counterparts, all of which, when taken together, shall constitute one document.

IN WITNESS WHEREOF, the parties hereto have executed this Termination of Memorandum of Purchase Agreement on the date first written above.

**EXHIBIT B**

**NOTICE OF EXEMPTION FROM CEQA**

## NOTICE OF EXEMPTION

**TO:** East District Office of Los Angeles County  
Assessor/Recorder/County Clerk  
1190 Durfee Avenue  
South El Monte, CA 91733

**FROM:** Azusa Unified School District  
546 S Citrus Avenue  
Azusa, CA 91702

**PROJECT TITLE:** Sale of land located at 1134 Barranca Ave, City of  
Glendora, County of Los Angeles, California, referred to  
as Assessor's Parcel Numbers 8632-001-900

**PROJECT LOCATION:** Assessor's Parcel Numbers 8632-001-900

### DESCRIPTION OF NATURE, PURPOSE AND BENEFICIARIES OF PROJECT:

The Project consists of the District selling surplus real property to Melia Homes, Inc., in accordance with the terms of a Purchase and Sale Agreement.

**NAME OF PUBLIC AGENCY APPROVING PROJECT:** Azusa Unified School District

**NAME OF PERSON OR AGENCY CARRYING OUT PROJECT:** Azusa Unified School District

**EXEMPT STATUS:** The District has determined that the Project is exempt from CEQA pursuant to Title 14 of Cal. Code Regs. §§ 15061(b)(2), 15061(b)(3), and 15312.

### REASON PROJECT IS EXEMPT:

The Class 12 exemption (Cal. Code Regs., tit. 14, § 15312) applies to the sale of surplus government property, except for parcels of land located in an area of statewide, regional, or areawide concern. Here, the Property is owned by the District and is thus a government Property. Further, it is surplus to the District's needs. Finally, the Property is not located in an area of statewide, regional, or areawide concern; therefore, the Class 12 exemption is applicable.

Additionally, the cumulative impact of successive projects of the same type in this same place are not significant, there is no reasonable possibility that the sale will have a significant effect on the environment due to unusual circumstances, the sale will not result in damage to scenic resources, the Property is not a hazardous waste site, and the sale will not cause a substantial adverse change in the significance of a historical resource.

Finally, the catch-all commonsense exemption (Cal. Code Regs., tit. 14, § 15061(b)(3) applies where it can be seen with certainty that a Project will not have a significant effect on the environment. Here, the proposed Property is being sold by the school district. This sale involves only the transfer of title. The transfer of title will not change the nature or intensity of the current use of the Property. Therefore, it can be said with certainty that the Project will not have a significant effect on the environment.

Thus, under Title 14 of the California Code of Regulations, sections 15061(b)(2), 15061(b)(3), and 15312, the Project is exempt.

**CONTACT PERSON:**

**Arturo Ortega, Superintendent**  
Azusa Unified School District  
546 S Citrus Avenue  
Azusa, CA 91702  
(626) 858-6152

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

The Notice of Exemption has been filed by the public agency approving the Project.

**DATE RECEIVED FOR FILING:** \_\_\_\_\_